

## **BLUECHIP TERMS AND CONDITIONS / POLICIES AND PROCEDURES**

The terms and conditions set forth herein are deemed a material part of the agreement of appointment as Independent Advertiser.

### **1. Application**

- 1.1 Only a person of legal age in the country, state or province of his/her residence who indicates his/her desire to become an Independent Advertiser (IA) by completing and submitting an appropriate application, shall be eligible for appointment as such.
- 1.2 This document, including the appropriate application as accepted by BLUECHIP constitutes the appointment as IA. The relationship between the parties shall be governed further by the rules of BLUECHIP for the IA, as amended from time to time.

### **2. Appointment**

- 2.1 The appointment of the IA shall be at the sole discretion of BLUECHIP.
- 2.2 The IA's indication of his/her acceptance of the appointment is by undertaking the marketing activities of the products, as herein envisaged.
- 2.3 The product marketing activities to be undertaken by the IA shall comprise of the introducing of applicants who take up any or all of the products available through BLUECHIP.
- 2.4 Nothing in this document, whether explicit or implied, shall be construed as creating a partnership, joint venture, or association between the parties hereto, or making the IA an Agent or employee, or in any way further be construed as if an IA has been appointed as a financial or life assurance consultant, adviser, or representative of BLUECHIP. The IA shall therefore under no circumstances give financial or life assurance advice in terms of his/her appointment.
- 2.5 In all operations in terms hereof the IA shall market the products as an Independent contractor, conducting all business at his/her own costs and expenses; and will have no authority to make any representation or warranty on behalf of BLUECHIP.

### **3. Rights and Obligations**

- 3.1 The IA shall introduce applicants in accordance with the training and instructions provided by BLUECHIP. The IA shall at all times ensure that every applicant completes in full and signs an application form for the product as been made available from time to time, as the case may be.
- 3.2 The IA shall be responsible for the input of all information relating to an application into the computerised system. The IA shall ensure that the data of a fully completed and signed application be entered by him personally or under his/her direct supervision, into the system as soon as practically possible.

- 3.3 The IA is responsible for supervision over, and support of, every new IA introduced by him/her, and who is in his/her membership genealogy. The IA undertakes to maintain a monthly communication strategy with his/her said membership genealogy, by any or all of the following methods: Personal contact, telephonic, e-mail, in writing, and by attending training programme meetings.
- 3.4 The IA in connection with his/her appointment, against any third party shall take no legal action whatsoever, in respect of any cause of action that might arise out of the action or conduct of whatever person, without the prior obtained written approval of BLUECHIP.
- 3.5 The IA is only allowed to market and advertise products made available by BLUECHIP on a non-exclusive basis, in the territory or area authorised by BLUECHIP.
- 3.6 The IA undertakes herewith to only use marketing material and methods authorised and/or supplied by BLUECHIP, to publish, sell, or distribute and in the training of his/her down line.
- 3.7 The IA shall operate from his/her own premises, at his/her own costs and equipment. When the IA has no personal computer equipment available, arrangements will have to be made by him/her to use the equipment of his up- or down line or to make use of available commercialised computer equipment. 3.8 The IA shall not act or purport to act as a representative of BLUECHIP in any way or manner, whatsoever and shall direct all media enquiries to BLUECHIP.

#### **4. Independence of Advertiser**

- 4.1 Nothing in this appointment, whether explicit or implied, shall be construed as creating a relationship of employer and employee as between BLUECHIP and the IA and/or any other institution or third party.
- 4.2 It is therefore hereby specifically recorded that the IA is an independent contractor or and in no way whatsoever employee of BLUECHIP or any other financial institution or third party.
- 4.3 The IA shall not be entitled to receive any of the benefits available to the employees of BLUECHIP or any other financial institution or third party.
- 4.4 The IA shall not acquire rights in respect of redundancy or retrenchment procedures will be followed or severance pay paid by BLUECHIP, upon the termination of this appointment for any reason whatsoever.
- 4.5 The IA is also not an agent of BLUECHIP and shall therefore have no legal power or authority to bind BLUECHIP to any appointment, or contract, or to incur any debt, or other liability, or to obtain any credit facilities in the name of, or on behalf of BLUECHIP at all.

