

# LYCONET AGREEMENT

## For Independent Lyonet Marketers

Version: December 2018

### Preamble

Lyoness Philippines Inc., with registered office at 10th floor Pacific Star Building Sen. Gil Puyat Avenue corner Makati Avenue, Makati City 1226, Philippines, operates a marketing program (hereinafter: "**Lyonet Marketing Program**").

An essential element of this marketing program is the **Lyonet Agreement** for Independent Lyonet Marketers (hereinafter: "**Lyonet Agreement**"), which enables participants to promote the distribution and use of the Cashback World Program as self-employed, commercial sales agents, thereby obtaining benefits. Following the conclusion of the **Lyonet Agreement** with Lyoness Philippines Inc. (hereinafter referred to as "**Lyonet**"), participants acquire status of an Independent Lyonet Marketer (hereinafter: "**Marketer**").

The Cashback World Program is a shopping community operated by myWorld International Limited, with registered office at 40 Bank Street, London EC14 5NR, United Kingdom, together with its subsidiary companies, through which the participants (hereinafter: "**Members**") may purchase goods and services from Loyalty Merchants (hereinafter: "**Loyalty Merchants**") to receive benefits.

### 1. Subject of the agreement

1.1 In accordance with this **Lyonet Agreement**, the **Marketer** is entitled to promote the distribution and use of the Cashback World Program and the **Lyonet Marketing Program**, in accordance with this **Lyonet Agreement**, if the respective requirements under clause 4 are fulfilled,

- (a) by gaining new **Members** and handling existing **Members**,
- (b) by gaining new **Marketers** and handling existing **Marketers**, and
- (c) by gaining new **Loyalty Merchants** and handling existing **Loyalty Merchants**.

1.2 "**Loyalty Merchants**" are **Loyalty 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 PHP 650 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
- (f) are not controlled by a foreign parent company.

In addition, **Loyalty Merchants** that do not meet these requirements are also regarded as **Loyalty Merchants** if myWorld International Limited and its group companies and cooperation partners declare this in writing on a case-by-case basis. The purchase and management of **Loyalty Merchants** that do not qualify as **Loyalty Merchants** within the meaning of clause 1.2 are not part of this **Lyonet Agreement**. The **Marketer** is prohibited from conducting initiation talks or negotiations with such companies or from engaging in any other promotional activity to recruit them.

1.3 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 section 8).

### 2. Agreement

The sales 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 sales representative for **Lyonet** under the terms of this **Lyonet Agreement**. The **Marketer** is not subject to regional restrictions about the performance of his sales activities, but must always ensure at his own responsibility that he fulfills the legal requirements applicable in the respective country; the **Marketer** fully indemnifies **Lyonet** from any claims of third parties.

3.2 The **Marketer** acts in the context of commercial activity as an independent entrepreneur. Between **Lyonet**, i.e. Lyoness Philippines Inc. and the **Marketer**, no work or service agreement of any kind whatsoever is concluded. The **Marketer** provides his contractual services exclusively in the context of an activity which is separate, autonomous, and legally independent of **Lyonet** and is not bound to instructions from **Lyonet**.

3.3 The **Marketer** is expressly prohibited from giving the impression during business that he is an employee or other agent of **Lyonet**, i.e. Lyoness Philippines Inc., or a related company.

3.4 The **Marketer** is prohibited from representing **Lyonet**, and he is not authorized to conclude contracts or to receive benefits on behalf of **Lyonet**, i.e. Lyoness Philippines Inc. Similarly, the **Marketer** is prohibited from representing other group companies of the 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 natural or legal person. The residential or business address (registered office) of the **Marketer** must be stated in the registration. Any multiple registrations made in order to gain unjustified benefits from the Lyonet Compensation Plan entitles **Lyonet** to terminate the contract for good cause and to withdraw the benefits obtained in this way. For multiple registrations, the last registered ID numbers will be deleted. Benefits under the Lyonet Compensation Plan, which have arisen only through a multiple registration, will lapse.

#### 4. Precondition for the activity and the compensation claim

- 4.1 The conclusion of this **Lyonet Agreement** requires natural persons to have reached the age of 18.
- 4.2 The **Marketer** must act - as a condition for the establishment of his compensation claim - in the exercise of a commercial activity. In doing so, the **Marketer** must independently ensure that his commercial activity is duly registered and that he has the necessary regulatory approvals to practice his commercial activity. He must ensure the proper payment of taxes and levies and indemnifies **Lyonet** against claims of third parties.
- 4.3 The advertising of new **Loyalty Merchants** requires the activation of myWorld International Limited with its affiliates and cooperation partners as well as separate training.

