

1. GENERAL

These Policies & Procedures have been established to protect the Independent Business Associate's business and the Company's best interests. The Policies and Procedures explain the relationship between each Tiscali Network Distribution Limited Independent Business Associate ("Business Associate") and where the context so admits joint-Business Associates and Tiscali Network Distribution Limited ("Tiscali" or "the Company").

2. CODE OF ETHICS

The Business Associate agrees to conduct his/her business according to the following Code of Ethics. This Code ensures high standards of integrity and professionalism throughout Tiscali's network of Business Associates and protects the business image of the individual Business Associate as well as the overall image of Tiscali.

The Business Associate promises and agrees in conducting his/her business that he/she will:

- a) Conduct himself/herself and deal with customers and other Business Associates with the highest standards of honesty, integrity, and fairness and in accordance with the DSA code of conduct;
- b) Be honest in all business dealings;
- c) Represent Tiscali's products and/or services (as defined in the Business Associate Application and Agreement form) in complete accordance with the information contained in Tiscali literature and without making misleading product or service claims;
- d) Represent Tiscali's Pay Plan completely to all potential Business Associates and without making any misleading or exaggerated income claims;
- e) Make estimates of income that are based on reasonable predictions for what an average Business Associate would achieve in normal circumstances;
- f) Represent that past earnings in a given set of circumstances do not necessarily reflect future earnings;
- g) Not misrepresent the amount of expenditure that an average Business Associate might incur in carrying on the business;
- h) Not misrepresent the amount of time an average Business Associate would have to devote to the business to achieve the income estimated and not state that income or earnings are guaranteed for any individual Business Associate;
- i) Never state or infer that a Business Associate will build a team for anyone else;
- j) Never state that any consumer business or government agency has approved or endorsed the Tiscali products, services or Pay Plan;
- k) Fulfil all obligations associated with sponsoring other Business Associates, including training, motivation and support;
- l) Familiarise himself/herself with and abide by these Policies and Procedures as amended from time to time and ensure that he/she at all times is operating in accordance with the most current version of the Policies and Procedures;
- m) Familiarise himself/herself with and abide by all laws, common laws, regulations and statutes of any country in which he/she conducts his/her Tiscali business.
- n) Not to sign any document that relates to the Tiscali products, services or pay plan on behalf of any other Business Associate or customer. Any such documents will not be deemed valid or bind Tiscali.
- o) Not to place orders for products and services that have not been expressly ordered by customers. Tiscali may require written proof to verify the placement of orders.
- p) Not to place orders for products and services where the order does not relate to an end user i.e. where the end user is not a real person or business.
- q) Respect customers' right to privacy and their right to bring any contact to an end;
- r) Answer customers questions honestly and clearly;
- s) Give clear and legally accurate information about price and all aspects of after sales service;
- t) Refrain from in any way exploiting the customer especially anyone who is particularly vulnerable;
- u) Offer maximum co-operation to trading standards officers and other individuals or bodies (such as Citizens Advice Bureaux; and
- v) Identify him or herself to prospective customers, explain the purpose of the approach and identify Tiscali and its Products and Services.

3. BECOMING A TISCALI BUSINESS ASSOCIATE

To become a Business Associate, a Business Associate Agreement must be read, completed in full, signed by the Business Associate (including any joint-Business Associate) and a Business Associate Business pack purchased. The Business Associate Agreement should be returned as soon as possible by post to Tiscali. Upon acceptance by Tiscali, the Business Associate details will be recorded on Tiscali's computer files. Eligibility requirements to become a Business Associate are as follows:

