

# THE LYCONET COMPENSATION PLAN

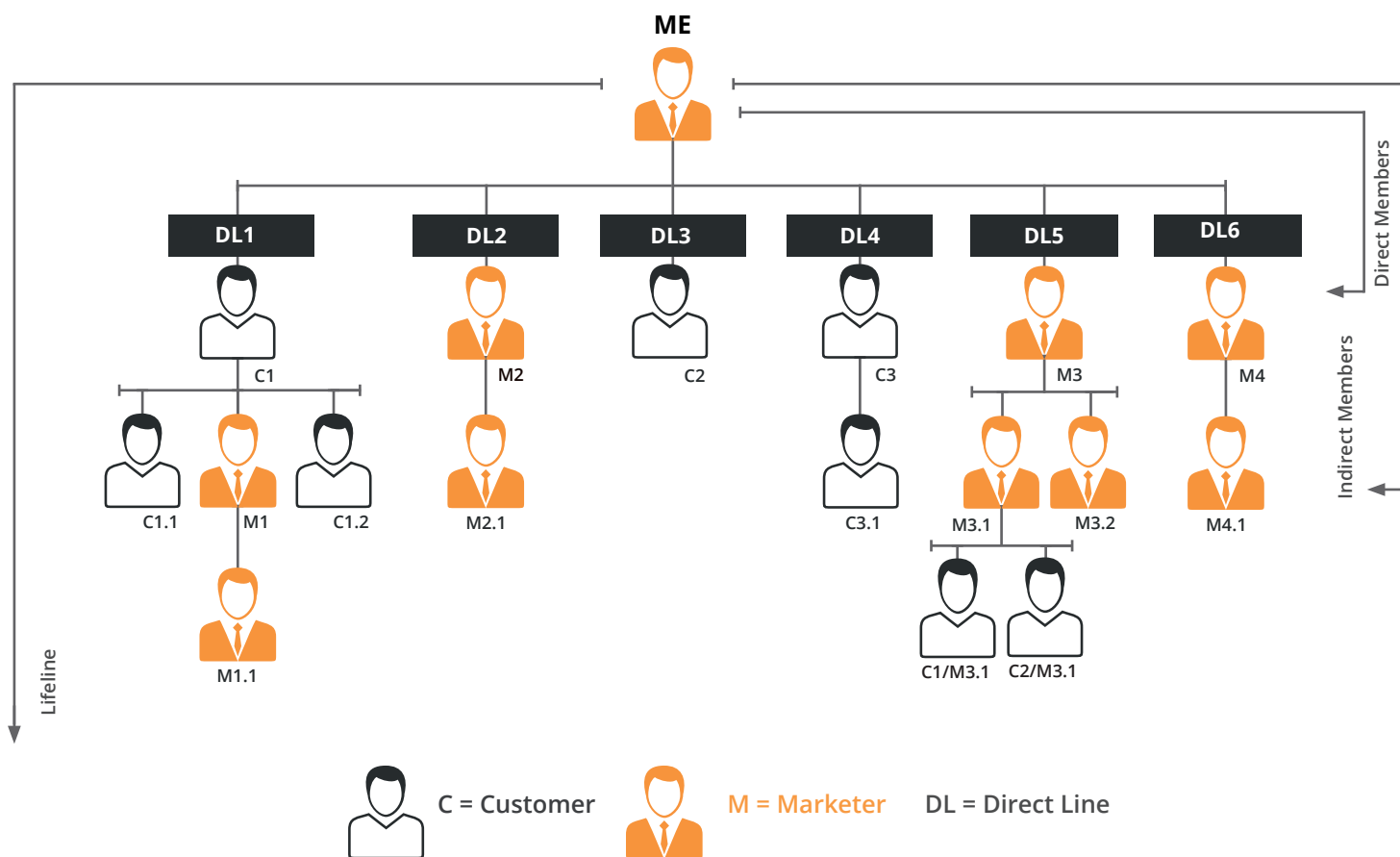
Annex 1 to the Lyconet Agreement  
for Independent Lyconet Marketers  
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# TYPES OF MEMBERS