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

- 5.1 The **Marketer** is entitled to use the organizational support of his third-party sales activities (e.g. assistance). The sales activity itself must always be carried out by the **Marketer** himself. The **Marketer** must ensure that the obligations of this contract are also met by such third parties.
- 5.2 The **Marketer** is required to make only such statements about **Lyonet**, a company affiliated with **Lyonet**, the **Lyonet** business model, and its distribution and marketing as 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. Member registration

- 6.1 The **Marketer** can use the original registration form to promote new **Members** of the Cashback World Program to spread the Cashback World Program. He must consider that he has no power of representation and therefore is not entitled to receive declarations under the Cashback World Program. Only with acceptance of the registration application by the respective contractual partner of the **Member** is **Membership** in the Cashback World Program confirmed.
- 6.2 The **Marketer** has the following obligations when registering new **Members**:
- 6.2.1 The **Marketer** must ensure that the Cashback World General Terms and Conditions for Cashback World Members ("**Cashback World GTC**") are available to the **Member** in the place where the registration takes place and that the **Member** can inspect the *Cashback World GTC*. **Lyonet** will provide the **Marketer** with the required *Cashback World GTC* in the required country version at [www.lyonet.com](http://www.lyonet.com) (log-in area) for download. The requisite registration applications in printed form will be sent directly to **Lyonet** after ordering.
- 6.2.2 When completing the registration form and thus before concluding **Membership**, the **Marketer** must present to the **Member** without request the *Cashback World GTC* 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 on the registration form. For the registration of the **Member** to be finally concluded, it is necessary for the **Marketer** to upload an adequately recognizable photograph of the registration form, which has been completed in full and has been signed by the **Member** in the designated area.
- 6.2.4 In addition, the **Marketer** agrees to always have an adequate number of copies of the current *Cashback World GTC* 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 fully liable for compliance with the provisions of this clause 6. This liability also extends to all persons whom the **Marketer** uses to fulfill his contractual obligations to the same extent as for 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 with any breaches of this obligation for all resulting disadvantages.
- 6.3.3 Any breach of clause 6 by the **Marketer** will entitle **Lyonet** to extraordinary termination of the entire contractual relationship.

## 7. Communication Material

- 7.1 **Lyonet** provides the **Marketer** with the advertising and information material (documents, catalogues, presentations, etc.) (hereinafter: "**Communication Material**") required by the **Marketer** to carry out his sales activities under this **Lyonet Agreement** for download free of charge at [www.lyonet.com](http://www.lyonet.com) (login area).
- 7.2 The **Marketer** may use only the communication material authorized by **Lyonet** at any given time by making it available at [www.lyonet.com](http://www.lyonet.com). Before using any communication material, the **Marketer** must check whether it complies with the current version. The culpable use of unauthorized communication material by the **Marketer** will entitle **Lyonet** to terminate this **Lyonet Agreement** without notice for good cause in accordance with clause 13.2.
- 7.3 In the event of termination of this **Lyonet Agreement**, the **Marketer** will, if necessary, immediately destroy the communication material available to him and confirm destruction in writing to **Lyonet**.
- 7.4 Publications and advertisements, as well as the use of registered and/or entered trademarks of **Lyonet** or companies affiliated with **Lyonet**, such as the company logo and the brands **Lyonet**, **Lyoness**, **Child & Family Foundation**, **Greenfinity Foundation**, etc., require the written consent of **Lyonet**. The publication and use of registered and/or entered trademarks of **myWorld International Limited** with its affiliates and cooperation partners such as **Cashback World** or **myWorld** requires the written consent of **myWorld International Limited** with its affiliates and cooperation partners. This also applies to use over the Internet or other electronic media. The right of the **Marketer** to use the communication material authorized by **Lyonet** according to clause 7.2 shall remain unaffected.
- 7.5 The **Marketer** indemnifies **Lyonet** from claims of third parties, which assert these against **Lyonet** because of a culpable infringement of its protected rights by the **Marketer**.