- a) The Business Associate must have reached the age of 18 years and be resident and have the right to work in the country in which Tiscali is currently doing business.
- b) The Business Associate position will be granted only for the country in which the Business Associate is resident.
- c) The Business Associate will be allocated a Business Associate ID Number. This number will be recorded on the Tiscali computer together with the Business Associate's personal details obtained from the Business Associate Agreement.
- d) Except where two Business Associates marry after each has independently become a Business Associate, Business Associates may not have an ownership interest in or management control of more than one Business Associate position, whether direct or indirect or whether as an individual or joint-Business Associate without express written permission from Tiscali or in accordance with the Pay Plan. Operating more than one position will subject a Business Associate to suspension or termination. A Business Associate may not sign the Agreement on behalf of another individual. A Business Associate may not be an agent for or act as an agent for another Business Associate. Forgery of another individual's name or establishing phantom Business Associate positions may be grounds for termination of the Agreement. Tiscali shall be entitled to terminate or merge any position, which in its reasonable opinion is a surrogate for another position or person.
- e) Married couples who wish to become Business Associates are required to sign the same Business Associate Application and Agreement as joint Business Associates. Their Business Associate position will be deemed to be as joint-Business Associates under one sponsor, under which each spouse will be jointly and severally responsible for the actions of the other spouse. If a spouse wishes to become a Business Associate subsequent to the other spouse becoming a Business Associate, he/she will be added as a Business Associate to the existing Business Associate position upon written notification to Tiscali and cannot hold a Business Associate position in their own right except with the express written consent of Tiscali.
- f) Tiscali will accept as Business Associates individuals and partnerships but not limited companies or other legal entities. (Trading names are permitted)
- g) No Product or Service purchase is necessary to become a Business Associate.
- h) It is the responsibility of each Business Associate to notify Tiscali within fourteen (14) days of any changes to their personal details as set out in the Business Associate Application and Agreement Form.
- i) In the event that any Business Associate's postal address providing during registration is the same or similar to any other Business Associate, Tiscali reserves the right to request such additional proof as it may deem necessary to verify the identity of both Business Associates.

4. BUSINESS ASSOCIATE RIGHTS

Tiscali grants to the Business Associate in accordance with the terms of the Business Associate Agreement the non-exclusive right to sell and promote Tiscali products and services. Business Associates may promote products and services, and sponsor new Business Associates only in countries in which Tiscali operates and in which the Business Associate is authorised to conduct his/her Business Associate business. Business Associates are entitled to receive Tiscali literature and other communications, to participate in Tiscali sponsored support, service, training, motivational and recognition functions (subject to applicable charges) and to participate in promotional and incentive competitions and other Tiscali sponsored programmes.

All Business Associate Agreements expire annually on the anniversary of the date of acceptance of the Agreement by Tiscali or such other date as Tiscali determines. The Business Associate is required to renew the Agreement annually prior to the expiration date set by Tiscali. On renewal the Business Associate annual renewal administration fee currently £20.00 per annum (subject to review for subsequent renewals) will be payable by credit or debit card through the online renewal procedure. Tiscali may at its option accept late renewal applications but otherwise anyone wishing to renew after expiry must re-apply to become a Business Associate under the same sponsor, with the loss of any downtime.

5. INDEPENDENT BUSINESS RELATIONSHIP

- a) Business Associates are independent contractors and are not purchasers of a franchise. The Business Associate Agreement between Tiscali and its Business Associates does not constitute an employer/employee, agency, partnership or joint venture relationship. Business Associates shall have no legal right or authority to bind Tiscali to any obligation or to make representations or warranties on behalf of Tiscali. The Business Associate shall be responsible for filing all necessary tax returns and paying all applicable taxes.

- b) Any verbal or written statements made by the Business Associate, as an independent contractor, with regard to Tiscali products or services and the Tiscali marketing programme must be based strictly on the written information issued by Tiscali. The Business Associate is liable for all statements he/she may make which deviate from the above and shall indemnify Tiscali from any loss, damages, claims, costs (including legal fees or court costs) or fines arising from unauthorised representations made by the Business Associate.
- c) The Business Associate determines his/her own hours of work, sales methods and sales operation provided they comply with applicable laws and regulations. The Business Associate is responsible for payment of all expenses incurred in the running of his/her Business Associate business.

6. TAXES

As an independent contractor the Business Associate shall be responsible for the filing of all necessary tax returns and registering for and paying all applicable taxes due in relation to the Business Associate's business. This shall include (but not be limited to) the obligation to make, execute or file, all reports and obtain licences (including, if applicable, VAT registration) as are required by law with respect to the Business Associate Agreement and/or the acquisition, receipt, holding, selling, distribution or promotion of Tiscali products and services.

