

# LYCONET AGREEMENT

## for Independent Lyonet Marketers

Version: June 2018

### Preamble

Lyoness America Inc., with official headquarters at 450 East Las Olas Boulevard, Suite 700, Fort Lauderdale, FL 33301, operates a marketing program referred to as "Lyonet" (hereinafter: "**Lyonet Marketing Program**").

An essential part of this marketing program is the Lyonet Agreement for Independent Lyonet Marketers, which enables participants to promote the distribution and use of the Cashback World Program as self-employed, commercial sales agents and to obtain benefits from the same. After executing the Lyonet Agreement with Lyoness America Inc. (hereinafter referred to as "**Lyonet**" in this context), the contracting party shall become 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, with its subsidiary companies and cooperation partners, which enables participants (hereinafter: "**Members**") to obtain benefits from the purchase of goods and services from Loyalty Merchants (hereinafter: "**Loyalty Merchants**").

### 1. Object of the Agreement

1.1 According to this Lyonet Agreement, the Marketer shall be entitled to promote the distribution and use of the Cashback World Program and the Lyonet Marketing Program, provided the requirements detailed in Section 4 are met:

- (a) by gaining new Members and supporting existing Members;
- (b) by gaining new Marketers and supporting existing Marketers; and,
- (c) by gaining new Loyalty Merchants and supporting 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 employees (full time equivalent),
- (b) annual sales do not exceed \$15 million USD;
- (c) do not have more than 10 branches and do not have a branch structure in other countries;
- (d) do not have or use an existing customer loyalty program (with a customer loyalty card),
- (e) are not a franchise business; or
- (f) are not controlled by a foreign parent company.

In addition, Loyalty Merchants that do not meet this requirement can be considered as a Loyalty Merchant, provided that myWorld International Limited with its group companies and cooperation partners declares this in writing on a case-by-case basis. The recruitment and support of Loyalty Merchants that do not qualify as Loyalty Merchants within the meaning of this Section 1.2 are not covered by this Lyonet Agreement. The Marketer is specifically prohibited from conducting initiation talks or negotiations with such companies or from engaging in any other promotional activity in order to recruit them.

1.3 In return for these activities, the Marketer shall receive remuneration according to the Lyonet Compensation Plan in **Attachment 1** to this Lyonet Agreement (see also Section 8).

### 2. Contractual Basis

The sales activities of the Marketer shall be governed exclusively by this Lyonet agreement, including all attachments.

### 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 shall not be subject to any geographical restrictions with regard to the performance of his/her sales activities, but shall always be responsible for ensuring that he/she fulfils the legal requirements applicable in the respective country; the Marketer shall indemnify and hold Lyonet completely harmless in the event of any third party claims.

3.2 The Marketer shall act as an independent entrepreneur in the performance of the commercial activity. No form of employment, service, or company relationship of any kind whatsoever is established between Lyonet/Lyoness America Inc. and the Marketer. The Marketer shall provide his/her contractual services solely as an autonomous and self-employed activity, legally independent of Lyonet and shall not be bound in particular to instructions from Lyonet.

3.3 Within the framework of the business transactions, the Marketer is expressly prohibited from creating the impression that he/she is an employee or works for Lyonet/Lyoness America Inc., or is affiliated therewith in any manner whatsoever.

3.4 The Marketer is prohibited from acting or operating as a legal representative of Lyonet. In particular, he/she is not authorized to sign any agreements or contracts or receive services on behalf of Lyonet/Lyoness America Inc. The Marketer is also prohibited from representing other affiliates of the Lyoness or myWorld Group. A violation of this Section 3.4 shall authorize Lyonet to terminate this Lyonet Agreement for good cause pursuant to Section 13.2.

3.5 Only one registration (i.e. one ID number) shall be permitted for each natural or legal person. The residential or business address (registered office) of the Marketer must be stated in the registration. Multiple registrations made to obtain unjustified benefits from the Lyonet Compensation Plan shall entitle Lyonet to terminate the contractual relationship for good cause and to withdraw the benefits obtained in this manner. In the event of multiple registrations, the ID numbers last registered shall be deleted. Any benefits from the Lyonet Compensation Plan obtained solely by means of multiple registrations shall be forfeited.

#### **4. Requirements for Business Activities and the Right to Remuneration**

4.1 In order to execute and be a party to this Lyonet Agreement, individual persons are required to have reached the age of majority in the state in which he resides.

4.2 As a condition for compensation, the Marketer must meet the eligibility criteria of the Lyonet Compensation Plan. The Marketer must independently ensure that his/her business is duly registered or licensed (where required). The Marketer is responsible for the proper payment of all taxes and levies and shall indemnify and hold Lyonet harmless in the event of any third party claims. The Marketer is solely responsible for paying all expenses incurred by him/her, including but not limited to travel, food, lodging, secretarial, office, long distance telephone and other expenses. **THE MARKETER UNDERSTANDS THAT HE/SHE SHALL NOT BE TREATED AS AN EMPLOYEE OF LYONESS FOR FEDERAL OR STATE TAX PURPOSES.** Lyoness is not responsible for withholding, and shall not withhold or deduct from the Marketer's compensation, if any, FICA, or taxes of any kind.