- 4.6 The IA has no authority whatsoever to make, accept, alter, or discharge, waiver, or lapse any liability of BLUECHIP in terms of any document at all.

## **5. Products**

- 5.1 BLUECHIP has the right to, with seven days notice to the IA, at BLUECHIP's discretion, add to the available BLUECHIP products.
- 5.2 BLUECHIP may at its own discretion withdraw from its available products, one or more products on a seven days notice to the IA.
- 5.3 BLUECHIP may make alterations to any or all available products from time to time with seven days notice to the IA.
- 5.4 For any product purchased through BlueChip Business Opportunity there will be a cooling period of 30 days in which the IA may cancel his policy.

## **6. Indemnity**

The IA indemnifies and holds BLUECHIP harmless against all claims, demands, fines, penalties, actions, proceedings, judgements, damages, losses, costs, expenses, or other liabilities, caused either negligently or otherwise, by non-compliance or non-observance by the IA of his/her duties and obligations in terms of this appointment.

## **7. Intellectual Property Rights and Confidential Information**

- 7.1 All intellectual property rights in respect of BLUECHIP products and marketing methods are, and shall remain the exclusive property of BLUECHIP.
- 7.2 The IA acknowledges that:
- 7.2.1 for the duration of this appointment, the IA may be given access to and come into possession of trade secrets and confidential information, which is the property of BLUECHIP
- 7.2.2 the disclosure of such confidential information may give rise to irreparable damages to BLUECHIP.
- 7.3 The IA accordingly confirms herewith that:
- 7.3.1 no confidential information in his/her possession or control shall be maintained under conditions, which may endanger the strict confidentiality thereof.
- 7.3.2 he/she shall not disclose any confidential information to any person
- 7.3.3 he/she will use all confidential information only to further the business of BLUECHIP and no other.
- 7.3.4 all provisions of clause 7 herein, shall survive at all times, the termination of this appointment for whatever reason.

## **The Life Office Association of South Africa. ( The L O A )**

- 8.1 The IA is bound by all regulations issued by the L O A that may effect him/her. The IA hereby undertakes to acquaint himself/herself with all the regulations issued by the L O A from time to time, and to always act in accordance with such regulations
- 8.2 The IA acknowledges that he/she is aware of the S reference system contained in chapter 10 of the L O A's Code of Conduct. The IA shall refrain from all such conduct at all times.
- 8.3 BLUECHIP shall have within its sole discretion the right to decide if the IA's conduct warranted an application for an S reference to be recorded against the IA
- 8.4 BLUECHIP's decision to apply for an S reference to be recorded shall entitle BLUECHIP to terminate this appointment summarily in which circumstances the IA shall forfeit all his/her rights to receive any commission payments.

## **9. Termination**

- 9.1 Either party shall be entitled to terminate this appointment forthwith, by written notice, for the following reasons:
  - 9.1.1 If the IA falsifies any document or record required by BLUECHIP, including but not limited to, the data entered into the computer programmed system.
  - 9.1.2 If the IA commits any act or omission which in the sole discretion of BLUECHIP adversely effect, or is reasonably likely to effect, the goodwill or reputation of BLUECHIP, its personnel or co- independent advertisers.
  - 9.1.3 If the IA, in any way acts contrary to any stipulation contained in this appointment and BLUECHIP deems the termination of the IA's appointment as appropriate under the circumstances.

## **10. Miscellaneous**

- 10.1 This appointment shall be in force and effect as long BLUECHIP exist, and the appointment has not been terminated in terms of any stipulation herein.
- 10.2 BLUECHIP does not warrant that the service provided shall be error free or will be uninterrupted, and will also under no circumstances be responsible for problems, losses, or damages arising from loss of connection, error in content due to application problems, loss of access by IA's, or temporary, or permanent loss of data.
- 10.3 The IA may sell his appointment that also can be inherited, or bequeathed; it can however only be transferred, or assigned during the lifetime of the IA with the written consent of BLUECHIP.