7. BUSINESS ASSOCIATE CONDUCT AND SALES REPRESENTATIONS

The Business Associate agrees to give a true and fair description of Tiscali products, services and programmes in all discussions with customers, fellow Business Associates and potential Business Associates. This obligation to give a true and complete representation shall include the following points:

a) Policies and Procedures and Pay Plan

The Business Associate shall neither misstate nor omit any essential details regarding the Tiscali programme. On presentation of a Business Associate Agreement the Business Associate shall provide each potential Business Associate with a copy of the current Policies and Procedures and the Pay Plan and other relevant documentation.

In discussions with potential Business Associates, the Business Associate will ensure that the following points are made clear:

- The Tiscali programme is based on the promotion of Tiscali products and services to end customers.
- Business Associates will not be successful merely by sponsoring other Business Associates without endeavouring to promote products or services themselves.
- Revenue from product and service sales are of major importance for bonus payments.
- Exclusive or undue emphasis on sponsoring is not permitted.

b) Income Representations

The Business Associate shall not make any exaggerated representations as to potential income to be realised by prospective Business Associates when presenting the Tiscali opportunity or the Tiscali Pay Plan except as set out in official Tiscali literature.

c) Product/Service Claims

The Business Associate shall not make claims for Tiscali products or services other than those found in current company literature.

d) Non Disparagement

In setting a proper example for their team in building a professional business, Business Associates must not disparage other Tiscali Business Associates, Tiscali products or services, the Tiscali Pay Plan, Tiscali employees, officers or competitors.

e) Forms and Applications

All Business Associates shall forward to Tiscali any forms and applications they receive from other Business Associates or customers on the next business day after the day on which the forms or applications are signed.

f) **Delinquent Customer Service Bills and Fraud**

The supply of Tiscali products and services shall be subject to the terms and conditions of sale or supply of the relevant service provider in force from time to time. Active customer points will only be credited to the Business Associate account for genuine customer registrations, for example, SmartTalk CPS orders must be accepted by BT.

g) **Service Not Requested**

The unauthorised (i.e. without a written request from the customer) conversion of a customer's phone service from their current carrier to Tiscali service is prohibited and will result, if proven in termination of the Business Associate Agreement. In addition, Tiscali may take legal action against such Business Associates including, but not limited to claims for reimbursement for fines levied upon Tiscali by such acts.

h) **Purchase and Sale of Customers**

No Business Associate may purchase from or sell to any other person or entity a completed Customer Agreement. By submitting a Customer Agreement to Tiscali the Business Associate represents and undertakes to Tiscali that to the best of his knowledge and belief that the Customer Agreement is made by a bona fide prospective customer for Tiscali Services.

8. **PAYMENT OF BONUSES**

- a) Orders placed with Tiscali and paid for by closing time of the Tiscali office on the last business day of the month will qualify for bonus eligibility in that month or such other times as determined by Tiscali from time to time.
- b) Tiscali reserves the right in its sole discretion to change the last business day of the month.
- c) Tiscali will not be responsible for loss of commissions due to but not limited to the following:
 - 1) No Business Associate Agreement on file with Tiscali;
 - 2) Incomplete or incorrectly filled out Business Associate Application Forms or Customer Order Forms;
 - 3) Late Business Associate Agreements;
 - 4) Incorrect ID Numbers on any form;
 - 5) No signatures on any form; or
 - 6) Improper notification of change of Address;
- d) Commission must reach a minimum of £20.00 before a payment will be made. Amounts below this will be accrued.
- e) Commissions will be paid by credit to the bank account nominated by the Business Associate on the Business Associate Application Form. Such bank account must be in the name of the Business Associate and not any third party.
- f) Any commission discrepancy must be reported to Associate Services within 90 days of the payment date.

9. **QUALIFYING FOR BONUS**

In order to receive Bonuses or Commissions, the Business Associate must comply with the following obligations:

- a) To fulfil his/her obligations regarding sponsoring of other Business Associates and;
- b) To fulfil the qualification requirements as set out in the Pay Plan.
- c) Be in 'Active' status by returning a signed contract and paid for all orders in full.

10. **SPONSORING**

- a) Every Business Associate must have his/her own sponsor. It is an unwritten courtesy that the prospective Business Associate will tender his/her application to become a Business Associate to the first Business Associate who presented him/her with the complete Tiscali business opportunity. However, each new Business Associate has the right to choose his/her own sponsor. A Business Associate shall neither unduly influence the prospective Business Associate nor offer as enticement exaggerated prospects with regard to possible income or business development in order to gain a new Tiscali Business Associate.
- b) Tiscali recognises as sponsor the name shown on the first Business Associate application to be legally signed, dated and recorded in Tiscali's computer system. Tiscali will not mediate in sponsorship disputes.

