

## Acornkids Dealer Manual



acornkids  
EARLY LEARNING





This Acornkids Dealer Manual is divided into sections, each designed to help you with specific information on a different aspect of your Acornkids business.

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# 1

## Contact Details

Should you have any questions, or need assistance in any way, please contact Acornkids during office hours 08:30 - 17:00, Monday to Friday.

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<b>Fax . . .</b>	021 510 4226 or 086 676 2690
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**Acornkids, a division of Delfini Solutions (Pty) Ltd  
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Acornkids gives you the opportunity to build your own independent business, to help others do the same, while selling a range of high-quality products that are exciting and innovative. It puts you in control, allowing you the flexibility to work when you want, time to spend with your family and friends, and the ability to earn extra income, full-time or part-time.

**Acornkids** specialises in products designed for children and babies, with the fun, imagination and energy of children in mind. Childhood is a magical time of discovery and learning. Our vision is to integrate the daily activities of children with products that magically transform everyday actions into times of learning, growth and exploration. Our products add a colour and enjoyment and interest to your child's day.

We have a wide range of products for children, including quality skin care and body care products for children and adults.



Being an Acornkids Dealer is all about personal satisfaction in life and achieving your goals and dreams. Your hours are flexible, you can choose to work either part or full time. You'll enjoy selling our innovative products, and making new friends along the way. In the process, you'll earn money, and receive free training, empowering you to run your own successful business.

It's about a journey . . . in which your departure point is a modest goal, and where you could end up in an exciting rise to success, running your own exhilarating business.





This document provides the policies, procedures, terms and conditions, as well as the business plan, and ethics requirements for being an Acornkids Dealer. Any or all of these parts may be changed at any time by Acornkids.

The Acornkids marketing plan offers you unique opportunities to achieve success and reach your goals. It enables you to earn income based on selling high-quality Acornkids products. Additional income can be earned by building a network of dealers who also sell the Acornkids products, and receiving commission on the sales of your network.

Each Acornkids Dealer is an independent businessperson, whose individual success depends on his or her own selling efforts and the selling efforts of those he or she registers.

Every Acornkids Dealer has her own website, and all customer purchases from her website are allocated to her sales volume.

### **For Acornkids Brand Products:**

Gross income from your independent business is based on a combination of two types of income:

- Point-of-Sale income** – retail markup on sales to customers
- Commission income** – commission earned on the sales of your network

### **Retail Commission on Personal Sales**

This is your Retail Commission, which is the difference between the cost at which you purchase product from Acornkids, and the price at which you sell the products to your own customers. This income is realised immediately upon each sale to a customer. For your convenience, Acornkids publishes suggested retail prices for all products.

### **Commission Income**

After building a qualifying team of dealers, additional income is earned by receiving commission on the sales of your network team - the dealers that you personally recruited, and the dealers that they recruited. The commissions paid are level-based commission, leadership incentives and long term business development incentives.

Dealer Discount on products is 26%

Up to an additional 4% discount is applied for volume sales, making a total of 30% available.

### **For Kids Bee Happy Brand Products:**

KBH Sand Art Products are sold to Dealers at a wholesale price, without further discount. You then resell them at a retail price that **you decide**. These products can be sold as retail packages but are more usually supplied as party or market activities. In these cases the Dealer runs a children's party or a market or other event. This method results in a much higher profit markup and is very popular.

Additional Commission Income from the sales of any qualifying Dealers you have recruited is also paid, as per the paragraph above.



### **Compensation Plan Overview**

A Dealer is an independent business owner who is able, through various structures and qualifications, to earn a commission from purchases made by herself and by her network.

The compensation plan is divided into four broad categories:

1. Retail Commission on personal sales (*Personal orders & frontline Customer orders*)
2. Volume Bonus
3. Level based commission
4. Leadership Bonus and incentives

### **Customer**

A customer is:

1. Any person purchasing directly from a dealer, or from a Dealer website.
2. A Dealer who is not qualified as "Active".

### **Points**

Points are assigned for each product sold. Points are assigned for volume (Volume Points), and for incentives (Incentive Points). The points are allocated on the date that the invoice is paid.

### **Personal volume (PV)**

This consists of all personal purchases and all online purchases by directly recruited customers.

### **Active Dealer**

An Active Dealer is one who has minimum personal volume of 25 volume points in a calendar month. Inactive Dealers are treated as customers. Qualification for Incentives, Commissions and Promotions are dependent on the qualifying Dealer being active.

### **Dealer Discount**

Active Dealers qualify for up to 26% discount. Each product has a discount code which identifies the products discount value. A further 4% commission is paid for volume sales.

### **Structure**

Structure is determined by measuring the number of qualified Dealers in specific predetermined positions within a given Dealers network. Customers do not contribute to structure.

### **Bonus Value (BV)**

The bonus value is set at 75% of retail. Retail discount is based on full retail price, and all other business and commissions are calculated on BV.

### **Level Based Commission**

Commission is paid to a Dealer on sales of down-line Dealers, up to 4 levels down.

### **Commission Amount**

An average of 40% of retail price is assigned to discounts and commissions, to be paid to Dealers.

### **Normalisation**

In the event that commissions in a given month calculate out at over 40%, then the system will automatically adjust all commissions to correct the average total commission to 40%.

### **Ranks**

A range of ranks exist in the organisation. A Pin Rank is the highest rank that a Dealer has achieved within the previous 365 days. A Pay Rank is the rank that the Dealer qualifies for in any given calendar month and on which she is paid.



**Building Your Acornkids Business**

A successful Acornkids Business is founded on a balance between selling products and developing others to become Acornkids Dealers, who will in turn develop a customer base of their own. Therefore, you need to build a solid base of customers, whilst at the same time sponsoring new Dealers to start their own businesses.

To help achieve this, you may find it helpful to make a list of people you know and divide them into two groups:

1. Those who could be interested in Acornkids products
2. Those who could be interested in the Acornkids Business Opportunity

Start your list with family and friends. Do not exclude anyone because you think they will not be interested. Let them make their own decision after you have made a presentation of the Acornkids Sales and Marketing Plan and shown them what you have to offer. However, you must make sure that you do not exploit your personal relationships by putting pressure on family and friends.

The following points may help you begin your lists:

1. Family and friends
2. Neighbours
3. Friends from school days
4. Acquaintances from business organisations
5. Professional acquaintances (doctor, dentist, etc.)
6. Colleagues

After your list is made, you should make personal contact with all those people you have identified.

The first group consists of your own customers, who are interested in products. You will want to keep these people fully aware and up to date on Acornkids products. Regularly demonstrate new products and encourage your customers to purchase whenever possible.

In the second group, there will be people who may wish to also become Acornkids Dealers, interested in running their own business.

Some people may appear on both lists. Add new people you meet to each list and ask for referrals from current customers. It is important to update the list all the time.

**Important**

If you are acting as a part-time Acornkids Dealer, and are employed by a company, you should not carry out any Acornkids business during your working hours. If you do so it could have a negative effect on the relationship between you and your employer, and cause a negative perception of Acornkids. You must keep the development of your Acornkids Business separate from your employment.

**Acornkids Sales and Marketing Plan**

As previously stated, the success in your Acornkids Business is based on two activities:

1. Selling Acornkids products to your customers  
*This is developing a relationship with your customers*
2. Offering the Acornkids Business Opportunity to others, who, like you, want to earn extra income by selling quality Acornkids products  
*This is building a successful sales team*

The Acornkids Sales and Marketing Plan is a proven marketing system designed to reward the efforts of those who operate their business according to its principles.

**Selling Acornkids Products**

The keys to your success are the quality Acornkids products designed for children, with the fun, imagination and energy of children in mind - your customers will love them, use them and recommend them to others.

Most Acornkids products are consumable, giving you the opportunity to regularly meet with your customers, and even demonstrate other Acornkids products.

Happy Acornkids customers will help your business grow in terms of product sales, and are also an excellent source of new Acornkids Dealers. They know the products and use them regularly.