## 8. Lifeline

- 8.1 The "lifeline" of each **Marketer** consists of the **Marketers** or **Members** recruited by him, the **Marketers** or **Members** recruited by them (second level), and the **Marketers** or **Members** recruited 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 to through his recommendations and all follow-up recommendations. The lifeline is also called the "downline". The "upline" consists of the Recommenders. The next **Marketer** in the Upline is called a "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 considering all purchases made by all **Marketers** or **Members** at any level of their lifeline. Purchases from another lifeline will not be considered in favor 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 purchases with **Loyalty Merchants** in the preceding six months and that he has not achieve 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 as 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 the 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 the **Lyoness** group and (at most) the **myWorld** group. However, if the **Marketer** dies, the contractual relationships (including his ID) existing between him and the **Lyoness** group and (if applicable) **myWorld** group will pass to his heirs in accordance with the applicable inheritance law.

## 9. Compensation

- 9.1 The **Marketer** will be remunerated for his **Lyonet** activities under the **Lyonet Compensation Plan** in [Annex 1](#). The **Marketer** has no claim against **Lyonet** for compensation for expenses incurred in the performance of his sales activities (for the reimbursement of travel, trip, material, or personnel costs).

- 9.2 In addition to compensation according to the Compensation Plan, **Lyonet** may, at its sole discretion, also remit additional premiums. However, there is no entitlement to this.
- 9.3 All payments are calculated weekly or monthly, considering all the Shopping Points credited under the **Lyonet Marketing Program** (in accordance with the Lyonet Compensation Plan in Annex 1). In the statements that are made accessible to the **Marketer** via his login area at [www.lyonet.com](http://www.lyonet.com), **Lyonet** provides all information that is relevant for the compensation of the **Marketer** according to the Lyonet Compensation Plan.
- 9.4 The **Marketer** must immediately review this statement and make any objections in writing to **Lyonet** no later than one week after the receipt of the invoice on the [Lyonet.com](http://Lyonet.com) website and in the form specified by Lyonet. Infringement of this obligation may entitle **Lyonet** to a claim for damages.
- 9.5 The fee payable to the **Marketer** under the **Lyonet Marketing Program** will be paid weekly to the **Marketer's** account if the sum of the payment entitlements reaches an amount of Php 200.00.

## 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** which have been entrusted or made known to him by **Lyonet** as such during its activities.
- 10.2 Documents relating to internal business transactions entrusted to the **Marketer** must be returned to **Lyonet** immediately at its request in accordance with the order, 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 to 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 the Shopping Points and compensation according to the Lyonet Compensation Plan in Annex 1, Lyoness Philippines Inc., being responsible for data protection, collects, stores, and processes personal or company-related data as well as data on sales activities of the **Marketer**.
- 11.2. All requests for information, changes, and deletion of data may be addressed to Lyoness Philippines Inc., 10<sup>th</sup> floor Pacific Star Building Sen. Gil Puyat Avenue corner Makati Avenue, Makati City 1226, Philippines or by e-mail to [international@lyonet.com](mailto:international@lyonet.com). Further data protection-relevant provisions when using the **Lyonet** website can be found in the privacy policy at [www.lyonet.com](http://www.lyonet.com).
- 11.3. **Lyonet** uses internationally recognized security technologies to protect **Marketers'** data against unauthorized 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 contract data-processing agreement.

## 12. Compete agreement/non-solicitation

- 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 like those of **Lyonet** or manage or participate in a rival company or otherwise support or advise it.
- 12.2 The same shall apply to competing companies that are generally active in the network (structure sales) sector.
- 12.3 The activities of the **Marketer** for competing undertakings already existing at the time of conclusion of this **Lyonet Agreement** and announced in text form (email) are excluded from the above competition agreement.
- 12.4 The **Marketer** will also refrain, during the term of this **Lyonet Agreement**, from soliciting **Marketers**, **Members** or Affiliates, other Distributors, or even attempting to do so.
- 12.5 If the above provisions of this clause 12 are culpably 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 any imminent or incurred damage.

## 13. Duration and term of this 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:
- The **Marketer** deliberately makes false statements when concluding this **Lyonet Agreement**.
  - The **Marketer** uses unauthorized communication material in breach of clause 7.2.
  - The **Marketer** uses registered and/or entered trademarks of **Lyonet** or companies affiliated with **Lyonet** in violation of clause 7.4.