## CASHBACK WORLD CUSTOMER

A Marketer's Customer is any Member of the Cashback World registered under the Marketer, but only as far as the next Marketer in his Lifeline. A Customer has not signed/accepted the Lyconet Agreement and therefore is not a Marketer himself. Looking at the chart above, "C1", "C1.1", "C1.2", "C2", "C3" and "C3.1" are all Customers under the Marketer ("Me"). Consequently, "C1/M3.1" and "C2/M3.1" are Customers under Marketer "M3.1".

## INDEPENDENT LYCONET MARKETER

An Independent Lyconet Marketer ("Marketer") is a person who has signed/accepted the Lyconet Agreement and who carries out activities in accordance with its terms and conditions.





### LYCONET SHOPPING ADVISOR

→ A Shopping Advisor is a Marketer who has yet to reach one of the Career Levels.

### LYCONET PREMIUM MARKETER

→ A Premium Marketer is a Marketer who has reached one of the Career Levels. The "Premium Marketer" status is fixed for the duration of the Lyconet Agreement, even if the Marketer is no longer on a Career Level.

# PROGRAM OVERVIEW

	 <b>PROGRAM</b>	 <b>MARKETING PROGRAM</b>
	 Cashback	 Deals
		 Shopping Point evaluation in the Lyconet Marketing Program
Purchases at Cashback World Loyalty Merchants	✓	✓
Recommending the Cashback World Partner Program to potential Cashback World Loyalty Merchants	✗	✓
Promotion & Incentives*	✗	✗

\*As part of special offers, Shopping Points are allocated within the Cashback World Program. Cashback World Members can redeem these Shopping Points for Deals.

## CASHBACK WORLD PROGRAM

All Marketers who register in the Cashback World Program will receive the following benefits within the scope of the General Terms and Conditions for Cashback World Members:

### → CASHBACK

The Member of Cashback World receives up to 5% of the purchase amount back as Cashback when shopping at online and offline Cashback World Loyalty Merchants.



### → SHOPPING POINTS

Each time a Member shops at online and offline Cashback World Loyalty Merchants, he collects Shopping Points (SP). These Shopping Points can be redeemed for attractive Shopping Point Deals.