It is helpful to have at least 10-20 regular customers for your Acornkids Business at all times. This gives you a workable base for monthly retail sales and referrals, and possible new Dealers.

**Acornkids Products**

Acornkids specialises in products for children, full of fun, imagination and energy. We believe that childhood is a magical time of discovery and learning and our vision is to integrate the daily activities of children with products that magically transform everyday actions into times of learning, growth and exploration.

All our products add a splash of colour and enjoyment to your child's day. Acornkids has achieved a reputation as a leader in enjoyable educational bath-time products, with its top brand of unique and special products which turn bath-time into a magical extravaganza of colour, fun and excitement.

Acornkids products can be seen on our website. Visit and sign-in at [www.acornkids.com](http://www.acornkids.com).

People are more willing to purchase a product from an enthusiastic, knowledgeable user rather than from someone whose knowledge of the product is limited. We therefore highly recommend that you become the product expert by being a 100% product user. You can then use your personal, practical examples during product presentations to gain the confidence of your customers.

**Product Presentation**

To achieve success in your business, you should plan regular meetings to show the products and/or the Acornkids Business Opportunity presentation. Do not be afraid to invite anyone to attend your meetings; Invite everyone, be positive and enthusiastic; and assume, in advance, they will attend because they want to learn more.

Meetings can be arranged in any suitable location, such as your home, a friends home, a restaurant, or any other place. The people (or person) you are inviting may prefer it if the meeting was held in their home, but you may feel more confident if the product demonstrations happen in your own home.

When you have made an appointment with an interested potential customer, you should prepare your product sales presentation. Your meetings should be professional and lively. We would like to give you a few tips on how to promote Acornkids products successfully.

**Plan in Advance**

You should inform the potential customer approximately how long the presentation will last. Make sure that you do not exceed this time limit. You should therefore:

- prepare products and brochures you would like to present;
- plan in detail the presentation agenda;
- predict the questions and prepare the answers; and
- practice the presentation before the meeting.

Take with you, not only the products you are going to present, but also a few additional ones you think the customer might be interested in.

**Building a Relationship with your Customer**

It is recommended that you do not start a presentation immediately with sales talk, but first have a light general conversation. Never under-estimate the importance of this initial phase of the presentation and personal meeting. Try to build the confidence between you and your Customer.

**Getting the Customer's Attention**

The first stage of a successful sales discussion is to gain the customers attention. Your first statement should grab attention. Using examples from your own practice or experience is most convincing and realistic.

Think about yourself and how a salesperson could attract your attention. What choice of words and tone of voice would appeal to you? Use these thoughts for the benefit of your own presentation. If you can arouse your customer's interest in your products, then you are already halfway to a successful sale.

**E-Commerce**

Remember, with the Acornkids system you have your own website. Once you have obtained a customer, you can register them on the website, and in future they can order products directly themselves, and the discounts and commissions will be paid straight to you.

**Helpful Phrases You Can Use**

Presentations may be personalised to generate interest by using selling words such as: You, Surprising, Imagine, Unique, New, Modern.

We recommend you use open questions. An open question generally starts with WHO, WHAT, WHERE, WHEN, HOW or WHY. These kinds of questions allow your customer to expand on his/her opinion or tell you about her/his needs.

**Keeping the Customer's Interest**

You have gained your customer's interest and encouraged him/her to listen to you. Now you have to sustain the interest. Giving facts, statistics and testimonies from other satisfied customers can keep attention on your product. You should highlight the usefulness, features and benefits, the versatility and unique properties of the products you have presented.

If a product can be practically demonstrated, you should do so. If possible, put it into the customer's hands and let him/her try it. Your best selling points are even more effective in conjunction with a visual presentation.

**Motivate the Customer to Buy**

During the presentation try and get the customer to make a series of 'Yes' responses. This should be done without pushing or being aggressive. After saying "Yes" a number of times, it will lead to the final 'Yes' at the time when you ask for the order. It is quite easy to put these 'yes' questions together. Here are a few examples:

- Do you like this product presentation?
- Is quality important to you?
- Is value for money important to you?
- Does this product meet your expectations?

**Taking Orders**

Before you start, hand out order forms.

When you are finished your presentation, simply say " I will pack up while you are completing your orders".

This will allow customers to feel that they can decide what they want without pressure.

**Closing the Sale**

Do not be shy at the final part of the presentation. Do not hesitate to ask for an order. If the customer is ready to buy - sell the product. This is the presentation goal - do not forget it.

**Customer Service**

Professional customer service is the key to your success. You should keep contact with your customers regularly, with the duration being dependent upon the type of product. This could be weekly, monthly or yearly.

Customer service is one of the most important elements of customer satisfaction. A happy customer will refer you to new customers. The flexibility of an Acornkids Business enables you to offer service to customers at times that are convenient to them.

**REMEMBER:** Register your customers on your website. The Acornkids system will keep track of all transactions for you, and act as your Customer Manager. Also, you will automatically receive discounts and commissions from all orders that your customers place on the website.

**Developing a Sales Force**

You can maximise your time and efforts when growing your Acornkids business by achieving a balance between selling products to your own customers and building a sales force of other Acornkids Dealers whom you sponsor and help to grow their own Acornkids businesses. As your downline Dealers grow, Dealers in your group will purchase and sell greater amounts of products, and you will be on your way to being promoted to a higher rank, after which you will receive commission income from your downline group sales.

Success in sponsoring new Acornkids Dealers can be achieved by presenting the Acornkids Sales and Marketing Plan to individuals frequently. Regular showing of the Sales and Marketing Plan will increase your chances of success, and help you to develop confidence in the presentation.

At the earliest opportunity, you should tell the person or people that you are inviting that you want them to attend a meeting to discuss the Acornkids Business Opportunity. You could approach them with - *"I have just started an Acornkids Business and I would like to show you how this business can help you earn extra money."*

**IMPORTANT:** Study and understand the Acornkids Compensation Plan. This will enable you to explain it fully to your new potential business recruits.

**Responsibilities of a Sponsor**

Being a good Sponsor requires just as much time and dedication as being a good salesperson. To be effective, you must dedicate yourself to helping the dealers that you have recruited to build their businesses. Here are a few tips:

- Teach them about the Acornkids Business
- Train them on product knowledge
- Help them conduct business within the guidelines of the Acornkids Policies
- Operate your business like a business, not an unimportant sideline
- Provide support to your downline dealers
- Provide Recognition for good performance
- Connect socially with your Team, either in person, or online
- Encourage your team to join in the Incentive programmes
- Train them on administrative procedures (the paperwork)

**Presenting the Acornkids Sales and Marketing Plan**

Before making your first presentation to a prospective Acornkids Dealer that you are trying to recruit, you might want to observe a few presentations of the your Sponsor or someone in your upline who is experienced in making presentations. You will feel more confident once you have observed how a presentation is done. When you are ready to make the first presentation on your own, it is a good idea to practice with your Sponsor beforehand and let him/her offer advice.

Remember, nothing gets a potential new recruit into the business faster than seeing that you are successful at it, and earning good money.

It is very important to dress in a professional business manner during your meetings. Do make certain your clothing is consistent with that of a well-organised, confident and successful business person. If you dress well, you will feel more self-assured during your presentations.

Next, double-check that your presentation supplies and materials will be there when you need them. Some of these might include a white board, easel or flip chart a suitable pen; the Acornkids Business Opportunity Kit; and a few selected Acornkids products.

If the facilities are available, you may also show the presentation from a personal computer, perhaps with a projector if the audience is larger.

Arrive on time and try to set up in an area that will have as few distractions as possible. Be enthusiastic during your presentations of the Acornkids Sales and Marketing Plan. Remember that you are offering a business opportunity that is already successful.

If your prospective customers want to think over your presentation, simply follow up with a telephone call or a personal visit within 48 hours. Ask if they have any further questions. If they are interested, or want to sign up by filling out the Acornkids Application Form, meet with them. If they do not sign up as a dealer, at least record their name in the system as a customer.

