

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 program 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 commercialized 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.
- 3.9 The IA will at all times make sure that he/she is in possession of the latest documentation as provided on the website.

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.
- 4.7 An IA is not permitted to collect any monies or premiums in any form from prospective and/or existing Company customers on behalf of the Company. No other services may be offered for remuneration by the IA to assist in building or expanding another prospective or existing IA business/network.

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, judgments, 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.

8. Termination

- 8.1 Either party shall be entitled to terminate this appointment forthwith, by written notice, for the following reasons:
 - 8.1.1 If the IA falsifies any document or record required by BLUECHIP, including but not limited to, the data entered into the computer programmed system.
 - 8.1.2 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.
 - 8.1.3 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.

9. Miscellaneous

- 9.1 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.
- 9.2 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.
- 9.3 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.
- 9.4 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.
- 9.5 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.
- 9.6 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.
- 9.7 The IA may use the name of BLUECHIP only in the following format: "Independent Advertiser of BLUECHIP"

9.8 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.

10. BLUECHIP RULES FOR INDEPENDENT ADVERTISERS

10.1 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).

10.2 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.

10.3 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.

10.4 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: Silver Premium = R150 per month

Level	Referrals	Comm/level	Level Comm	Total comm
1	7	R30	R150	R150
2	49	R20	R980	R1 130
3	343	R20	R6 860	R7 990
4	2 401	R20	R48 020	R56 010

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	R30	R20	R10	R10
2	R20	R20	R20	R10
3	R20	R20	R20	R20
4	R20	R20	R20	R20
5		R10	R10	R10
6			R10	R10
7				R10

Elite product

Please note that the monthly premium is R200 and the commission per level is R30.

Assumption: Premium = R200 per month

Level	Referrals	Comm/level	Level Comm	Total comm
1	7	R30	R210	R210
2	49	R30	R1 470	R1 680
3	343	R30	R10 290	R11 970
4	2 401	R30	R72 030	R84 000

No limit on how wide you can go.

The network structure over 7 levels will then be as follows:

Level	Level 4	Level 5	Level 6	Level 7
1	R30	R15	R15	R15
2	R30	R30	R15	R15
3	R30	R30	R30	R15
4	R30	R30	R30	R30
5		R15	R15	R15
6			R15	R15
7	7x3x3x3x3x3x3			R15
Approximate income (7x3x3x3x3x3x3) = R117 600 plus				

BlueChip Beef/Inkomo Policy information

At the death of a member or dependant [14 years and older], a butchery benefit of R6 000 or a 400kg live cattle will be delivered to the nominated venue where the funeral will take place free of charge within a radius of 80km of the farmer

In the event of the death of a child under age 14, a meat hamper will be delivered to the nominated venue where the funeral will take place free of charge within a radius of 80km of the farmer.

The value of the meat hamper will be approximately:

- i. R3000 (children 6-13 years)
- ii. R1500 (children under 6 years)
- c. No cash is paid out in this regard.

Waiting periods for Beef Funeral Cover

6 (six) month waiting period applies to death of natural and unnatural causes and no pro-rata as with funeral policy.

THE INCOME POTENTIAL

Assumption: Premium = R168 per month

Level	Referrals	Comm/level	Level Comm	Total comm
1	7	R15	R105	R105
2	49	R15	R735	R840
3	343	R15	R5 145	R5 985
4	2 401	R15	R36 015	R42 000

No limit on how wide you can go.

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	1	2	3	4	5	6	7
5	R7.50	R15.00	R15.00	R15.00	R7.50		
6	R7.50	R7.50	R15.00	R15.00	R7.50	R7.50	
7	R7.50	R7.50	R7.50	R15.00	R7.50	R7.50	R7.50
7x3x3x3x3x3x3 = R58,800 per month							

Incentive bonuses

A monthly bonus of **R1 000** is payable to a member who personally introduces 3 new people on his/her first level who signs up for any of above products, who in turn introduce 3 new people each on the 2nd level and those 9 people introduce 3 new people each on the 3rd level. To qualify for this incentive bonus, monthly premiums cannot be paid on behalf of people in your downline. This structure must be kept in place for two consecutive months with paid up members before you qualify for the incentive. If for whatever reason it would lapse, the 2 consecutive months again would apply. To continue with this incentive, the IA must have a monthly positive grow for the first 12 (twelve) months, 150 new recruits in his levels 1-7, 6 (six) months since first qualification and 300 recruits in his levels 1-7, 12 (twelve) months since first qualification.

A monthly bonus of **R2 000** is payable to a member who has two perfect structures as explained above, in place. This structure must be kept in place for two consecutive months before you qualify for the incentive. The same rules apply as for the R1 000 bonus as mentioned above.

To prevent stacking, only one member per family or beneficiary can qualify for the above incentive bonuses.

Monthly Bonuses

Members on 1st level	Total paid up Members	Once-off bonus	Monthly Allowance
3	39	R250	
3	78	R500	
3	150	R750	
3	300	R1,000	
5	500	R2,000	R1,000
5	750	R2,500	R1,500
10	1,000	R5,000	R2,000
10	2,000	R10,000	R5,000
10	5,000	R20,000	R10,000
10	10,000	R50,000	R20,000

This structure must be kept in place for two consecutive months before you qualify for the monthly bonuses. It is only calculated on active members in your downline.

10.5 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). For further assistance in the above matters, please contact the administrator on 021 913 6810.