# LYCONET MARKETING PROGRAM

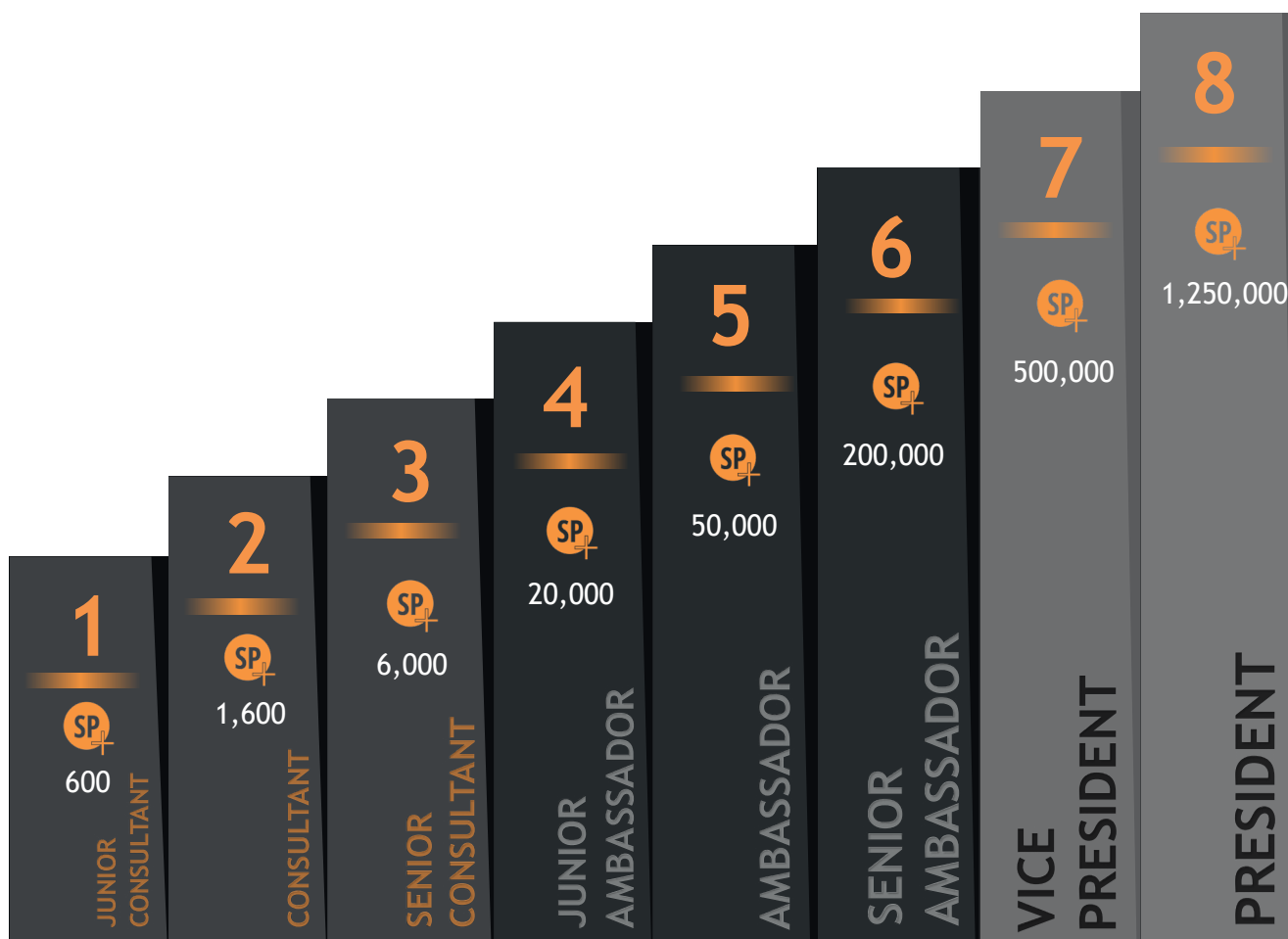
Every Marketer participates in the Lyconet Marketing Program, which consists of the Career Boost Program. The Lyconet Marketing Program enables Marketers to receive Compensation in accordance with the Lyconet Agreement.

Compensation is calculated within a Production Week or a Production Month. A Production Week runs from Wednesday until Tuesday. The Production Months are defined annually in advance. These can be viewed in the Download Area when Marketers log in at [www.lyconet.com](http://www.lyconet.com). A Production Month consists of 4 or 5 Production Weeks.

All Compensation within the Lyconet Marketing Program are calculated on the basis of the value of Shopping Points+ (SP+) for the Career Boost Program.

## → CAREER BOOST PROGRAM

The SP+ generated in the Marketer's entire Shopping Network (this means those from his entire Lifeline, and also from his own purchases and/or orders) will be evaluated and credited monthly in the Career Boost Program. This can generate monthly Compensation for the Marketer.



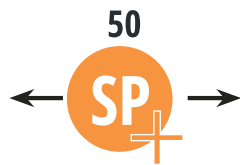
## → COMPENSATION ELIGIBILITY

The Marketer must have achieved Compensation Eligibility in order to receive any Compensation under the Lyconet Marketing Program. To be entitled to receive Compensation, the Marketer must have accumulated 50 SP+ evaluated for the Career Boost Program in the current week plus the 5 previous consecutive weeks. This includes SP+ generated by the Marketer's Customers (i.e. Members of Cashback World), by the Marketer's own fully paid purchases (provided he has accepted the General Terms and Conditions for Members of Cashback World), and/or by the Marketer's orders.