New Acornkids dealers rely on you as their Sponsor, to assist in getting started. The most effective way to begin is to help them fill out an action planner, to help focus on what to do.



As an Acornkids Dealer, I agree to conduct my business according to the following principles:

I will conduct myself in such a manner as to reflect only the highest standards of integrity, honesty, and responsibility. I recognise that my actions can have far-reaching effects, both in my own business, and the businesses of other Acornkids Dealers.

I will follow the Policies and Rules of Conduct as stated from time to time in Acornkids manuals and other literature, observing both the letter and spirit of the rules.

I will always endeavour to treat others as I would have them treat me.

I will present all products and services and the business opportunity to my customers and prospects in a truthful and honest manner.

I will make only such claims as are included in Acornkids literature.

I will be courteous and prompt in handling complaints, and follow the procedures Acornkids manuals for exchanges or refunds.

I will use only literature produced or authorised by Acornkids concerning products or the opportunity.





**Product Information**

Information on Acornkids products is available from a number of sources. The Acornkids website ([www.acornkids.com](http://www.acornkids.com)) has product information. Other catalogues and brochures are available, please visit the website or call our office.

**Product Pricing**

The price of each product, as well as its PV (Point Value) is published in a Dealer Price List, and is also shown on the website [www.Acornkids.com](http://www.Acornkids.com). Copies of the Price List can be downloaded from the website, emailed to you upon request, or sent by post.

**Acornkids Guarantee of Satisfaction**

One of the key selling points that Acornkids offers to customers is the Acornkids Guarantee of Satisfaction. This is a very important selling tool for our dealers, and is expressed as follows:

*Acornkids supports all its products, and guarantees your satisfaction. If you are not completely satisfied, please return your product to us and we will gladly replace it without charge, credit you towards the purchase of an alternative Acornkids product, or refund you with the full purchase price. Kindly return your product with proof of purchase within 30 days to your Acornkids Dealer, or direct to the Acornkids Head Office. This Satisfaction Guarantee does not apply to products that have been used for purposes other than their intended use or products that have been damaged or misused.*

The Satisfaction Guarantee applies to products that have been purchased by a customer for use, or by a dealer for own use. It does not apply to products purchased for resale or for stockholding.

In the event of a customer being dissatisfied, then the Dealer should

- Replace the product without charge;
- Exchange the product for credit toward the purchase of another product; or
- Refund the purchase price

The Dealer should then return the product to Acornkids in accordance with the Returns Procedure.

**Warranties**

All Acornkids products are warranted against defects in manufacture for a period of 6 months from either date of purchase, or date of receipt as a gift, by the end user. In the event of a claim against the warranty, the end user should advise the dealer who supplied the products, who must contact Acornkids and advise the company of the details. Each claim will be assessed by the company individually.

**Value Added Tax (VAT)**

The price at which Acornkids sells its products to you includes VAT. Since you will almost certainly not be registered as a VAT vendor, you do not have to remit any VAT to S A Revenue Services. Acornkids remits all required VAT to SARS and maintains the necessary records. You do not need to provide your customer with a VAT Invoice.

**Income Tax**

Like any small-business owner engaged in a for-profit enterprise, any net profit that you earn is subject to Income Tax. A record of business income and expense should be kept, and should be declared when you submit your Income Tax Return. If your tax returns are done by an accountant or tax consultant, then this information should be provided to them. Acornkids is obliged to advise SARS of commissions paid to you.

**Don't Hold Large Stocks of Product**

It is strongly recommended that you do not hold large stocks of Acornkids products. Rather purchase as you receive orders, or if you have regular customers and feel that you need to hold stock for them, then limit your stockholding to one month's supply. This will limit your risk if customers change their buying patterns.

**Marketing, Training and Support Materials**

Education, training, and motivation are critically important to building a successful independent business. To educate you in the business and assist with your own training and motivation Acornkids has Business Tools which can be purchased. Some Acornkids Dealers produce their own marketing, sales and training material independently. This is acceptable provided the material has been approved in writing by Acornkids.

**How to place an order**

There are various methods by which you can place your order.

**1. Online**

You can shop online at [www.Acorkids.com](http://www.Acorkids.com). Go to the website, login under your Dealer Name, and follow the instructions.

**2. Email**

You can email your order to "info@acorkids.com". Please remember to include your name and member number, and give full details of the products you require, including the description, and quantity of each item. You must also mention the method of shipment you require (see the section "Delivery Options"), and the method of payment.

We will email you back with a detailed invoice showing the total price.. After payment has been made, we will dispatch the goods.

**3. Fax**

Fax details as per Email above, to 021 510 4226 or 086 676 2690.

We will fax you back with a detailed invoice showing the total price. After payment has been made, we will dispatch the goods.

**4. Telephone**

Call us on 086 10 74776 and give us your order verbally.

We will email or fax (as you prefer) you back with a detailed invoice showing the total price. After payment has been made, we will dispatch the goods.

**Delivery Options**

Acorkids offers a number of delivery options, designed to provide a cost effective means of delivering the goods to you in a reasonable time.

The options and costs are updated from time to time, and are shown on our website ([www.acorkids.com](http://www.acorkids.com)).

You can also obtain the details by calling the Head Office on 086 10 74776, or emailing us at [info@acorkids.com](mailto:info@acorkids.com)

**Paying for your order**

All orders must be paid for within the month that the order has been placed. Orders are released for dispatch when the money is reflected in the Acornkids Bank Account, and payment has been processed by Acornkids. Please note that Special Offers with a cut-off date must be paid before the cut-off date.

There are a number of options available when paying for your order. These are:

1. Credit Card (Visa or Master Card)
2. Electronic Fund Transfer
3. Direct Deposit (at any Absa Bank)
4. EasyPay (at Pick-n-Pay, Checkers, Shoprite, Spar or Woolworths)

**Credit Card**

If you decide to pay by credit card, all details of the credit card will be requested.

This will include the name on the credit card, card number, expiry date, and the cvv number (the 3 digits on the back of the card).

**Electronic Transfer**

Your Dealer Username and the Invoice/Order Number must be used as the reference for the deposit.

**Direct Deposit**

Your Dealer Username and the Invoice/Order Number must be used as the reference for the deposit.

**EasyPay**

When you choose the option to pay by EasyPay at any supermarket, an EasyPay reference number will be printed on your Invoice.

**Returning Goods**

Products can be returned to Acornkids for a number of reasons. These can include the customer not being satisfied with the products, or the dealer having ordered the incorrect product or quantity, or other reasons.

Acornkids has developed a Returns Policy and Procedure to handle these occasions.

When goods are returned to Acornkids Head Office by Dealers, the following procedures must be followed.

The Dealer must contact Acornkids and obtain a Return Authorisation Number. To obtain this number, the Dealer must advise the reason for the return, as follows:

1. Customer not satisfied
2. Ordered incorrectly by Dealer
3. Supplied incorrectly by Acornkids
4. Product damaged in shipment
5. Product faulty
6. Other (please specify)



These are the conditions which have to be met:

Goods must be returned within 30 days of purchase.

Proof of purchase must be provided.

Where goods were either ordered or supplied incorrectly, they must be returned in their original unopened packaging, undamaged and suitable for sale.

If goods were correctly supplied by Acornkids, then the Dealer is responsible for the return freight or postage costs. If supplied incorrectly or faulty, the Acornkids will pay return freight costs.



**Introduction**

The following rules of conduct and dealer policies have been established for the protection of the reputation of Dealers, the Company, and the Dealer Network. They represent the code of ethics by which all Dealers must operate. We encourage you to read and understand them so you are fully aware of your obligations and your rights as an Independent Acornkids Dealer. We want to work together to uphold the highest possible ethical standards. We are committed to maintaining the integrity of Acornkids, the sales and marketing plan and the network of independent dealers.

**Terminology**

Throughout this document, the words "he" and "she" and "himself" and "herself" are used interchangeably, with one gender denoting the other.