- 10.4 This document of appointment, read with the Rules, contains the entire agreement between the parties and neither party shall be bound by any undertaking, representation or warranty not reduced to writing and incorporated in this document. No agreement varying, adding to, or deleting from, or cancelling this appointment shall be of force and effect, unless reduced to writing and signed by BLUECHIP.
- 10.5 No indulgence granted by either party shall be construed as a waiver of any rights of that party in terms of this appointment. A party may at all times exercises any right he/she may have against the other party.
- 10.6 The parties agree to the jurisdiction of the Magistrate's Court having territorial jurisdiction in terms of section 45 of the Magistrates Court Act of 1994, over all disputes and legal proceedings arising from this appointment.
- 10.7 The IA may use the name of BLUECHIP only in the following format:  
Independent Advertiser of BLUECHIP
- 10.8 The IA is not permitted to create his/her own stationary, business cards, or letterheads from the BLUECHIP graphics. If and when the use of BLUECHIP graphics are permitted stationary must be ordered from BLUECHIP.

#### **BLUECHIP RULES FOR INDEPENDENT ADVERTISERS**

1. An appointment will qualify as an IA when he/she has directly introduced one (1) policyholder of his/her own to a BLUECHIP product, and has satisfied BLUECHIP's training requirements. From the end of the month in which an IA qualifies he/she will earn commission (as set out below) on the monthly premiums received from all policyholders of his/her down line up to level number seven (7).
2. To qualify for any title an Advertiser must have the appointments according to the bonus structure, but commission shall be paid on all appointments entered.
3. Commissions on monthly premiums are paid over at every end of the month in which the premiums have been confirmed as received, provided this occurs before business close off date. If not, commissions will be paid the end of the following month.
4. BLUECHIP reserves the right to change the commission structure, at BLUECHIP's discretion. A seven (7) day notification will be given to all IAs. The commission structure is as follows:

**Assumption: Premium = R140 per month**

Level	Referrals	Comm/level	Level Comm	Total comm
1	7	R20	R140	R140
2	49	R20	R980	R1 120
3	343	R20	R6 860	R7 980
4	2 401	R20	R48 020	R56 000

No limit on how wide you can go.

**R100 marketer s fee will be paid to you on every member that you personally enrol**

**Build your network over 7 levels.**

As soon as there are more referrals on level 5 than on level 1, level 5 opens. If there are more referrals on level 6 than level 2, then level 6 opens and finally when there are more referrals on level 7 than on level 3, then level 7 opens.

Level	Level 4	Level 5	Level 6	Level 7
1	20	10	10	10
2	20	20	10	10
3	20	20	20	10
4	20	20	20	10
5		10	10	10
6			10	10
7	<b>7x3x3x3x3x3x3</b>			20
<b>Approximate income = R78 000</b>				

**Monthly bonuses**

A monthly bonus of **R820** is payable to a member who personally introduces 3 people on his/her first level, who in turn introduce 3 people each on the 2<sup>nd</sup> level and those 9 people introduce 3 people each on the 3<sup>rd</sup> level. A monthly bonus of **R5000** is payable to a member who has two perfect structures as explained above, in place.

**Incentives**

5 on level 1 + 500 total (3 Months) R5,000 once off

10 [1-3] 1,000 R2,500 monthly car allowance

20 [1-4] 2,500 R7,500 monthly car allowance

40 [1-4] 5,000 R12,000 monthly car allowance

60 [1-4] 10,000 R22,000 monthly car allowance

5. Companies, closed corporations and trusts can not buy any assurance products of BlueChip Business Opportunity. Cessions also cannot be done by above mentioned parties. An IA can cede his downline (his business).

6. No stacking is allowed, eg. The vertical propagation of your network structure at the expense of horizontal growth.

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