If the Marketer receives 50 SP+ by meeting the above criteria, he is entitled to receive **Compensation** for the **current week + the next 5 consecutive weeks**.

### Example 1:

Week 1	9	SP	🔒
Week 2	7	SP	🔒
Week 3	16	SP	🔒
Week 4	8	SP	🔒
Week 5	0	SP	🔒
<b>Week 6</b>	<b>10</b>	<b>SP</b>	<b>🔓</b>
Week 7	-	SP	🔓
Week 8	-	SP	🔓
Week 9	-	SP	🔓
Week 10	-	SP	🔓
Week 11	-	SP	🔓



### EXAMPLE 2:

Week 1	30	SP	🔒
Week 2	15	SP	🔒
<b>Week 3</b>	<b>5</b>	<b>SP</b>	<b>🔓</b>
Week 4	-	SP	🔓
Week 5	-	SP	🔓
Week 6	-	SP	🔓
Week 7	-	SP	🔓
Week 8	-	SP	🔓

If the Marketer does not have Compensation Eligibility, Compensation will neither be accumulated nor paid out.

## EXAMPLE: COMPENSATION ELIGIBILITY

Production Week	Compensation Eligibility	Career Commission Career Bonus
Week 1	🔒	✗
Week 2	🔒	✗
Week 3	🔓	✓
Week 4	🔓	✓
Week 5	🔓	✓
Week 6	🔓	✓
Week 7	🔓	✓
Week 8	🔓	✓

## → PAYOUT ELIGIBILITY

For accumulated Compensation to be paid out, the Marketer must also achieve Payout Eligibility. In order to achieve Payout Eligibility, the Marketer must have at least 5 active customers\* at one point in time.

\*An active customer is a Member of the Cashback World Program within the Marketer's Lifeline (until the next Marketer), who has not signed a Lyconet Agreement and is therefore not a Marketer himself and who has also spent at least \$10 USD at a Loyalty Merchant. Direct recommended Marketers as well as direct recommended Loyalty Merchants (who are also Members of the Cashback World Program) are also counted as active customers if they have spent at least \$10 USD at a Loyalty Merchant. Purchases of an eVoucher are equated to purchases made at a Loyalty Merchant.

# CAREER BOOST PROGRAM

The SP+ generated in the Marketer's entire Shopping Network (this means those from his entire Lifeline, and also from his own purchases and/or orders) will be evaluated and credited monthly in the Career Boost Program.



To reach a certain Career Level through the Career Boost Program the Marketer must meet **both** of the following requirements:

- 1) Together with his Lifeline, the Marketer must generate the total number of SP+ needed for each respective Career Level within a given Production Month. All SP+ generated within the calculation period will be counted.
- 2) The below stated minimum number of SP+ must be generated within the Marketer's Lifeline; however, the SP+ must come from at least three different Lines and the counted SP+ from each Line will be capped as stated in the table below.

Requirement 1	
Career Level	Total number of SP+
1	600
2	1,600
3	6,000
4	20,000
5	50,000
6	200,000
7	500,000
8	1,250,000

Requirement 2			
Minimum number of SP+ from all Lines	Maximum number of SP+ counted per Line		
	Line 1	Line 2	Line 3
300	100	100	100
900	300	300	300
3,000	1,000	1,000	1,000
9,000	3,000	3,000	3,000
30,000	10,000	10,000	10,000
90,000	30,000	30,000	30,000
300,000	100,000	100,000	100,000
900,000	300,000	300,000	300,000

## Example 1:

A Marketer wishes to reach Career Level 2. In this example, the SP+ generated by the Marketer and his Lifeline are as follows:

Requirement 1	Line 1	Line 2	Line 3	Line 4	Line 5	Additional Lines	Personal SP+	Total (generated/required)	
Total number of SP+	900	300	300	0	0	0	100	1,600/1,600	✓

Requirement 2	Line 1	Line 2	Line 3	Line 4	Line 5	Additional Lines	Personal SP+	Total (generated/required)	
Counted SP+	300	300	300	0	0	0	0	900/900	✓

The Marketer meets all the requirements and has reached Career Level 2.