**Not a Pyramid Scheme**

Acornkids is not a pyramid or chain distribution scheme. A pyramid is a scheme in which an individual pays for the right to recruit additional persons into the scheme who, in turn, receive the same right to receive profits from recruiting others.

Three common elements of a pyramid scheme have been identified as: (1) a large, required initial investment or purchase of inventory; (2) direct payment for recruiting additional persons into the scheme; and (3) little or no emphasis on selling products to consumers.

The Acornkids Plan contains none of the above described elements. Acornkids Dealers earn money by selling products to their customers directly, but not from the introduction of additional persons into the business.

It is important when recruiting new members to properly emphasize retail selling, and advise new members that they are not required to purchase product stocks, the only required purchase being the Business Starter Pack.

**Become a Dealer**

To become an Acornkids Dealer, an applicant must register on an Acornkids Dealer Website, or on the Acornkids Main Website. Applicants can also register by manually completing a New Dealer Application Form and faxing it to the Company. During the registration process, the applicant will be asked for the name of the sponsor that had recruited her. After approval, the applicant must purchase an Acornkids Starter Pack. The applicant then becomes an authorised Acornkids Dealer. Acornkids reserves the right at its sole discretion, to reject any application, without giving reasons for the rejection.

**Applications from Former Dealers**

Former Dealers who want to re-apply to become a Dealer again, under the same sponsor as their previous membership, may do so at any time. If a former Dealer wishes to re-apply to become a Dealer under a different sponsor, they must wait for a period of at least 12 months after the Dealership lapsed. New applications must comply with all requirements for joining as a Dealer.

**Equal Opportunity**

The Acornkids business opportunity is open to people from all walks of life, regardless of sex, race, nationality, religious beliefs or political affiliations.

**Restrictions on Purchase Requirements**

The only cost required of an applicant to become a Dealer is the purchase of a Acornkids Business Kit. A Dealer is not obliged to:

- maintain any minimum stock levels of products or materials.
- purchase any amount of materials, products or services.
- purchase admission tickets to attend any seminars, meetings or other events.

**Consultancies must be Individuals**

Acornkids only accepts applications for Dealership in the name of individuals. Applications in the names of corporations or partnerships will not be accepted. The earnings of a Dealership will be reported in the name and tax identification number of the individual Dealer.

**Dealer Age Requirements**

Applicants must be over 18 years of age and otherwise legally capable of entering into a contractual agreement.

**Marriage Membership Restrictions**

Once an individual has registered as a Dealer, their spouse is no longer eligible for membership, either under the same or a different sponsor. This rule applies whether one or both signed the application for Dealership.

Married couples wishing to become Dealers and operate a single Dealership together must complete and sign a single application for Dealership, thereby having only one sponsor. The liability of two married Dealers who operate a Dealership together shall be joint so that both such Dealers shall be responsible for, and accept liability for, the Acornkids membership, and each shall be bound by any act or omission of the other, and any payment by Acornkids to one such Dealer shall be deemed as payment to both such Dealers.

**Limited to One Dealership**

An individual may operate only one Acornkids Dealership, and may have only a single sponsor. A Dealer may only participate in the development of one Dealership. He is not permitted to retail, recruit, promote, train, educate or otherwise assist in the development of the Acornkids business for any Dealership other than his own, except to assist his downline organisation

**Determination and Penalty for Dual Dealership**

In the event that an individual and/or her spouse complete and sign more than one application for Dealership, the first accepted by Acornkids is considered the valid Dealership.

If Acornkids determines that an individual has signed an application for Dealership, or has worked or assisted in the development of another Dealership as defined in these rules of conduct, while obligated to a prior Dealership, Acornkids has sole and absolute discretion to determine the disposition of both Consultancies, as well as any penalties or sanctions it deems necessary and appropriate for the Consultancies and the sponsors.



**Membership Fee**

Acornkids does not charge a membership fee. Members remain at a Dealer rank by virtue of the sales performance. In the event that a Dealer does not meet the sales criteria specified in the Business Plan, then the members rank is changed to that of a Customer, and discount and commission privileges are forfeited.

**Territories**

Acornkids grants the Dealer the right to operate the Dealership throughout the region of the Republic of South Africa, specifically within the Rand Monetary Area. All transactions are conducted in South African Rand, no other currency may be used.

Acornkids does not allocate any region within South Africa to any Dealer, and Dealers may not in any way imply that they represent any geographical area.

**Members Domicile**

Acornkids Dealers must be domiciled within the Republic of South Africa. Acornkids is a South African business operating within the Republic of South Africa. Dealers must be local to their customers in order to provide adequate service to these customers. Team Leaders must be able to provide support services and training to their downline teams. As a consequence, membership of Acornkids is not available to persons domiciled outside of South Africa.

**Export**

Business activity of any kind in any country or territory other than the Republic of South Africa, including but not limited to; selling product, attempting to register products or marketing plans, sponsoring Dealers, advertising, conducting meetings or in any way offering Acornkids products or opportunities is strictly prohibited by Acornkids.

**Dealer Responsibilities**

Acornkids does not wish to be associated with pyramid schemes, scams, online money-making schemes, survey schemes, gaming platforms, or any scheme that could negatively affect its reputation.

It is the responsibility of all Dealers, whatever their Rank, to conduct themselves in a manner that does not damage the reputation, integrity or morale of the Acornkids Network or Brand in any way. For the benefit of all the Dealers in the network it is important that the reputation of the network and its members is developed and maintained.

To ensure this the following actions by members are allowed or prohibited.

**Dealers (All)**

All email correspondence, social media posts, or personal communication, must be positive. No derogatory comments may be made about any products or business opportunity, from Acornkids or any other Company. No solicitation emails or posts may be directed to any member of the Acornkids network.

**Dealers (No Rank)**

These Dealers may represent other Network Marketing Companies that are not in competition with Acornkids. They may not promote other products, or their related Network Opportunity, to the Acornkids network of Dealers.



Dealers (Silver Team Leader, Gold Team Leader, Platinum Team Leader)

These Dealers may represent other Network Marketing Companies that are not in competition with Acornkids but are expected to spend time and effort managing their Acornkids business. They may not promote other products, or their related Network Opportunity, to the Acornkids network of Dealers.

Dealers (Ruby Team Leaders)

Should these Dealers wish to be members of other non-competitive Network Marketing Companies, they must email Acornkids with the details. Acornkids management will discuss the issue with the Dealer and come to a decision. These Team Leaders are expected to spend their time promoting and building their Acornkids network.

They may not promote other products, or their related Network Opportunity, to the Acornkids network of Dealers.

Dealers (Emerald Team Leaders)

These Dealers may not be members of any other Network Marketing Companies for the purpose of promoting those companies. They are expected to spend their time promoting and building their Acornkids network.

No solicitation emails or posts may be directed to any member of the Acornkids network. No business opportunities of any kind may be promoted to the Acornkids Dealer network.

Penalties

Any Dealer, of any Rank, found to have carried out any of the prohibited actions, will be subject to sanctions, including possible demotion of Rank or dismissal.

**Selling Practices**

Courtesy and Honesty: Acornkids Dealer shall always conduct herself in a courteous and considerate manner. All presentations of Acornkids products must be complete and truthful, including but not limited to, instructions on the usage directions and precautions.

Satisfaction Guarantee: Acornkids offers a Customer Satisfaction Guarantee. If your customer is not completely satisfied with their purchase, we will replace it without charge, or credit you against another product, or refund in full. The product must be returned with proof of purchase within 30 days. The satisfaction guarantee does not apply to products that have been misused.

**Independent Dealers**

All Acornkids Dealers are independent businesspersons, and no Dealers shall represent or imply that he has any employment relationship with Acornkids or with any of its affiliated companies. Dealers may not use the words "employee", "agent" or "company representative" verbally or on any stationery, business cards, or other printed material.

**False Information**

No Dealer shall knowingly submit false or misleading information to Acornkids. Violation of this rule could lead to rejection of your application or termination of your Dealership.

