

# LYCONET AGREEMENT

## for Independent Lyonet Marketers

Version: September 2019

### Preamble

Lyonet International AG, with registered office at Orbi Tower, Thomas-Klestil-Platz 13, 1030 Vienna, Austria and with company registration number FN 503414s ("**Lyonet**") operates a marketing program ("**Lyonet Marketing Program**").

An essential part of the Lyonet Marketing Program is the Lyonet Agreement for Independent Lyonet Marketers ("**Lyonet Agreement**") between Lyonet and self-employed entrepreneurs who wish to promote their own customer loyalty program. Having entered into the Lyonet Agreement with Lyonet, participants acquire the status of Independent Lyonet Marketer ("**Marketer**").

Lyonet is authorised to promote, *inter alia*, the Cashback World Program, operated by myWorld International Limited, with registered office at 3<sup>rd</sup> Floor, 40 Bank Street, London E14 5NR, United Kingdom, together with its subsidiaries and partners ("**myWorld International**"). Participants in the Cashback World shopping community ("**Members**") may make purchases at loyalty merchants ("**Loyalty Merchants**") and receive benefits.

### 1. Object of the Lyonet Agreement

- 1.1 The Marketer is entitled to promote the Cashback World Program and the Lyonet Marketing Program through the introduction of new national members and the support of existing national members, subject to the provisions of clause 4.
- 1.2 Provided that, within 6 months of his registration a Marketer has at least 5 active customers<sup>1\*</sup> who have made purchases totalling at least £ 5,000 or that a Marketer has purchased the Loyalty Program Reseller, he may, in addition to clause 1.1., promote the Cashback World Program and the Lyonet Marketing Program according to this Lyonet Agreement
  - (a) by introducing new international Members as well as supporting existing international Members,
  - (b) by introducing new Marketers and supporting existing Marketers, and
  - (c) by introducing new Loyalty Merchants and supporting existing Loyalty Merchants.

The purchase and the use of the Loyalty Program Reseller is regulated in the corresponding Terms and Conditions.

- 1.3 Loyalty Merchants are merchants that sell goods or services exclusively to consumers and
  - (a) do not have more than 100 full time employees,
  - (b) make no more than £ 9 million in sales per year,
  - (c) do not have more than 10 branches and do not have a transnational branch structure,
  - (d) do not operate or use a regular customer loyalty program (with a personal loyalty card),
  - (e) are not franchises, or
  - (f) are not controlled by a foreign parent company.

Merchants that fall outwith the criteria of this clause are not considered to be Loyalty Merchants for the purpose of this Agreement unless myWorld International decides otherwise and confirms in writing on a case-by-case basis. Marketers are prohibited from promoting the Cashback World Program to them.

- 1.4 In return for these activities, the Marketer receives compensation in accordance with the Lyonet Compensation Plan in **Annex 1** to this Lyonet Agreement (see also clause 9).

### 2. Agreement

The promotional activities of the Marketer are governed exclusively by this Lyonet Agreement including all annexes.

### 3. Legal relationship

- 3.1 Lyonet grants the Marketer a non-exclusive right to act as a promoter for Lyonet under the terms of this Lyonet Agreement. Subject to clause 1., the Marketer is not subject to regional restrictions and must assume responsibility for complying with the law in each territory in which he operates. The Marketer fully indemnifies Lyonet from any claims of third parties.
- 3.2 The Marketer acts as an independent entrepreneur. No form of employment, service, or relationship of any kind whatsoever is concluded between Lyonet and the Marketer. The Marketer's activities are separate, autonomous, and legally independent of Lyonet and he is not subject to instructions from Lyonet.

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<sup>1\*</sup> An active customer of a Marketer is a Member of the Cashback World Program within the Marketer's Lifeline (until the next Marketer), who has not signed a Lyonet Agreement and is therefore not a Marketer himself. An active customer can also be a direct recommended Marketer or a direct recommended Loyalty Merchant, who is also a Member of the Cashback World Program. An active customer must have made purchases of at least £ 10 at a Loyalty Merchant. Purchases of an eVoucher are equated to purchases.

- 3.3. The Marketer is expressly prohibited from giving the impression that he is an employee, agent or representative of Lyonet or of any related company.
- 3.4. The Marketer is prohibited from representing Lyonet, and he is not authorised to conclude contracts or receive services on behalf of Lyonet. The Marketer is also prohibited from representing other group companies of the Lyonet, Lyoness or myWorld Group. Infringement of this clause 3.4 will entitle Lyonet to terminate this Lyonet Agreement for good cause in accordance with clause 13.2.
- 3.5. Only one registration (i.e. one ID number) is permitted for each Marketer, whether a natural or legal person. The residential or business address (registered office) of the Marketer must be stated in the registration. Lyonet reserves the right to terminate this Agreement for good cause in the event of a Marketer having more than a single registration ID and to withdraw benefits that have been thus obtained.