## EXAMPLE 2:

A Marketer wishes to reach Career Level 3. In this example, the SP+ generated by the Marketer and his Lifeline are as follows:

Requirement 1	Line 1	Line 2	Line 3	Line 4	Line 5	Additional Lines	Personal SP+	Total (generated/required)	
Total number of SP+	4,000	1,300	400	300	100	100	200	6,400/6,000	✓

Together with his Lifeline, the Marketer has generated the required total number of SP+ and meets the first requirement for Career Level 3.

Requirement 2	Line 1	Line 2	Line 3	Line 4	Line 5	Additional Lines	Personal SP+	Total (generated/required)	
Counted SP+	1,000	1,000	400	300	100	100	0	2,900/3,000	✗

To meet the second requirement as well, his Lines need to generate another 100 SP+ (with the exception of Lines 1 and 2, where the maximum number of counted SP+ has already been reached).

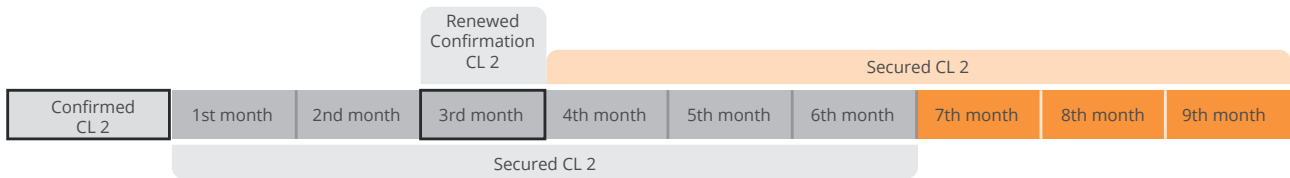


## → CONFIRMING A CAREER LEVEL

If a Marketer has generated the required number of SP+ for a specific Career Level within a Production Month, the Career Level is automatically confirmed.

## → SECURING A CAREER LEVEL

If a Marketer confirms a Career Level, it is secured for the next 6 Production Months. If the Marketer confirms the Career Level again within these 6 months, the Career Level is secured for another 6 months. If the Marketer does not confirm the Career Level within these 6 months, the Career Level below is secured for 6 months.



## → COMPENSATION FROM THE CAREER BOOST PROGRAM

The Marketer can receive the following Compensation when reaching a Career Level:

- Career Bonus
- Career Commission

The Career Level achieved by the Marketer forms the calculation basis for the Career Commission as well as for the Career Bonus.

## CAREER BONUS

The Career Bonus is calculated every month based on the SP+ booked within the calculation period. The Marketer is eligible to receive the Career Bonus for every month in which he achieves the number of SP+ required to confirm a specific Career Level.

This calculation is based on all SP+ from the Marketer's Shopping Network, i.e. those from his Lifeline and those from his own purchases and/or orders.

Calculation Period:  
Monthly

Calculation based on:  
SP+ evaluated in the Career Boost Program

Requirements:

- Confirmed Career Level
- Compensation Eligibility

### CAREER BONUS



Career Bonus for each Career Level								
Career Level	1	2	3	4	5	6	7	8
Career Bonus	\$75 USD	\$300 USD	\$750 USD	\$1,800 USD	\$4,500 USD	\$12,000 USD	\$30,000 USD	\$75,000 USD

# CAREER COMMISSION

The Career Commission will be calculated every month based on the SP+ booked within the calculation period.

If the Marketer has confirmed Career Level 4 or higher, he is considered eligible for Career Commission for the duration of the 6 months during which the respective Career Level is secured. This calculation is based on all SP+ within the Marketer's Lifeline and the SP+ from his personal purchases and/or orders.