- (d) The **Marketer** infringes the prohibition on competition or non-solicitation under clause 12 or infringes his confidentiality and confidentiality obligations under clause 10.
- (e) The **Marketer** repeatedly provides wrong advice about the Cashback World Program or the **Lyonet Marketing Program**. An indication of wrong advice is if an above-average number of contracts mediated by him (including **Members, Marketers, or Loyalty Merchants**) is contested by the mediated supplier, revoked or regularly 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 written consent of **Lyonet** or offer third party chargeable services regarding the Cashback World Program or the **Lyonet Marketing Program**.
- (h) The **Marketer** has been convicted of a deliberate offence either committed against **Lyonet** or a company affiliated with **Lyonet** and/or in connection with the conduct of his distribution activities under this **Lyonet Agreement** or that which has a material connection with the activity of the **Marketer** under this **Lyonet Agreement** (e.g. property offences such as fraud) or which is so serious that **Lyonet** can no longer be expected to cooperate further because of the destruction of the necessary basis of trust or a threat of loss of reputation.
- (i) The **Marketer** is repeatedly in arrears with the fulfillment of a contractual payment claim or a not inconsiderable part of it.
- (j) The financial situation of the **Marketer** deteriorates so significantly that the sustainable solvency of the **Marketer** can be called into question by concrete indications.
- (k) In addition to the significant damage to the economic interests or the reputation of **Lyonet** or the **Loyalty Merchant**, in particular 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 unsuccessful expiry of a specified deadline for remedial action or a previous unsuccessful warning. However, setting a deadline or warning is unnecessary in particular if the respective infringement is so serious that **Lyonet** can reasonably no longer be expected to continue this **Lyonet Agreement** for that very reason.

13.3 Every declaration of termination must be in writing. The benchmark for the observance of the period is the receipt of the letter of termination.

13.4 Any participation in the Cashback World Program remains unaffected by the termination of this **Lyonet Agreement**.

#### 14. Effects of termination

14.1 The compensation already paid will remain with the **Marketer**. In addition, the **Marketer** will be entitled to disbursements of the compensation for which all conditions under the Lyonet Compensation Plan have already been met at the time of termination. Further claims of the **Marketer** against **Lyonet** 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 **Lyonet** is fully liable for damages resulting from injury to life, limb, or health, which are based on a wilful or negligent breach of duty by **Lyonet**. **Lyonet** is also fully liable for other damages that are based on intentional or grossly negligent breach of duty by **Lyonet**.

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 fulfillment of which the **Marketer** may accordingly rely and does rely (primary obligations), **Lyonet** 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 **Lyonet** is not at fault.

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

15.5 The limitations of liability and disclaimers set out in clause 15 will not affect the liability of **Lyonet** 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 **Lyonet** 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 **Lyonet** of any payment difficulties, but in any case, of impending insolvency or imminent over-indebtedness. If changes to the business address are not disclosed immediately, statements that **Lyonet** sends by post to the last known address will nevertheless be deemed to have been received by the **Marketer**.

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

16.3 Changes to this Agreement and other contractual agreement between the **Marketer** and **Lyonet** notified to the **Marketer** in writing to the address or email address given by the **Marketer** will be deemed to have been accepted by the **Marketer** if the **Marketer** does not object to their validity within 30 days of receipt of the change notice in writing. **Lyonet** will inform the **Marketer** at the beginning of the

period that his consent to the notified changes to agreement is deemed to be given if he does not contradict its validity within the set deadline in writing. Changes to this agreement will be deemed to have been accepted by the **Marketer** only if this notice has been given.

#### 17. Choice of law and legal venue

- 17.1 This agreement is governed by substantive Philippine law, to the exclusion of the reference norms of international private law and the United Nations Convention on Contracts for the International Sale of Goods (CISG).
- 17.2 The exclusive legal venue for all disputes arising from or in connection with this **Lyconet Agreement** is the courts of the City of Makati.
- 17.3 Unless the proceedings are preceded by a public arbitration procedure, the parties are required to hold a negotiation meeting before the instigation of any legal proceedings at the registered office of Lyconet Philippines Inc., 10th floor Pacific Star Building Sen. Gil Puyat Avenue corner Makati Avenue, Makati City 1226, Philippines.

#### 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.