- c) Where a Business Associate provides training for his/her team relating to Tiscali products or business development, he/she shall ensure that all materials used in such training are approved by Tiscali in advance of such training and that any charge made by him/her for training materials is reasonable in the circumstances. The Business Associate understands that providing paid for training does not replace the obligation on the sponsor to provide on going support and assistance to his/her team. Any attendee at a Business Associate provided training shall be entitled to a full refund of the price paid (less subsistence) for such training in the event that he/she is dissatisfied and requests a refund in writing from the Business Associate responsible for the training within 14 days from the date of the training. Any Business Associate conducting training agrees that he/she shall refund to any dissatisfied attendee who request a refund in accordance with this Section 10 the price of such training.

11. INTERNATIONAL SPONSORING

Tiscali reserves the right to permit international sponsorship in future foreign markets from time to time subject to any conditions that Tiscali shall deem appropriate to impose.

12. TRADEMARKS

Tiscali has certain trademarks, service marks, trade names, slogans, symbols, and colour schemes, which are proprietary. Except for marketing materials, sample products, and advertising provided or sold to Business Associates by Tiscali, the Business Associate shall not use or display such trademarks, service marks, trade names, slogans, symbols, and colour schemes without Tiscali's prior written permission or otherwise in accordance with these Policies and Procedures.

13. ADVERTISING

(a) General

- (i) Business Associates are permitted to advertise Tiscali products, services or business using the preformatted advertisement templates supplied by Tiscali and otherwise only subject to the prior approval by Tiscali of advertisement copy. Please allow at least ten (10) working days for approval. All advertisements must state clearly that the Business Associate is a Tiscali Independent Business Associate.
- (ii) Business Associates are prohibited from using Tiscali or Tiscali trademarks, service marks, trade names, slogans, symbols, and colour schemes in advertising in a manner that would suggest or imply that they are employed by Tiscali.

b) Literature and Sales Aids

- i) The copyright in all Tiscali promotional material, whether printed matter or audio-visual or electronic items, shall remain the property of Tiscali at all times and may not be reproduced in whole or in part either by the Business Associate nor shall the Business Associate permit any other persons to do so without express written consent from Tiscali. Television and radio broadcasts by Business Associates in connection with their Tiscali business are prohibited.
- ii) Business Associates may not advertise on any electronic mail media, including but not limited to the Internet, other than by using the website templates supplied by Tiscali and containing information provided by Tiscali without prior written approval by Tiscali. No Business Associate may independently design a website that uses the names, logos, product or service descriptions of Tiscali nor may a Business Associate use "blind" advertisements on the internet making product, service or income claims which are ultimately associated with Tiscali products, services or the Tiscali Pay Plan.
- iii) Business Associates are expressly prohibited from the production, use or distribution of printed matter or audio-visual material which makes reference to the content, characteristics, or properties of Tiscali or Tiscali products or services which has not been provided directly by Tiscali or is not contained in official Tiscali materials and advertising templates. This prohibition includes but is not limited to print, audio, internet or video media.
- iv) Business Associates may not record or reproduce materials from any materials from any Tiscali corporate function event or speech without the express written permission of the company.
- v) Business Associates may not record or reproduce or copy any presentation or speech by any Tiscali spokesperson, representative, speaker, officer, director or other Business Associates.
- vi) Any and all support materials e.g. promotional items are to be sold and distributed only by Tiscali or Tiscali approved vendors.