#### **4. Precondition for a Marketer's activity and compensation**

- 4.1. The conclusion of this Lyonet Agreement requires natural persons to have reached the age of majority.
- 4.2. The Marketer must independently ensure that his commercial activity is duly registered and that he has the necessary regulatory approvals to practice his trade. He must ensure that all his personal obligations to pay taxes and other levies are met and hereby agrees to indemnify Lyonet against any claims by third parties if they are not met.
- 4.3. The introduction of new Loyalty Merchants requires activation by myWorld International and its group companies and partners as well as separate training.

#### **5. Rights and obligations of the Marketer**

- 5.1. The Marketer is entitled to use the support of his own organisation in the conduct of his activities. However, promotional activity must always be carried out by the Marketer himself. The Marketer must ensure that the obligations of this Agreement are also met by such third parties.
- 5.2. The Marketer is required to make only such statements about Lyonet, any company affiliated with Lyonet, the Lyonet business model and its distribution and marketing that are in accordance with the official Lyonet documentation.
- 5.3. As soon as the Marketer becomes aware of a possible breach of the provisions of this Lyonet Agreement by another Marketer, he must notify Lyonet without delay.
- 5.4. If the Marketer intends to carry out chargeable events or otherwise offer chargeable services to third parties regarding the Cashback World Program or the Lyonet Marketing Program, he must first obtain the consent of Lyonet in writing (email is sufficient).

#### **6. Registration of Cashback World Members**

- 6.1. The Marketer may use the original registration flyer or the online registration process to introduce new Members into the Cashback World Program. In doing so, the Marketer does not represent Cashback World and may not make any statements about the program. Once completed, a new Member's registration must be confirmed as accepted by Cashback World.
- 6.2. The Marketer has the following obligations when registering new Members:
  - 6.2.1. The Marketer must ensure that the current version of the General Terms and Conditions for Cashback World Members ("Cashback World GTCs") is available to the Member when the registration takes place and that the Member can inspect them. Lyonet shall provide the relevant country's Cashback World GTCs at [www.lyonet.com](http://www.lyonet.com) (log-in area) for downloading. The completed registration flyer will be uploaded and sent direct to Lyonet.
  - 6.2.2. When completing the registration form and thus before concluding Membership, the Marketer must voluntarily present to the Member the Cashback World GTCs and expressly point out that they are an indispensable part of the contract to be concluded.
  - 6.2.3. The Marketer must enter his data in the designated area before completing the registration. For the registration of the Member to be concluded, the Marketer must upload a recognisable picture of the completed registration form, signed by the Member in the designated area.
  - 6.2.4. The Marketer agrees always to have an adequate number of copies of the current Cashback World GTCs available for examination and to hand them over at the request of the Member.
  - 6.2.5. The Marketer must keep all original registration forms securely and make them available at the request of Lyonet at any time.
  - 6.2.6. Lyonet reserves the right to carry out random checks of the registration forms.

### 6.3. Liability of the Marketer when registering Members:

- 6.3.1 The Marketer is liable for compliance with the provisions of this clause 6. This liability shall also extend to all persons whom the Marketer uses to fulfil his contractual obligations to the same extent as for the conduct attributable to third parties.
- 6.3.2 The Marketer must record all data of the Members to be registered with the utmost care and is liable for all disadvantages resulting from any breaches of this obligation.
- 6.3.3 Any breach of this clause 6 by the Marketer will entitle Lyonet to terminate this Lyonet Agreement with immediate effect.

## 7. Communication Material

- 7.1. Lyonet provides the Marketer with the advertising and information material (documents, catalogues, presentations, etc.) ("**Communication Material**") required by the Marketer to carry out his promotional activities under this Lyonet Agreement for download free of charge at [www.lyconet.com](http://www.lyconet.com) (log-in section).
- 7.2. The Marketer may use only the current version of Communication Material authorised by Lyonet and made available at [www.lyconet.com](http://www.lyconet.com). Lyonet reserves the right to terminate the Lyonet Agreement for good cause, in accordance with clause 13.2, if a Marketer uses any unauthorised Communication Material.
- 7.3. In the event of termination of this Lyonet Agreement, the Marketer will, if requested, destroy immediately any Communication Material made available to him and confirm its destruction to Lyonet in writing.
- 7.4. The written consent of Lyonet is required for the use of publications, advertisements, trademarks (registered or applied for), brands and logos of Lyonet or any of its affiliated companies and the Child & Family and Greenfinity Foundations. Similarly, the written consent of myWorld International is required for the use of its trademarks and logos and those of its group companies, affiliates and partners. These requirements apply to both printed and digital format and use. The conditions of clause 7.2 apply at all times.
- 7.5. The Marketer shall indemnify Lyonet from claims of third parties arising from a breach of his obligations in clause 7.

