

RATIONALE FOR ACCOUNT ASSIGNMENT

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This document is intended to explain, in plain language, how the referenced Account Assignment works, why each section exists, and how the document is designed to be fair and practical for both parties.

It is not part of the Account Assignment itself. It does not modify the Account Assignment, create obligations, or grant rights. The Master Agreement and the executed Account Assignment are the binding legal documents.

This document is also not legal advice. It reflects intent and rationale in using this Account Assignment and is provided for informational and explanatory purposes only. Parties should rely on the executed documents themselves and may seek independent legal advice if they wish.

What the Account Assignment is and why it exists

The Account Assignment is the operative, account-specific instrument that:

- identifies an Account with precision;
- designates the **Actual (Authoritative) Account Lead** and any **Apparent Account Lead(s)**;
- records delegated authority boundaries and prohibited acts;
- captures any client/customer flow-down requirements applicable to the Account; and
- records the account-specific **Value Distribution Model** parameters.

The Account Assignment exists to prevent authority, scope, and compensation from being inferred from informal practice or from a role title.

Relationship to the framework documents

Master Agreement

The Master Agreement establishes baseline governance, defined terms, and risk posture. The Account Assignment does not amend the Master Agreement. It applies the Master Agreement to a specific Account.

Role Schedules

Role Schedules qualify individuals or entities for participation in roles (for example, Agency Schedule). They do not grant authority by themselves.

Role Assignments (ARAL)

Role Assignments classify authority (Apparent vs Actual). Account Assignments activate that authority for a specific Account and constrain how it may be exercised.

Account Identification

What it does

Requires that the Account be identified precisely (legal name, trade names, account code, related entities).

Why it exists

Account ambiguity causes disputes about what relationships were protected, what authority existed, and what value participation applies. Precision reduces interpretive risk.

Parties, Leads, and Delegation

Actual Account Lead

The Account Assignment requires a named Actual (Authoritative) Account Lead, who must be an Associate.

Apparent Account Lead(s)

Apparent Account Lead(s) may be designated, but operate only under delegated authority.

Delegation statement

The delegation statement exists to prevent day-to-day shorthand (calling an Apparent Lead "Account Lead") from creating implied authority.

Authority Designation and Constraints

What it does

- Records the authority designation and limits.
- Lists prohibited acts (no binding, no pricing authority, no resource commitments, no Product rights).
- Allows narrow, explicit delegations when needed.

Why it exists

Authority risk is created through communications and expectations. Explicit constraints reduce accidental commitments.

Customer / Third-Party Flow-Down Terms

What it does

Records whether customer or third-party terms apply (confidentiality, IP, security, etc.) and whether acknowledgement has been recorded.

Why it exists

Flow-down obligations are a common source of surprise and risk, especially for contractor partners. Recording acknowledgement improves governance and auditability.

Scope of Responsibilities

What it does

Separates responsibilities for:

- the Actual Account Lead
- the Apparent Account Lead(s)
- shared responsibilities

Why it exists

It clarifies accountability and avoids role creep. The Actual Account Lead remains accountable for governance and binding decisions.

Value Distribution

What it does

- Incorporates the Value Distribution Model.
- References the controlling exhibit/statement.
- Records Account Lead share allocation.
- Records measurement and reporting inputs.

Why it exists

Alescent's compensation model requires traceable, account-specific allocation rules. This prevents side deals and ambiguity.

Term and Renewal

What it does

- Sets an annual term ending December 31 of the year of the effective date.
- Provides automatic renewal criteria (Actual Value Realization exceeds 80% of prior 12 months).
- Allows additional renewal conditions.

Why it exists

Annual renewal forces periodic governance review while allowing continuity for accounts that are actively producing value.

Execution

What it does

Provides signature blocks so the Account Assignment is an operative instrument.

Why it exists

If it is not executed, it does not exist. Execution supports auditability and dispute resolution.



Common Questions

Does this assignment give an Agent actual authority?

No. Apparent Account Leads remain non-binding and must escalate binding matters to the Actual Account Lead.

Does this assignment change the Master Agreement?

No. It applies the Master Agreement to a specific Account.

Why is renewal tied to value realized?

Because the Account Assignment is intended to remain active only where it is producing verifiable value, and to force review where it is not.