- vii) Business Associates must not use the names of any individuals or companies associated with Tiscali including but not limited to Tiscali UK., Smart Talk, Tiscali Spa, Tiscali, Tiscali Network Distribution Limited or any other vendor's names in any advertising and/or promotional materials of any kind without the express written permission of Tiscali. Further a Business Associate may not contact directly or indirectly or speak to or communicate with any representative of any vendor, supplier or manufacturer of Tiscali except at a Tiscali sponsored event at which the representative is present at the request of Tiscali.
- c) **Telephone Answering Messages**
All Business Associates are independent contractors. When answering the telephone or leaving a message on the answering machine, this must be done in such a manner as to avoid any possible mistaken assumption on the part of the caller that he/she is speaking directly to Tiscali or that the Business Associate is employed by or is an agent of Tiscali.
- d) **Telephone Directory Listing**
Business Associates may be listed in the official telephone directory or in any business/commercial telephone directory as follows:

Tiscali Independent Business Associates,
Smith, Jane and John
Address/Telephone Number.
or
Smith, Jane and John
Tiscali Independent Business Associates,
Address/Telephone Number.
- e) **Freephone Numbers**
Freephone telephone number listings must not contain any reference to Tiscali.
- f) **Media**
All publicity material originated by Business Associates or replies to enquiries from newspapers, magazines or any other print media must be submitted to Tiscali for approval prior to publication. Please allow ten (10) days for approval.
- g) **Stationery and Business Cards**
Any printed Business Associate materials making reference to Tiscali including business cards must be approved by Tiscali in advance of printing and must indicate that the Business Associate is a Tiscali Independent Business Associate.
- h) **Labelling and Packaging**
Business Associates may not relabel or alter the labelling of Tiscali products, nor repackage or modify the packaging thereof in any way.
- i) **Telephone Marketing**
Use of the Tiscali trademark, trade names or any of its product or service trade names or any copyright material on computer networks, facsimile machines, automatic answering machines or similar devices for the purpose of recruiting potential Business Associates or customers are permitted subject to the Business Associate obtaining the prior written consent of Tiscali. It is the responsibility of the Business Associate to ensure that any unsolicited mass marketing shall comply with all applicable law and regulations.
- j) **TV Shopping Channels, etc.**
Other than as permitted in (a) above Tiscali does not allow direct response for Tiscali products or services through the print media, radio, television, direct mail, mail order companies, leaflets, catalogues, annual directories or any other form of unsolicited direct response promotion or advertising.
- (k) **Miscellaneous**
No advertising of any description is allowed within a country, prior to and including the official commencement date of corporate sales and distribution.

(l) **Business Opportunity Meetings**

The Business Associate shall ensure that where prospective Business Associates or customers are invited to meetings that the invitations specify the purpose of the meeting and explain that those who are invited are under no obligation to purchase. All invitations shall also include the contact details of the Business Associate including a telephone, or fax number or e-mail address.

(m) **Lotteries and Prize Draws**

The Business Associate shall not either directly or indirectly market the Products or Services or the sponsorship of new Business Associates through lotteries or prize draws.

14. CONVENTIONS AND TRADE SHOWS

Before proceeding with an exhibit at a convention or trade show, Business Associates must apply to Tiscali in writing for permission. Tiscali will not permit more than one Business Associate to exhibit at a trade show. Each Business Associate is responsible for contacting the appropriate local authorities regarding any required permit or like document with regard to participation in a trade show and/or convention. If a permit or like document is required, a copy of the specific permit or like document must be submitted to Tiscali for its permanent records.

Business Associates may not sell or promote Tiscali products or services or the network business opportunity at farmer's markets, flea markets or garage or car boot sales.

15. RETAIL OUTLETS

Tiscali does not permit the sale or promotion of Tiscali products or services in retail outlets. Proprietors of such establishments may, however, be sponsored as Tiscali Business Associates, but promotion of Tiscali products and services may not be effected on the retail premises. This policy ensures that all Tiscali Business Associates have an equal opportunity in the promotion of Tiscali products and services.

A Tiscali Business Associate with his/her own retail premises may display Tiscali literature and demonstration products for the purpose of creating interest in the products, services and in the Tiscali programme. However, no Tiscali Product may be stored or sold on the actual retail premises. Contact with potential Business Associates for further sponsoring activity should be effected off the premises. Tiscali products or services may not be displayed in any retail outlet if competitive products or services are sold or promoted in the outlet.