## 8. Lifeline

- 8.1. The "**Lifeline**" of each Marketer consists of the Marketers or Members introduced by him, the Marketers or Members introduced by them (second level), and the Marketers or Members introduced by the second level Marketers or Members (third level), etc. The Lifeline thus consists of all Marketers or Members irrespective of which level the Marketer can be assigned through his, and all follow-up introductions. The Lifeline is also called the "**Downline**". The next Marketer in the "**Upline**" consists of the "**Coach**" and the next Marketer above him is called a "**Senior Coach**".
- 8.2. The compensation of the Marketer under the Lyonet Compensation Plan is calculated from all purchases made by all Marketers or Members at any level of his Lifeline. Purchases from another Lifeline shall not be considered in favour of the Marketer (even if the Marketer has arranged for the conclusion of the Lyonet Agreement with the Marketer).
- 8.3. The Lifeline is, in principle, unalterable; this is a principle of the Lyonet Marketing Program for the protection of all Marketers and Members. Marketers who have not achieved Benefits Entitlement within the preceding twelve months can change *Recommender* by nominating another Marketer as *Recommender*, provided that the newly-nominated *Recommender* has given his consent to this change. If the Marketer is also a Cashback World Member, a change of *Recommender* is only permitted if he also meets the requirements for the change of *Recommender* for Cashback World Members. This means that the Marketer has not made a purchase from a *Loyalty Merchant* in the preceding six months and that he has not achieved Benefits Entitlement in the preceding twelve months. In this instance, the Marketer's downline remains with the original *Recommender* in their original positions. Benefits Entitlement is defined and regulated in Annex 1 of the Lyonet Compensation Plan.
- 8.4. If a Marketer terminates his participation in the Lyonet Marketing Program, or if he changes the Lifeline according to clause 8.3 of this Agreement, or ceases to be a Member, this will not affect the position of any other Marketer or Member of the affected Lifeline (upper or lower).
- 8.5. The transfer of identification number (ID number) to third parties (e.g. due to a sale of the ID number) can in principle only take place with the written consent of Lyonet and the simultaneous transfer of all existing contractual relationships with the third party or between the Marketer and Lyonet and (at most) the myWorld Group. However, if the Marketer dies, the contractual relationships (including his ID) existing between him and Lyonet and (if applicable) the myWorld Group (including his ID) shall pass to his heirs in accordance with the applicable inheritance law.

## 9. Compensation

- 9.1. The Marketer will be compensated for his Lyonet activities under the Lyonet Compensation Plan. The Marketer has no claim against Lyonet for reimbursement for expenses incurred in the performance of his activities (e.g. travel, hotel, materials or personnel costs).
- 9.2. In addition to compensation according to the Lyonet Compensation Plan, Lyonet, at its sole discretion, may also remit additional payments. However, there is no entitlement to these.

- 9.3. All payments under the Lyonet Compensation Plan are calculated weekly or monthly, based on all the Shopping Points credited under the Lyonet Marketing Program. Lyonet provides all relevant information for the compensation of the Marketer according to the Lyonet Compensation Plan at [www.lyconet.com](http://www.lyconet.com).
- 9.4. The Marketer must review this information immediately and make any objections in writing to Lyonet no later than one week after receipt of the invoice on the Lyonet.com website. Infringement of this obligation may entitle Lyonet to a claim for damages.
- 9.5. Payments to a Marketer under the Compensation Plan will be accumulated and paid out weekly to the Marketer's bank account, provided that the total payable exceeds £4.5 and that the Marketer already has 5 active customers<sup>2</sup>.

## 10. Secrecy and confidentiality

- 10.1. The Marketer will maintain secrecy, even after the termination of this Lyonet Agreement, in respect of all business and commercial activity secrets of Lyonet that have been entrusted or made known to him by Lyonet during its activities.
- 10.2. Documents relating to internal business transactions entrusted to the Marketer must be returned to Lyonet immediately at its request after they have been duly used, but no later than on the termination of this Lyonet Agreement.
- 10.3. The Marketer will also impose these secrecy and confidentiality obligations on his assistants and on other third parties (Clause 5).