**Indemnify Acornkids**

Without prejudice to the other rights of Acornkids under these rules of conduct and other rules and regulations of the company, Dealers shall indemnify Acornkids from and against all actions, claims, demands, prosecutions, fines, penalties and the costs thereof (including Acornkids' actual legal costs) which might be made or brought against Acornkids in respect of, or arising directly or indirectly out of, any breach of any laws or regulations applying to the operation of their Dealership. Acornkids shall have no liability to any Dealer in respect of any cost, loss, damage or expense suffered by any Dealer directly or indirectly as a result of any act, omission, representation or statement of any Dealer.

**Comply with Rules of Conduct**

Dealers must comply with all Acornkids rules of conduct and any amendments or additions together with any procedures, recommendations, guidelines or instructions which may be issued from time to time.

**Violations of Rules of Conduct**

In the event of a violation of the Acornkids rules of conduct, procedures or directions issued by Acornkids, Acornkids may in its sole discretion take whatever actions or measures it deems necessary and appropriate, including but not limited to, suspension of buying privileges, suspension of earnings, monetary fines or deletion or termination of the Dealership.

**Resignation**

A Dealer may resign his Dealership at any time, by submitting a witnessed letter of resignation to Acornkids. The resignation becomes effective when received, validated and accepted by Acornkids. Acornkids will advise in writing when this is complete.

If the resignation is within 60 days after signing the application for Dealership, the Dealer may then return the Acornkids Starter Kit to her sponsor for a refund for any unused contents that are still in good and reasonable condition, less a 20% handling fee.

**Liability for Unpaid Debts**

A Dealer who resigns will remain liable for unpaid debts owed to Acornkids or for liabilities for violations of the Acornkids rules of conduct or other rules and regulations that govern the business practices of Dealers.

**Resignation of Spouse**

In the event that one spouse of a joint Dealership resigns, Acornkids reserves the right to terminate the Dealership, if the activities of the resigned Dealer diminishes, damages or weakens the reputation of Acornkids or its products.

**Support Company Sponsored Events**

A sponsor shall keep his/her dealers informed of company sponsored events and when appropriate encourage his personally sponsored dealers to attend Acornkids sponsored meetings and training and to participate and support all company sponsored events.

**Inventory Repurchase**

A resigning Dealer may return unused product or sales material which are current products, unopened and in resalable condition, for repurchase under the following terms and conditions.

The products must have been purchased from Acornkids within the last 3 months, and the resigning Dealer must provide proof of purchase.

Acornkids reserves the right to offer the upline of the resigning Dealer the opportunity to repurchase those products directly, for a period not to exceed two weeks. If the upline does not repurchase the inventory, the Dealer will then be directed to return the products to Acornkids.

Upon receipt of these items, reimbursement to the Dealer will be issued for the full amount paid for the returned product by the Dealer, less a restocking charge of 20% and less any amounts owed by the Dealer to Acornkids.

**Training**

A sponsor is responsible for properly training her personally sponsored Dealers. Training must include product knowledge, marketing plan, rules of conduct, company rules and guidelines for Dealers. She may seek assistance from her upline Dealer, but the primary responsibility remains her own. No sponsor may request payment from a personally sponsored Dealer for training or training facilities, unless the training is additional to basic training, and she fully explains that the Dealer may choose whether or not she wants to participate in such training, and states the cost for such training. If the Dealer declines to participate in "additional" training, the sponsor is still obligated to provide the basic training necessary at no cost.

**Independent Relationship**

A sponsor must maintain and uphold the independent relationship between himself and his Dealers.

**Sponsorship**

The Dealer/Sponsor relationship is the foundation of the Acornkids sales and marketing plan and as such, the principles and rules of the company protect the rights of the sponsor. Changes of sponsorship are detrimental to the integrity of the business and are not permitted, with the exception of these three situations:

- 1 Should a Dealer resign as a Dealer
- 2 Should a Dealer who has a Sales Team decide to focus only on selling and no longer wishes to manage a Sales Team.
- 3 Should a dealer be changed to customer status. (It is not possible for a dealer to be attached to a customer)

In the event of the first two situations the Dealer must complete a Delfini Solutions Letter of Request to move their Downline.

In all three of the above events the company will only move dealers directly upline to the next person with dealer status.

In the event of a dealer doing an incorrect online registration and being linked to the incorrect sponsor, the Dealer may request the company in writing to move them to the correct sponsor.

Should a new Dealer or Customer be sponsored by Acornkids Head Office, the company undertakes to place the Dealer or Customer in an active team.

**Sponsorship** (continued)

The following is specifically prohibited:

- You cannot request any Dealer to be moved from one team to another team.
- You cannot move any Customers.
- You cannot issue new recruits as rewards to any Dealer in your Team. However, you may give your Team Members potential leads for them to follow up on.
- If someone contacts you via social media and is already a Dealer (active or inactive), and asks to move to your Team, you may not do so. You must trace their Team Leader and advise them.

In order to protect the sponsor, no Dealer may interfere with the relationship between another Dealer and her sponsor in any way. A Dealer may not offer, entice, encourage, solicit, or otherwise influence or attempt to persuade another Dealer to change his sponsor or line of sponsorship, either directly or indirectly.

**Violation of the Change of Sponsorship Rule**

In the event of evidence coming to light that a Dealer or his spouse who have re-joined Acornkids under a different sponsor, had re-applied to be a Dealer prior to the 12 month period, then Acornkids has the sole and absolute discretion to apply penalties to the Dealership.

Penalties will be assessed by Acornkids in its sole discretion, and include, but are not limited to, the transfer of all sponsored Dealers in the new dealership to the original sponsor's organisation, financial penalties, suspension and termination of the Dealer.

**Assigning or Transferring a Dealership**

A Dealership may only be assigned or transferred to an individual who is not currently an Acornkids Dealer. Assignment or transfer must be approved by Acornkids. The person assuming responsibility for the Dealership will be required to register as a Dealer. If this person was formerly a Acornkids Dealer then he must meet requirements of a former Dealer to rejoin.

The achievements of a Dealer are personal to the individual, and as such, if an assignment or transfer should be authorised, the status and benefits achieved by the Dealer are not transferred with the Dealership

**Separation or Divorce**

Whenever a Dealer is in the process of a separation, divorce or dissolution of a marriage, the Dealer must ensure that the interest of the Dealership and the sponsor are protected. During the separation, divorce or dissolution proceedings, neither of the parties may develop or assist in developing, either alone or with or on behalf of someone else, any other Acornkids dealership except under their original sponsor.

**Authority of a Legal Decision**

Acornkids rules and regulations do not supersede the dictates of any court of law as to the disposition of the dealership and or the rights, benefits or obligations of parties to the Dealership.

**Death of a Dealer**

Upon the death of a Dealer who has a surviving spouse or heir who is an active participant in the business, the Dealership will remain with the spouse or heir. Any other disposition of the dealership must be approved by Acornkids.

**Proper Purchasing of Product**

A Dealer must purchase all Acornkids products directly from Acornkids. Product purchased will be recorded, and used to calculate personal and group rebates, as well as to award rank privileges.

A Dealer is prohibited from buying products from any other Dealer other than her direct upline. A Dealer is prohibited from selling to any other Dealers other than her downline.

Payment for all orders purchased from Acornkids must be made by the Dealer designated as the purchaser on the order, his spouse or partner or the first upline Dealer, unless written approval is given by Acornkids for payment to be made by another individual.

Dealers may not order product in the name of another Dealer, nor may they make payment for products ordered in another Dealers name. Ordering products in another Dealers name could be interpreted as an attempt to improperly manipulate the operation of the marketing plan.

**Volume Month**

Sales volume is credited to and accumulated by a Dealer on a volume monthly basis. The volume month begins on the first day of the month and ends on the last day of the month. Acornkids reserves the right to modify the volume month as it deems appropriate.