4.3 The recruitment of new Loyalty Merchants requires activation by myWorld International Limited with its group companies and cooperation partners as well as separate training.

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

5.1 The Marketer shall be entitled to seek help from third parties for his/her distribution activities. The distribution activity itself must always be performed by the Marketer himself/herself. The Marketer must ensure that the obligations under this Agreement are also met by these third parties.

5.2 The Marketer is obligated to make only statements regarding Lyonet, a company affiliated with Lyonet, the Lyonet business model, and its distribution and marketing which conform to the information contained in the official Lyonet documents.

5.3 As soon as the Marketer receives information regarding a possible violation against the provisions of this Lyonet Agreement by another Marketer, he/she must inform Lyonet immediately.

5.4 If the Marketer intends to organize a paid event or offer other chargeable services of third parties in connection with the Cashback World Program or the Lyonet Marketing Program, he/she must first obtain the express written consent of Lyonet (text or email message is sufficient).

#### **6. Member Registration**

6.1 The Marketer can use the original registration form to enroll new Members in the Cashback World Program. Among other things, he/she shall bear in mind that he/she has no right to contract for Lyonet, and therefore is not authorized to receive contracts under the Cashback World Program. Membership in the Cashback World Program shall be completed only upon acceptance of the registration application.

6.2 The Marketer is required to follow these procedures 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 GTC**") is available to the Member in the place where the registration takes place and that the Member can examine the *Cashback World GTC*. Lyonet shall provide the Marketer with the required *Cashback World GTC* in the version required for the respective country to download at [www.lyonet.com](http://www.lyonet.com) (log-in area). The Marketer shall receive the required registration applications in printed form directly from Lyonet after the appropriate order has been placed.

6.2.2 When completing the registration form and before membership is established, the Marketer shall present the *Cashback World GTC* to the Member without being asked and shall expressly point out that they are an indispensable part of the contract to be concluded.

6.2.3 Before completing the registration, the Marketer must enter his/her information in the designated area of the registration form. To complete the registration of the Member, the Marketer must scan and upload a clear copy of the fully completed registration form signed by the Marketer and the Member in the designated areas.

6.2.4 In addition, the Marketer will always have an adequate number of copies of the current *Cashback World GTC* available for review by the Member.

6.2.5 The Marketer must keep all original registration forms in a safe place and make them available any time at the request of Lyonet.

6.2.6 Lyonet reserves the right to carry out periodic random confirmations of the registration forms.

6.3 Liability of the Marketer when registering Members:

- 6.3.1 The Marketer shall be fully liable for compliance with the provisions of this Section 6. This liability shall also extend to all persons whom the Marketer uses to fulfil his/her contractual obligations to the same extent as for the conduct of third parties attributable to him/her.
- 6.3.2 The Marketer must record all data of the Members to be registered with the utmost care and shall be liable for all consequences resulting from any violations of this obligation.
- 6.3.3 Any violation of this Section 6 by the Marketer shall entitle Lyonet to terminate the contractual relationship with the Marketer.

## 7. Communication Material

- 7.1 Lyonet shall make the advertising and information material (documents, catalogues, presentations, etc.) (hereinafter: "**Communication Materials**") required by the Marketer to perform his/her sales activities under this Lyonet Agreement available to the Marketer for downloading free of charge at [www.lyconet.com](http://www.lyconet.com) (log-in section).
- 7.2 The Marketer may use only the Communication Materials authorized by Lyonet and provided at [www.lyconet.com](http://www.lyconet.com). Before using any communication material, the Marketer must check whether it reflects the current version. The intentional inappropriate use of unauthorized Communication Materials by the Marketer shall entitle Lyonet to terminate without notice this Lyonet Agreement for good cause pursuant to Section 13.2.
- 7.3 In the event of termination of this Lyonet Agreement, the Marketer must destroy any Communication Materials in his/her possession and confirm the destruction of same in writing to Lyonet.
- 7.4 Publications and ads, as well as the use of registered trademarks of Lyonet or companies affiliated with Lyonet, such as company logos and the brands Lyonet, Lyonesse, Child & Family Foundation, Greenfinity Foundation, etc., shall require the written consent of Lyonet. The publication and use of trademarks applied for and/or registered for myWorld International Limited with its group companies and cooperation partners such as Cashback World or myWorld require the written consent of myWorld International Limited and its group companies and cooperation partners. This shall also apply to any use via the Internet or other electronic media. The right of the Marketer to use the Communication Material authorised by Lyonet according to Section 7.2 shall remain unaffected.
- 7.5 The Marketer shall indemnify Lyonet from all claims by third parties against Lyonet in connection with the violation of their intellectual property rights by the Marketer.