16. CROSS LINE SPONSORING AND POST TERMINATION CONDUCT

In consideration of the granting of the Business Associate position the Business Associate agrees that for the duration of the Business Associate Agreement and after the expiry or termination of the Business Associate Agreement for a period of ninety (90) days the Business Associate shall not take or encourage any action, the purpose or effect of which would be to circumvent, breach, interfere with or diminish the value or benefit of Tiscali's contractual relationships with any Tiscali Business Associates. Such conduct shall include in particular cross line sponsoring of Business Associates into another network marketing business opportunity or cross line sponsoring persons who are already Business Associates to your own Tiscali marketing business. Without limiting the generality of the foregoing, for the duration of the Business Associate Agreement and after the expiry or termination of the Business Associate Agreement, for a period of ninety (90) days, the Business Associate agrees not to cross line sponsor, and in particular the Business Associate agrees to not directly or indirectly, contact, solicit, persuade, sponsor or accept any Tiscali Business Associate into, or in any way promote opportunities in marketing programmes of any direct sales company other than Tiscali or to cease being a Tiscali Business Associate. Further, for the duration of the Business Associate Agreement and after the expiry or termination of the Business Associate Agreement, for a period of ninety (90) days, the Business Associate agrees that he/she will not (i) hold a direct sales representative position in the network organisation of any direct sales company offering products or services directly competing with those offered at any time by Tiscali, (ii) participate in the ownership, management or control of any such competing direct selling company or (iii) be employed by any such competing direct selling company.

17. DATA PROTECTION

This policy describes Tiscali's duty of care, in relation to the collection and use of data, in relation to Business Associates with regard to the data (whether personal or otherwise) that is held by it. In this regard, Tiscali is committed to:

- Obtaining and processing personal data or the information constituting personal data fairly;
- Ensuring personal data is accurate and, where necessary, kept up-to-date;

- Keeping personal data for only one or more specified lawful purpose;
- Not using or disclosing personal data in any manner incompatible with such lawful purpose;
- Ensuring that personal data is adequate, relevant and not excessive in relation to such purposes;
- Not keeping personal data for longer than is necessary for such purposes; and
- Taking appropriate security measures against unauthorised access or alteration, disclosure or destruction of personal data and against their accident, loss or destruction.

The Business Associate acknowledges that he has been informed by Tiscali that the information which he gives to Tiscali (including information relating to the Business Associate, his address and other details) will be retained by Tiscali on a computer database and will be used by Tiscali for the purposes of calculating the marketing commissions payable and for the performance of the Tiscali business. The Business Associate also acknowledges that Tiscali may disclose this information in connection with such purposes to other members of Tiscali which may be situated inside or outside the EU and to other persons and, in particular, may disclose it to other Business Associates as part of Tiscali's genealogies. The Business Associate consents to Tiscali retaining, processing and disclosing the information referred to as set out above.

18. CHANGES IN BUSINESS ASSOCIATE STATUS

a) **Change of Name**

The trading name of the Business Associate may be changed by forwarding written notification to Tiscali. Such notification must include the consent of any joint-Business Associate or partner.

b) **Line of Sponsorship**

The integrity of the lines of sponsorship is fundamental to the organisation's functionality and success. Once a Business Associate is sponsored Tiscali believes in protecting his/her relationship to the fullest extent possible. However, the following exceptions may be made at the sole discretion of Tiscali:

- By terminating the Business Associate Agreement and remaining inactive for a period of six (6) months before re-applying under a different sponsor;
- In the case of proven unethical sponsoring by the original sponsor; or
- With the written approval of the immediate seven (7) active support team sponsors who shall each complete a form of consent agreement. If the consent of each of the seven (7) active support team sponsors cannot be obtained no transfer will be permitted.

In the case of (ii) and (iii) above the Business Associate position may at the sole discretion of Tiscali be transferred with any and all the team intact.

c) **Sale of a Business Associate Position**

- A Business Associate position or any rights ensuing therefrom may be sold or otherwise transferred by the Business Associate subject to prior written approval from Tiscali (such approval not to be unreasonably withheld). In general no transfer agreement will be approved unless it includes:
 - covenants by the seller not to solicit his/her immediate team for at least six months from the effective date of the sale; and
 - a provision in which the parties agree upon the ownership of the inventory of the Business Associate's business upon the sale. Tiscali will not repurchase inventory from a person who sold his/her interest in a Business Associate business.
- Subject to prior approval from Tiscali (such approval not to be unreasonably withheld), the sale of the Business Associate position must first be offered in writing to the Business Associate's sponsor.
- Should the sponsor decline the offer, the Business Associate position can then be offered to any person outside the Tiscali organisation fulfilling the eligibility requirements of becoming a Business Associate (see Section 3).
- Where the Business Associate position is offered to the sponsor in accordance with (i) or (ii) above the Business Associate must be notified within seven (7) days as to whether the sponsor wishes to accept or decline the offer.