Sales volume is credited to the volume month in which full payment is received by Acornkids for the order. Under no circumstances can volume be placed for any other month.

**Product Distribution**

Acornkids is a wholesale/retail distribution company. Products purchased from the company are intended to be sold and distributed to retail customers or used for dealers and their families consumption. The purchase of products solely as an attempt to qualify for advancement in the marketing plan is not permitted. Any such attempts will result in sanctions against the Dealer.

**Competing Products**

Dealers may not sell other brand products which compete directly with products which carry the brand names "Acornkids" or "Kids Bee Happy". Any Dealer who sells other brand equivalent products will result in sanctions, up to termination of the Dealership.

**Directions for Use**

Dealers shall explain the directions for use and cautions, if any, specified on product labels when selling the products.

**Product Sales to non-Dealers for Resale**

No Dealer may sell Acornkids products to persons who are not Acornkids Dealers and whose intention it is to resell those products.

**Modifications to Packaging**

Acornkids products must be delivered to customers in original unopened packaging as supplied by Acornkids. A Dealer may not modify in any way any the labeling, literature, material or packaging of any Acornkids product.

**Product Display**

Dealers may display their products in locations that they consider appropriate, such as markets, trade events, schools, doctors, healthcare or other professional offices, beauty and hair salons, health spas or gymnasiums, etc.

**Sale to Retail Outlets**

The fundamental business of an Acornkids Dealer is the selling of Acornkids products to consumers. Products may not be sold to Corporates, Chain-Stores or Retail Groups of any type. To do so would place the businesses of thousands of Acornkids Dealers at risk. Products may be sold to single privately owned businesses (for example, hairdressers, single pharmacy, etc.) who are local to a Dealer.

**Display or Sale Online**

The fundamental business of an Acornkids Dealer is the selling of Acornkids products directly to consumers. Dealers may display/advertise Acornkids products on websites, but may not sell Acornkids products from any website, including auction sites, coupon sites, discount sites or similar sites. Acornkids products may only be sold from the official Acornkids Dealer Websites.

**Dealers Private Offices**

A Dealer with a private office may sell Acornkids products from such an office, and can display the products, and advertise by means of signs, posters, flyers or brochures.

**Advertisement and Promotional Material**

A Dealer may only use Company produced advertising and promotional material, or material produced by the Dealer which has been approved by the Company. Any promotional material produced by a Dealer may not indicate or imply that it is Company produced. All such material must indicate that it has been produced by an "Independent Acornkids Dealer".

**Interviews or Statements to the Media**

A Dealer from time to time may be approached by reporters interested in interviewing them about the Acornkids products or business. While we appreciate any interest expressed in our products and business opportunity, only the company may grant interviews or authorise advertising of the company or product names. Only authorised officials of Acornkids are permitted to speak with or write to the press or other media for, or on behalf of, Acornkids or any of its subsidiaries. If a Dealer should be approached with a request for an interview or statement, advise the reporter to contact Acornkids.

**Offering Products for Auction**

No Dealer may offer any Acornkids product for sale by soliciting or receiving bids for such product.



**Offering the Business Opportunity**

When offering the business opportunity or presenting the Acornkids sales and marketing plan, a Dealer must:

- Clearly indicate that the principal activity of a Dealer is to sell and distribute Acornkids products to consumers and may not represent or imply that this is secondary to sponsoring or building the business.
- Not imply or represent that a Dealer can benefit solely by the sponsoring of other Dealers.
- Not imply that a dealer is under any obligation to sponsor others to become Dealers.
- Not imply that success may be achieved with little or no effort.
- Not make any statements which are not accurate or truthful.
- Not claim that high earnings can be easily achieved.

**Income Claims**

When a Dealer promotes or represents the earnings from her own or another Dealership, she must at all times be truthful in her statements and it is necessary that the claims can be verified.

**Video/Audio Tapes**

A Dealer may not display or mention the name of any Acornkids product, trademark or trade name in any video or audio recording made by, for, on behalf of, or at the direction of a Dealer, unless such video or audio recording has been approved for use by Acornkids.

**Television, Satellite or Radio Broadcasting**

It is not permitted for any Dealer to broadcast any video or audio recording of any kind that relates to, mentions, displays or promotes in any way, either directly or indirectly, the Acornkids name, products, materials, business opportunity or methods of conducting business.

**Telephone Book Listings**

An Acornkids Dealer may list himself/herself in the yellow pages of the telephone directory under the heading "Acornkids independent Dealer". The only information that may follow this is the Dealers name and/or address and telephone number. A Dealer may use display ads in the yellow pages as long as the advertisement is within the guidelines for print advertising.

**Local Laws**

In addition to Acornkids' policies, a Dealer must comply with any and all local and national ordinances, laws or other regulations when operating their business, and advertising or promoting Acornkids products or business opportunity. It is the responsibility of the Dealer to determine what these may be and how they apply to his business.

**Must Retail and Qualify to Earn**

A Dealer must clearly indicate that sales discounts, rebates and other earnings of a Acornkids Dealership may only be achieved through the continuing sales of Acornkids products to retail customers by herself and her sponsored Dealers and after certain qualifications have been met.

**No Obligation to Purchase Product**

No Dealer may represent that there is any obligation to purchase products, literature or sales aids except for the once-off purchase of the Acornkids Business Kit, nor may he represent that sales discounts, rebates or other benefits may be obtained solely from the wholesale purchase of products rather than the retail sale of products.



**Trade Names, Trademarks and Logos**

It is not permissible to use Acornkids's trademarks, trade names, logos or any facsimile thereof in any way, without prior written consent from Acornkids. These belong exclusively to Acornkids which endeavors to protect the name Acornkids, the trademark, the trade names and designs of labels to prevent unauthorised use.

**Business Stationery**

Business stationery produced by a dealer must clearly indicate that her business is independent, and that she is an Acornkids dealer. It must contain the words "Independent Acornkids Dealer". The wording may not imply that the Dealer is employed by Acornkids.

**Reproduction of Material**

No Dealer or any other person may reproduce in whole or in part any printed material, audio cassettes, video and film recordings that have been produced by Acornkids unless given written authorisation to do so by Acornkids.

**Penalties for Supplying Non-Acornkids Sales Aids or Materials**

In the event that Acornkids determines that non-Acornkids produced sales aids and materials supplied by a Dealer, violates any applicable Acornkids rules of conduct or other rules and regulations published by the company or impairs the Acornkids business or damages its reputation, Acornkids reserves the right to take whatever action is necessary to hold the Dealer responsible for any damages incurred.





### Introduction

The Acornkids marketing plan provides the opportunity to earn income based on selling products. Additional income can be earned by building a network of dealers who also sell the Acornkids products and receiving commission on the sales of your network. Each Acornkids Dealer is an independent businessperson, whose individual success depends on her own selling efforts, and the selling efforts of team that she builds and manages. Every Acornkids Dealer has her own website, and all customer purchases from her website are allocated to her. This document provides the terms and conditions for becoming an Acornkids Dealer. These conditions may be changed at any time by Acornkids.

### Company Details

Acornkids, P O Box 50482, Waterfront, Cape Town 8002, South Africa  
Acornkids, 400 Voortrekker Rd, Maitland, Cape Town 7405, South Africa  
Telephone: 086 10 74776  
Email: info@acornkids.com  
Web: www.acornkids.com

## SALES AND MARKETING PLAN

### Dealer

A Dealer is said to be an independent business owner who is able, through various structures and qualifications, to earn a commission from purchases that take place from her network.

### Customer

A customer is:

- Any person purchasing directly from a dealer.
- Any person purchasing product online from a Dealers website, and who has the rank of Customer.
- A Dealer who achieves less than qualifying volume over an extended time period, thereby being changed to the rank of Customer. The time period is at the discretion of the company.

### Income

Gross income from your independent business is based on a combination of two types of income:

- Point-of-Sale income** - retail profit on sales to customers
- Commission income** - commission earned on the sales of your network

#### Retail Profit on Personal Sales

This is your Retail Profit, which is the difference between the cost at which you purchase product from Acornkids, and the price at which you sell the products to your own customers. This income is realised immediately upon each sale to a customer.