## 11. Data protection

- 11.1. To the extent necessary for the implementation of the Lyonet Agreement, in particular for the calculation of Shopping Points and compensation according to the Lyonet Compensation Plan in Annex 1, Lyonet, being responsible for data protection, collects, stores and processes personal or company-related data as well as data on promotional activities of the Marketer.
- 11.2. All requests for information, changes, and deletion of data may be addressed to Lyonet International AG, Austria, Orbi Tower, Thomas-Klestil-Platz 13, 1030 Vienna or by e-mail to [international@lyconet.com](mailto:international@lyconet.com). Further data protection-relevant provisions when using the Lyonet website can be found in the Privacy Policy at [www.lyconet.com](http://www.lyconet.com).
- 11.3. Lyonet uses internationally recognised security technology to protect the Marketers' data against unauthorised access.
- 11.4. If the Marketer uses additional IT-supported services and Lyonet processes personal data entered by the Marketer in this connection, the parties will conclude a data-processing agreement.

## 12. Non-compete / non-solicitation agreement

- 12.1. The Marketer will not, for any part of the duration of this Lyonet Agreement, directly or indirectly, or through any third party, without the prior written consent of Lyonet, provide such services to a competitor providing services that are identical or similar to those of Lyonet or manage or participate in a rival company or otherwise support or advise it.
- 12.2. The same shall apply to competitors that are generally active in the network marketing sector.
- 12.3. The activities of the Marketer in any competing undertaking already existing at the time of conclusion of this Lyonet Agreement and disclosed in writing (email) are excluded from the above non-compete agreement.
- 12.4. The Marketer will also refrain, during the term of this Lyonet Agreement, from soliciting Marketers, Members, or Loyalty Merchants for other network marketing companies, or even attempting to do so.
- 12.5. If the above provisions of this clause 12 are infringed by the Marketer or his assistants, or third parties that the Marketer is using, Lyonet will be entitled to demand desistance from the relevant acts. This will not affect the right of Lyonet to terminate this Lyonet Agreement and to claim damages.

## 13. Term of the Lyonet Agreement

- 13.1. The Lyonet Agreement is concluded for an indefinite term and may be terminated by both parties subject to a 30-day period of notice.
- 13.2. Both parties have the right to terminate this Lyonet Agreement at any time for a good cause without notice. A good cause for termination by Lyonet is present especially in the following cases:
  - (a) The Marketer deliberately makes false statements when concluding this Lyonet agreement.
  - (b) The Marketer uses unauthorised Communication Material in breach of clause 7.2.
  - (c) The Marketer uses trademarks and logos of Lyonet and its affiliated companies in violation of clause 7.4.

<sup>2</sup> An active customer of a Marketer is a Member of the Cashback World Program within the Marketer's Lifeline (until the next Marketer), who has not signed a Lyonet Agreement and is therefore not a Marketer himself. An active customer can also be a direct recommended Marketer or a direct recommended Loyalty Merchant, who is also a Member of the Cashback World Program. An active customer must have made purchases of at least £ 10 at a Loyalty Merchant. Purchases of an eVoucher are equated to purchases.

- (d) The Marketer infringes the prohibition on competition or non-solicitation under clause 12 or infringes his secrecy and confidentiality obligations under to clause 10.
- (e) The Marketer repeatedly provides wrong advice about the Cashback World Program or the Lyconet Marketing Program. An indication of wrong advice is if an above-average number of contracts introduced by him (including Members, Marketers, or Loyalty Merchants) are contested regularly by the other party, revoked or terminated at the next possible date.
- (f) The Marketer operates a commercial resale of vouchers of the Loyalty Merchants.
- (g) The Marketer holds a chargeable event without the written consent of Lyconet or offers third party chargeable services regarding the Cashback World Program or the Lyconet Marketing Program.
- (h) The Marketer, in the conduct of his promotional activities, is convicted of a serious offence committed against Lyconet or an affiliated company, or the Marketer commits an offence of such gravity as to cause loss of trust or loss of reputation of Lyconet.
- (i) The Marketer is repeatedly in arrears with the fulfilment of a contractual claim for payment.
- (j) The financial situation of the Marketer deteriorates so significantly that his solvency can be called into question.
- (k) In addition to the significant damage to the economic interests or the reputation of Lyconet or the Loyalty Merchant, the breach of essential contractual obligations is considered as a good cause.
- (l) A termination for good cause for a breach of contract as a rule requires the expiry of a specified deadline for remedial action or a previous unheeded warning. However, setting a deadline or warning is unnecessary if the infringement is so serious that Lyconet can no longer be reasonably expected to continue the Lyconet Agreement for that very reason.