**Calculation Period:**  
Monthly

**Calculation based on:**  
SP+ evaluated in the Career Boost Program

**Requirements:**

- Confirmed or fixed Career Level
- Compensation Eligibility

## CAREER COMMISSION



Career Commission per Career Level								
Career Level	1	2	3	4	5	6	7	8
<b>Career Commission</b>	<b>\$0.0375 USD per SP+*</b>	<b>\$0.0488 USD per SP+*</b>	<b>\$0.0563 USD per SP+*</b>	<b>\$0.0638 USD per SP+</b>	<b>\$0.0713 USD per SP+</b>	<b>\$0.0788 USD per SP+</b>	<b>\$0.0863 USD per SP+</b>	<b>\$0.0938 USD per SP+</b>

SP+ from the purchases and/or orders made by the Marketer, the Marketer's Customers, and all Marketers within the Lifeline without a Career Level as well as their Customers, are multiplied by the full factor applicable for the Career Level confirmed or secured by the Marketer (Career Commission multiplied by the number of SP+).

SP+ from the purchases and/or orders made by Marketers in one direct Line who have confirmed or secured a Career Level as well as SP+ from their Customers' purchases and/or orders will be multiplied with a reduced factor (the difference between the two Career Levels). This means the factor for the lower Career Level will be deducted from the factor for the higher Career Level.

## EXAMPLE:

A Marketer has confirmed Career Level 6. One of his recommended Marketers has confirmed Career Level 4 in the same Production Month. The SP+ from this direct Line will only be evaluated to the Marketer in Career Level 6 in the amount of \$0.0150 USD per SP+. These \$0.0150 USD are the difference in the Career Commission between Career Level 6 and Career Level 4.

\* Marketers who have reached Career Level 1, 2 or 3 are not entitled to receive the Career Commission. These factors are merely stated for calculating the reduced Career Commission for SP+ from the purchases and/or orders made by Marketers in one direct Line who have confirmed or secured a Career Level as well as SP+ from their Customers' purchases and/or orders.

# BALANCE PROGRAM\*

Marketers who have reached Career Level 1, 2 or 3 through the Career Boost Program will receive SP for the Balance Program as an additional benefit.

The Balance Program is an incentive program which is explained in the Terms and Conditions for Participation in the Balance Program, and is available in the Marketer's Download Area at [www.lyconet.com](http://www.lyconet.com). The Shopping Points for the Balance Program generated in the Marketer's entire Shopping Network (this means those from his entire Lifeline, and also from his own purchases and/or orders) will be evaluated in the Balance Program. In order to participate in the Balance Program, the Marketer must have generated at least 50 Shopping Points evaluated in the Balance Program.

Calculating the SP for the Balance Program attributed as an additional benefit			
Career Level	1	2	3
SP Balance per SP+	0.0375	0.0488	0.0563

If a Marketer has reached Career Level 1, 2 or 3, all SP+ from the purchases and/or orders made by the Marketer, the Marketer's Customers and all Marketers within the Lifeline without a Career Level as well as their Customers, are multiplied by the full factor applicable for the Career Level confirmed or secured by the Marketer and allocated in the form of SP for the Balance Program.

SP+ from the purchases and/or orders made by Marketers in one direct Line who have confirmed or secured a Career Level as well as SP+ from their Customers' purchases and/or orders, will be multiplied with a reduced factor (the difference between the two Career Levels). This means the factor for the lower Career Level will be deducted from the factor for the higher Career Level.

## EXAMPLE:

A Marketer has confirmed Career Level 3. One of his recommended Marketers has confirmed Career Level 1 in the same Production Month. The SP+ from this direct Line will only be multiplied for the Marketer with Career Level 3 with the factor 0.0188. These 0.0188 are the difference between Career Level 3 and Career Level 1.

\* Lyconet reserves the right to change the requirements for receiving the SP for the Balance Program as an additional benefit, or to withdraw this additional benefit in the future at any time and without stating a reason.