#### Commission Income

After building a qualifying team of dealers, additional income is earned by receiving commission on the sales of your network team - the dealers that you personally recruited, and the dealers that they recruited. The commissions paid are level-based commission, leadership bonus and incentives.



### **Purpose**

The purpose of the compensation plan is to drive measurable performance, create structure and ensure the long term success of Dealers who consistently meet specified criteria. Performance is measured against two activities:

### **Recruiting**

Each Dealer is required to make personal referrals of potential customers every month. These referrals must result in registration on the Acorn site to contribute to commissions & promotion.

### **Leadership**

Dealers who show leadership qualities are encouraged to develop teams of Dealers and are rewarded according to a structured multi-level compensation plan.

### **Points**

All transaction activities are expressed in terms of "points" Points are assigned for volume sales (Volume Points), and for incentives (Incentive Points).

### **Compensation Types**

The compensation plan is divided into four broad categories:

- Retail Profit on personal sales
- Retail Profit on online purchases from linked customers
- Retail Volume Bonus
- Level Based Commission
- Leadership Bonus and Incentives

### **Points**

Points are assigned for each product sold. Points are assigned for volume sales (Volume Points) and for incentives (Incentive Points). Volume Points are allocated on the date that the invoice is paid. Typically, a nominal R10 Retail Value = 1 Point.

### **Personal volume (PV)**

This is the Dealers Volume Points and consists of all personal purchases and all online purchases by directly recruited/connected customers.

### **Active Dealer**

An Active Dealer is one who has a minimum PV of 25 points in the current calendar month, or 60 points over the last 3 months. A Dealer becomes Active in the month of joining. Each month thereafter, a Dealers status varies between "Active" and Inactive". Depending upon their sales points, one of 4 "Active" levels are assigned: "Pro", "Master", "Intermediate", or "Novice". With lack of sales for 3 months a dealer is classified as "Inactive".

### **Inactive Dealers**

Inactive Dealers receive the Retail Profit on their own purchases for 6 months. After this period their Rank is changed to customer, and they forfeit discounts (Retail Profit). Whilst "Inactive" they do not receive the Retail Profit on online orders from linked customers, and they do not receive the Volume Bonus. A Dealer who is not active, and wishes to become Active, must have sales sufficient to reach an "Active" status. The status is achieved the day after the sale.



### **Minimum qualification requirements**

Qualification for Discounts, Commissions, Incentives and Promotions are dependent on the qualifying Dealer being Active.

### **Structure**

Structure is determined by the number of Active Dealers in specific predetermined positions within a given Dealers network, as per the following pages. At least 2 Active Dealers per frontline position are required to keep a Team Active. Customers do not contribute to structure.

### **Commission Amount**

An average of 40% of the retail price is assigned to discounts and commissions, to be paid to Dealers. If in any month the actual commission exceeds 40%, normalisation is applied.

### **Normalisation**

In the event that commissions in a given month calculate out at over 40%, then the system will automatically adjust all commissions to correct the average total commission to 40%.

### **Bonus Value (BV)**

The Bonus Value is set at 75% of retail excluding VAT. Retail discount is based on full retail price while all other business and commissions are calculated on BV.

### **Commissionable Value (CV)**

CV provides a mechanism to sell low margin products. Most of Acornkids products are set at a CV of 100%, which means that commissions are calculated at full value. Some products, which have a low margin, will have their CV set at a figure below 100%, meaning that commissions on these products will be calculated at a lower than full value figure.

### **Retail Profit**

Active or Inactive Dealers receive a Retail Profit (Dealer Discount) of up to 26% on personal product purchases. Each product part number includes a discount code which identifies the products discount and commission value.

### **Retail Volume Bonus**

Active Dealers receive a Retail Volume Bonus on all product purchases, additional to the Retail Profit, for sales achieved during each calendar month. This is calculated at the end of each month and is paid back to the Dealer. Depending upon volume purchased, this can be up to 4%.

### **Level Based Commission**

Commission is paid to a dealer based on the number of levels a down-line member is removed from them. Commission is paid up to 4 levels down. Commission is only paid to Dealers who are Active, with Active Teams.

### **Leadership Bonus**

Commissions are paid to Active Team Leaders based upon the performance of their teams.



# 8

## Sales & Marketing Plan In Detail

### **Pin Rank**

This is the highest rank that a Dealer has achieved within the previous 365 days.

### **Pay Rank**

This is the rank that the Dealer qualifies for in any given calendar month and on which she is paid. The Pin Rank and Pay Rank that a Dealer has at any one time may not be the same.

### **Recruiting of New Dealers**

Each Dealer has her own website. New members can register to become Dealers on this website. When recruiting a new Dealer, it is the responsibility of the recruiting dealer to provide the new Dealer with her Dealer ID, which will direct the new member to the correct website, and ensure that the new Dealer is correctly linked to the recruiting Dealer. If a new Dealer registers on either the Company website, or on another Dealers website, provided they insert the correct Dealer ID of the recruiting Dealer, they will be correctly linked.

### **Company Recruits**

New Dealers who register on the Company's website as un-referred "walk-ins", will initially be linked to the Company. These Dealers will be allocated and linked to Team Leaders as a bonus on the basis of performance incentives, and at the sole discretion of the Company. The rules for allocating these Dealers will be decided by the Company, and are subject to change.



### A SUMMARY

#### RANK, STATUS AND STRUCTURE

For Dealers who are building teams, it is important to understand the relationship between Rank, Status and the Structure of their downline Teams.

#### STATUS:

To achieve all benefits, a Dealers status must be "Active". A Dealers Status is changed dynamically on a monthly basis. To remain active requires a Dealer to have personal sales or linked customer sales of 25 Points per calendar month . A Dealer with a Status of "Inactive" will receive profit on her personal sales, but not on linked customer sales, or volume bonus.

The following explains the different Status Levels:

#### **Pro**

Greater than or equal to 25 points this month

#### **Master**

Greater than or equal to 60 points in the last 3 months and less than 25 points this month

#### **Intermediate**

Less than 60 points in the last 3 months and less than 25 points this month

#### **Novice**

Less than 60 points in the last 3 months and less than 1 point this month

**NOTE:** The best status to be is PRO. This ensures active status and payout of commissions. A point count of 25 points per month is the primary driver of the compensation plan.

#### RANK:

A Dealers Rank is determined by the number of active teams in her downline, according to the tables in the following pages.

**Pin Rank:** This is the highest Rank achieved by a dealer over the last 365 days.

**Pay Rank:** This is a dynamic Rank which changes monthly based upon the status of a Dealers team. Calculation of commissions is based upon the "Pay Rank"

#### STRUCTURE

The team structure for each Rank is defined in the pages that follow.

Maximum Pay Rank is achieved when the Dealer and her teams all have a Status of "Active".

The minimum number of Active Dealers and Teams required for each Rank is specified. To keep the downline teams Active requires that the upline team leader closely manage her downline teams. Maintaining teams as "Active" can be simplified by having more than the required minimum number of dealers and teams, which helps to ensure that at least the minimum number remain active



## RETAIL PROFIT

### Retail Profit

Retail Profit is a discount given on all personal product purchases by Dealers. When a Dealers linked customers purchase directly online, then the Retail Profit is from those purchases paid monthly to Active Dealers only.

Order Placed By	Dealer Discount	How Received
Dealer	Up to 26%	On Invoice at time of purchase
Customer, directly online	Up to 26% (Excl VAT)	Paid to Active Dealer Monthly

### Retail Volume Bonus

Retail Volume Bonus is paid to all Active Dealers based upon the volume of purchases made by themselves directly, or by their linked customers buying online, in a calendar month. This Bonus is paid to Dealers after the end of each month.