13.3. Every declaration of termination must be in writing. The commencement of the period of notice is the date of receipt of the letter of termination.

13.4. Participation by a Marketer in the Cashback World Program remains unaffected by the termination of this Lyconet Agreement.

#### **14. Effects of the termination**

14.1. Compensation already paid will remain with the Marketer. In addition, the Marketer will be entitled to disbursements of compensation for which all conditions under the Lyconet Compensation Plan have already been met at the time of termination. Further claims of the Marketer against Lyconet are excluded, subject to mandatory legal claims.

14.2. Unless otherwise agreed, payments made by the Marketer (e.g. for services or voucher orders) will not be refunded. Expenses of the Marketer will not be refunded.

#### **15. Liability**

15.1. Lyconet is liable for damages resulting from injury to life, limb, or health that are based on a wilful or negligent breach of duty by Lyconet. Lyconet is also fully liable for other damages that are based on an intentional or grossly negligent breach of duty by Lyconet.

15.2. For damages due to simple negligent infringement of such obligations as are fundamental for the proper and regular performance of the contract and on the fulfilment of which the Marketer may accordingly rely and does rely (primary obligations), Lyconet is only partially liable for typical and foreseeable damage.

15.3. Other claims for damages are excluded, subject to clause 15.5. This applies if Lyconet is not at fault.

15.4. If the liability of Lyconet is limited or excluded, the limitations or exclusions also apply to the personal liability of the employees, legal representatives, and vicarious agents of Lyconet.

15.5. The limitations of liability and disclaimers set out in clause 15 will not affect the liability of Lyconet under the mandatory statutory provisions of the Product Liability Act, the fraudulent concealment of a defect or the issue of a guarantee for the quality of an object.

#### **16. Changes**

16.1. The Marketer undertakes to notify Lyconet immediately in writing of any changes to his essential data. This obligation relates to changes in his address and bank details. In addition, the Marketer undertakes to notify Lyconet of any payment difficulties, and in any case, of impending insolvency or imminent over-indebtedness. If changes to the business address are not disclosed immediately, statements that Lyconet sends by post to the last known address will be deemed to have been received by the Marketer.

16.2. In individual cases, individual agreements will have priority over this Lyconet Agreement. The content of such agreements will be governed by a written contract or written confirmation by Lyconet. No verbal agreements have been concluded between the parties. In addition, Lyconet is entitled to send contract notices and information necessary for the performance of the contract to the Marketer via text message (SMS) or e-mail, provided that the Marketer gives the corresponding contact details and does not withdraw them.

#### **17. Applicable law and court of jurisdiction**

17.1. These conditions shall be governed by, and construed in accordance with, the law of Austria. The United Nations Convention on Contracts for the International Sale of Goods does not apply.

- 17.2. The exclusive legal venue for all disputes arising out of or in connection with this Agreement is the duly appointed court in the jurisdiction of Lyconet's registered office.
- 17.3. Disputes arising from or in connection with these Conditions of Participation first will be settled by the parties by negotiation and resolution. Should such negotiations not be concluded successfully within three months, both parties agree to resolve the disputes by mediation. Recording the issues, selecting the mediators registered at the Austrian Federal Ministry of Justice (ZivMediatG) and establishing the procedure will be mutually determined. Should no consensus be achieved on the choice of mediator or on the content of the disputes, appropriate legal proceedings may be initiated no earlier than one month after the negotiations have failed.

## **18. General provisions**

- 18.1. The Marketer is not entitled to assign this Lyconet Agreement, or the rights and obligations established between the parties based on this Lyconet Agreement to a third party or otherwise, including by way of universal succession, without the prior written consent of Lyconet. However, if the Marketer dies, the contractual relationships existing between him and Lyconet will be transferred to his heirs under the applicable inheritance law. In addition, without the prior written consent of Lyconet, the Marketer is not entitled to encumber any existing rights with a lien.
- 18.2. The right of the Marketer to offset claims of Lyconet is excluded. This does not apply in the case of mutual, interdependent claims, or if the Marketer offsets against an undisputed or legally enforceable claim.
- 18.3. Should any provision of this Lyconet Agreement be or become wholly or partially invalid or unenforceable, this will not affect the validity or enforceability of the remaining provisions.