- v) Where the sale is to a person(s) who is (are) not an existing Tiscali Business Associate(s), Tiscali must first receive from the purchaser of the Business Associate position the proposed Transfer Agreement, including terms of payment, and a signed Business Associate Agreement, as well as such further information and documentation as Tiscali shall require to evaluate the purchaser, terms of sale, and such other matters which Tiscali shall deem relevant or necessary for the exercise of its right of approval. The purchaser shall in addition provide to Tiscali proof of identity and signature in a form acceptable to Tiscali.
 - vi) No Business Associate may buy or sell a Business Associate position to an existing Business Associate other than as described in Sections c(ii) and (iii) above.
 - vii) The seller may not reapply to become a Tiscali Business Associate or purchase another Tiscali Business Associate position for a period of six (6) months from the date of the sale or transfer of the Business Associate position.
 - viii) Without prejudice to the rest of this Section 18, no Business Associate may transfer individuals or groups of customers to another Business Associate (as opposed to the transfer as part of an authorised sale of a Associate Business Position). Where any customer registration is made in error Associate Services must be informed within 24 hours.
- d) **Marriage**
Should two existing Business Associates marry, they may elect to maintain their separate Business Associate position or for one Business Associate to become a joint Business Associate in the spouse's team PROVIDED that the Business Associates are part of the same team.
- e) **Divorce**
Upon divorce of married joint-Business Associates, Tiscali must be notified as to which former spouse will assume ownership of the business as determined by agreement between the parties or by an order of a court of competent jurisdiction. A change in the ownership of the Business Associate position will not take place until Tiscali receives a copy of the divorce documentation. Should the party who does not assume ownership of the Business Associate position desire to remain a Business Associate, he/she may do so by submitting a new Business Associate Agreement at the time the divorce documentation is submitted to Tiscali but may not purchase an existing Business Associate position or become a partner in an existing business. He/she shall then be entered as a new Business Associate under the original sponsor. If there is any question over the disposition of the Business Associate business or the income from the Business Associate position, Tiscali may suspend the Business Associate position and hold all commissions and/or bonuses until the dispute over the disposition is resolved by agreement between the parties or by an order from a court of competent jurisdiction. Under no circumstances will Tiscali divide a team or split or apportion bonus or commission cheques or payments between spouses.
- f) **Separation of Joint Business Associates**
If Business Associates operating their business jointly or as a partnership wish to dissolve their jointly held position or partnership then Tiscali must be notified as to which of the former joint Business Associates or partners will assume ownership of the Business Associate business as determined by agreement between the parties or by an order of a court of competent jurisdiction. A change in the ownership of the Business Associate position will not take place until Tiscali receives a copy of documentation evidencing agreement between the parties as to the dissolution of their relationship or a court order. Should the party who does not assume ownership of the Business Associate position desire to remain a Business Associate, he/she may do so by submitting a new Business Associate Agreement but may not purchase an existing Business Associate position or become a partner in an existing Business Associate business. He/she shall then be entered as a new Business Associate under the original sponsor. If there is any question over the disposition of the Business Associate business or the income from the Business Associate position, Tiscali may suspend the Business Associate position and hold all commissions and/or bonuses until the dispute over the disposition is resolved by agreement between the parties or by an order from a court of competent jurisdiction. Under no circumstances will Tiscali divide a team organisation or split or apportion bonus or commission cheques or payments between joint Business Associates.
- g) **Inherited Business Associate Businesses**
Upon the death of a Business Associate, the rights and responsibilities of the Business Associate are passed on to the rightful heir(s) who shall be eligible either (i) to accept the Business Associate position on the terms and conditions of the Business Associate Agreement as if they were a party thereto or (ii) to require final payment of sums due (if any) under the Business Associate Agreement. Tiscali reserves the right to suspend the Business Associate position until receipt of documentation evidencing the entitlement of the heir to the deceased's Business Associate position.

h) **Incapacity of a Business Associate**

Upon the incapacity of a Business Associate, the rights and responsibilities of the Business Associate can be assumed by his/her attorney who may handle the Business Associate's affairs even though he /she may him/herself hold a Tiscali Business Associate position. Tiscali reserves the right to suspend the Business Associate position until receipt of documentation evidencing the authority of the attorney.