Volume Points Accrued During Calendar Month	Bonus (Percent of BV)	Equivalent Percent of Retail
500 or more	5%	4%





### STRUCTURE AND COMMISSIONS

#### Structure

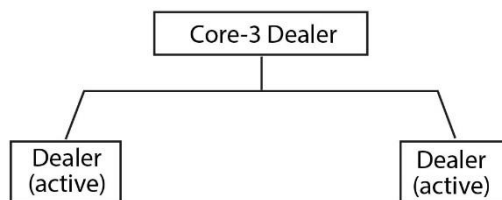
The structure of a Dealers teams is used to determine the Rank of the Dealer, according to the following rank table.

- CORE-3
- CORE-7
- BUSINESS BUILDER
- TEAM LEADER
- SILVER TEAM LEADER
- GOLD TEAM LEADER
- PLATINUM TEAM LEADER
- RUBY TEAM LEADER
- EMERALD TEAM LEADER

#### Structure Commissions

##### Core-3 Dealer

To be a Core-3 Dealer, a Dealer must have 2 Active Dealers in her direct front line.

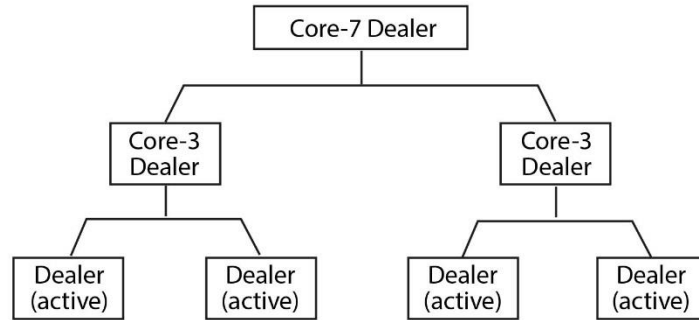


<b>Core-3 Dealer Commission Earnings</b>	
Level 1 (Your Frontline Team)	10%



### Core-7 Dealer

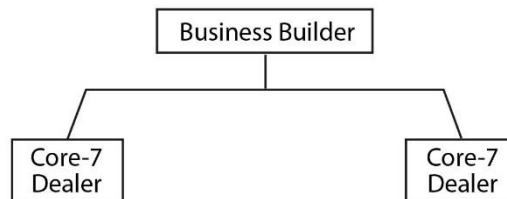
To be a Core-7 Dealer, a Dealer must have 2 Active Core-3 Dealers in her direct front line.



<b>Core-7 Dealer Commission Earnings</b>	
Level 1 (Your Frontline Team)	10%
Level 2	8%

### Business Builder

To be a Business Builder Dealer, a Dealer must have 2 Active Core-7 Dealers in her direct front line.

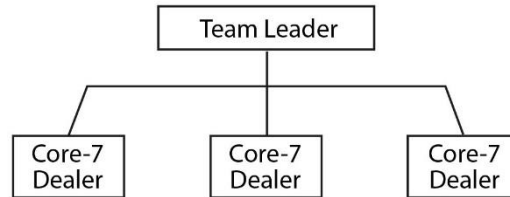


<b>Business Builder Commission Earnings</b>	
Level 1 (Your Frontline Team)	10%
Level 2	8%
Level 3	7%



### Team Leader

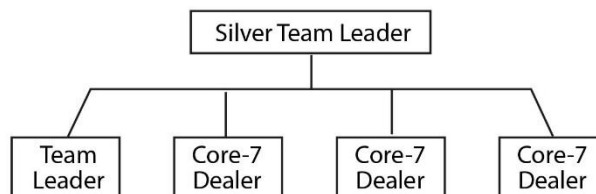
To be a Team Leader, a Dealer must have 3 Active Core-7 Dealers in her direct front line.



<b>Team Leader Commission Earnings</b>	
Level 1 (Your Frontline Team)	10%
Level 2	8%
Level 3	7%
Leadership Bonus	20% of Frontline Level-Based Commission

### Silver Team Leader

To be a Silver Team Leader, a Dealer must have 1 Active Team Leader and 3 Active Core-7 Dealers in her direct front line.

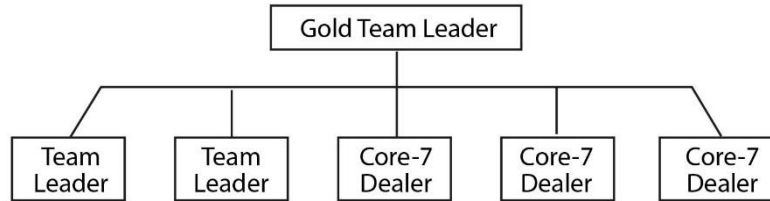


<b>Silver Team Leader Commission Earnings</b>	
Level 1 (Your Frontline Team)	10%
Level 2	8%
Level 3	7%
Leadership Bonus	40% of Frontline Level-Based Commission



### Gold Team Leader

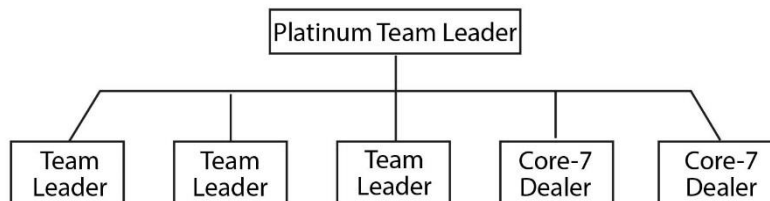
To be a Gold Team Leader, a Dealer must have 2 Active Team Leaders and 3 Active Core-7 Dealers in her direct front line.



<b>Gold Team Leader Commission Earnings</b>	
Level 1 (Your Frontline Team)	10%
Level 2	8%
Level 3	7%
Leadership Bonus	60% of Frontline Level-Based Commission

### Platinum Team Leader

To be a Platinum Team Leader, a Dealer must have 3 Active Team Leaders and 2 Active Core-7 Dealers in her direct front line.

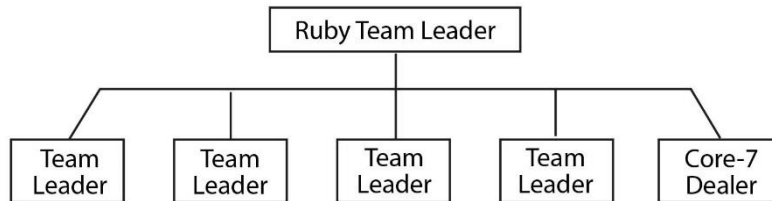


<b>Platinum Team Leader Commission Earnings</b>	
Level 1 (Your Frontline Team)	10%
Level 2	8%
Level 3	7%
Leadership Bonus	80% of Frontline Level-Based Commission



### Ruby Team Leader

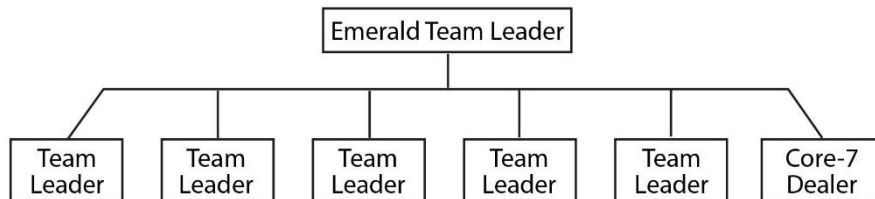
To be a Ruby Team Leader, a Dealer must have 4 Active Team Leaders and 1 Active Core-7 Dealer in her direct front line.



Ruby Team Leader Commission Earnings	
Level 1 (Your Frontline Team)	10%
Level 2	8%
Level 3	7%
Leadership Bonus	100% of Frontline Level-Based Commission

### Emerald Team Leader

To be an Emerald Team Leader, a Dealer must have 5 Active Team Leaders and 1 Active Core-7 Dealer in her direct front line



Emerald Team Leader Commission Earnings	
Level 1 (Your Frontline Team)	10%
Level 2	8%
Level 3	7%
Level 4	7%
Leadership Bonus	100% of Frontline Level-Based Commission