19. POLICIES AND PROCEDURES VIOLATIONS

In order to protect the integrity of Tiscali's Business Associate network and the business environment in which Tiscali operates, the Business Associate on discovering or suspecting a violation of the Policies and Procedures, should first discuss the problem with the other Business Associate. If this does not resolve the problem it should be reported to his/her support team to resolve the issue at a local level. If the matter cannot be resolved, it should be reported in writing to Tiscali including details of the date, location and nature of the violation and the identity of the Business Associate alleged to be in breach. The Business Associate alleged to have violated the Policies and Procedures will be suspended in accordance with Section 21 and required by Tiscali in writing, to respond to the allegations within a period of ten (10) days. On receipt of the Business Associate's response, the Tiscali Compliance Department will investigate, will review the submissions and determine what action is appropriate to be taken. Where violations are proven or are not refuted by the Business Associate in question, this may result in a written warning, suspension, and the imposition of fines or termination of the Business Associate Agreement. Failure to respond within ten (10) days will be considered acceptance of the suspension/termination. The Business Associate hereby agrees that where a breach of Policies and Procedures is determined, and a fine imposed, Tiscali shall be entitled to deduct the amount of such fine from his/her account with Tiscali.

Tiscali shall notify the Business Associate in writing of any determination. Tiscali's decision will be final and not subject to any further review.

20. TERMINATION

The Business Associate Agreement may be terminated by Tiscali by seven (7) days notice in writing for (i) any breach of its provisions or (ii) violation of any of the Policies and Procedures, which is proven or not refuted in accordance with the procedure set out in Section 19 of these Policies and Procedures. The right of a terminated Business Associate to receive compensation from Tiscali ceases immediately from the date of the termination. Furthermore, a terminated Business Associate must stop sponsoring Tiscali Business Associates, using Tiscali promotional materials, trade marks, trade names, service marks, logos and colour schemes representing himself/herself as a Tiscali Business Associate or act in any way which may be adverse to the business of Tiscali or its Business Associates. Notwithstanding the foregoing Tiscali reserves the right, following the Business Associate's termination for whatever reason to hold open his/her Business Associate position. Upon termination of the Business Associate Agreement, all genealogy reports in the possession of the Business Associate shall be returned to Tiscali. Where a Business Associates Agreement has been terminated under this Section 20, that Business Associate may not re-activate their position or enter into a new Business Associate Agreement with Tiscali.

21. SUSPENSION

At the sole discretion of Tiscali a Business Associate's Agreement may be suspended, for a period of up to ninety (90) days, where Tiscali suspects that a Business Associate has breached its Agreement or the letter of spirit of Code of Ethics or Policies and Procedures. Tiscali reserves the right in its sole discretion to determine the period of suspension. The right of a suspended Business Associate to receive compensation from Tiscali ceases immediately from the date of suspension through to the end of the suspension period. A suspended Business Associate must cease selling Tiscali products, promoting Tiscali services, sponsoring Tiscali Business Associates, using Tiscali promotional materials, trade marks, trade names, service marks, logos and colour schemes, representing himself/herself as a Business Associate or act in any way which may be adverse to the business of Tiscali or its Business Associates. At the expiry of the suspension period the Business Associate shall be reinstated to good standing with the Company or where the suspension is for violation of Policies and Procedures (See Section 20) may be terminated or fined in accordance with Section 19.

22. CUSTOMER ENQUIRY PROCEDURE

In the case of enquiries made directly to Tiscali without reference to a Business Associate, Tiscali will endeavour to ascertain whether the contact with Tiscali was initiated by a Business Associate. If so, the person making such enquiry will be requested to contact the Business Associate in question.

Policies
And
Procedures

TISCALI NETWORK DISTRIBUTION LIMITED

REGISTERED OFFICE:

TISCALI NETWORK DISTRIBUTION LIMITED
20 Broadwick Street
London W1F 8HT

CORRESPONDENCE ADDRESS:

ASSOCIATE SERVICES (TISCALI NETWORK)
Breckland
Linford Wood
Milton Keynes
MK14 6LB