## 8. Lifeline

- 8.1 The "**Lifeline**" of each Marketer consists of the Marketers or Members enrolled by him/her, the Marketers or Members enrolled by them (second level), and the Marketers or Members enrolled by the second level Marketers or Members (third level), etc. The Lifeline thus consists of all Marketers or Members assigned to the Marketer based on his/her enrollments and all successive enrollments, regardless of the level. The Lifeline is also referred to as the "**Downline**". The "**Upline**" consists of all direct and indirect Referrers on every level. The next Marketer in the Upline is referred to as the "**Coach**" and the second in the Upline is referred to the "**Senior Coach**".
- 8.2 The Marketer's compensation according to the Lyonet Compensation Plan shall be calculated based on all purchases made by all Marketers or Members at any level of his/her Lifeline. Purchases from another Lifeline shall not be counted toward the Lifeline of the Marketer (even if the Marketer contributed to the execution of the Lyonet Agreement with the Marketer).
- 8.3 Except as set forth herein, the Lifeline cannot be changed and its maintenance the adherence to it is a basic principle of the Lyonet Marketing Program for the protection of all Members and Marketers. Marketers who have not been eligible for compensation in the preceding twelve (12) months can change their *Referrer* by appointing another Marketer as the *Referrer* to Lyonet with his/her consent. If the Marketer is also a Member, the Referrer may be changed only if the requirements for a change are also met as a Member. This means that no purchases shall have been made from *Loyalty Merchants* over a period of six months nor shall there have been any entitlement to compensation in the preceding twelve (12) months. In this case, the Marketers or Members recruited directly or indirectly by the Marketer being changed (regardless of the level) shall remain in the original position under the original Referrer. Any entitlement to compensation is defined and regulated in Attachment 1 of the Lyonet Compensation Plan.
- 8.4 If a Marketer terminates his/her participation in the Lyonet Marketing Program, or changes the Lifeline according to Section 8.3 of this Agreement or as a Member, this shall not affect the position of the remaining Marketers or Members of the Lifeline (upline or downline from the terminating Member).
- 8.5 A Marketer's ID number can be transferred to a third party (e.g. by selling the ID number) only with the written consent of Lyonet and the simultaneous transfer of all contractual relationships existing between the Marketer and Lyonesse and (if necessary) the myWorld Group to the third party. In the event of death, the contractual relationships existing between the Marketer and Lyonesse and (if applicable) the myWorld Group (including his/her ID) shall pass to his/her heirs under the applicable laws of testamentary transfer or inheritance.

## 9. Compensation

- 9.1 The Marketer shall be compensated for his/her Lyonet activities according to the Lyonet Compensation Plan in [Attachment 1](#). The Marketer shall not be entitled to any compensation or reimbursement for expenses incurred in the performance of any activities (especially the reimbursement of travel costs and expenses, material or personnel costs) related to Lyonet.
- 9.2 In addition to compensation according to the Compensation Plan, Lyonet may also offer additional incentives at its sole discretion. However, there No entitlement to such additional incentives.

- 9.3 All compensation shall be calculated on a weekly or monthly basis, taking into account all the Shopping Points credited according to the Lyonet Marketing Program (according to the Lyonet Compensation Plan in Attachment 1). Lyonet shall display all the information that is relevant to the compensation of the Marketer according to the Lyonet Compensation Plan in the statements that are made available to the Marketer in the login area of his/her [www.lyconet.com](http://www.lyconet.com) website.
- 9.4 The Marketer must review this statement immediately and make any objections in writing to Lyonet on the [Lyonet.com](http://Lyonet.com) website and in the form specified by Lyonet no later than one (1) week after receipt of the statement. The failure to raise any objections to the statement within this time shall waive any and all claims by the Marketer. Violation of this obligation by the Marketer may entitle Lyonet to a claim for damages.
- 9.5 The compensation to which the Marketer is eligible from the Lyonet Marketing Program shall be paid weekly to the Marketer's account, provided that the sum of the payment entitlements reaches a minimum of \$10.00 USD.

## **10. Confidentiality**

- 10.1 The Marketer shall maintain all business and trade secrets (which shall include the statements set forth according to Section 9.3, above) of Lyonet that have been entrusted or disclosed to him/her by Lyonet as such during his/her activities confidential, even after termination of the Lyonet Agreement.
- 10.2 The Marketer must return to Lyonet any documents relating to internal business procedures entrusted to him/her immediately after they have been duly used, but no later than upon termination of this Lyonet Agreement.
- 10.3 The Marketer shall also impose these secrecy and confidentiality obligations on his/her assistants.

## **11. Data protection**

- 11.1 To the extent that it is required for the proper implementation of the provisions of the Lyonet Agreement, in particular to calculate the Shopping Points and compensation according to the Lyonet Compensation Plan in Attachment 1, Lyoness America Inc. being responsible for data protection, collects, stores and processes personal or company data as well as data on sales activities of the Marketers.
- 11.2 All requests for information, changes, and deletion of data may be directed to Lyoness America Inc., 450 East Las Olas Boulevard, Suite 700, Fort Lauderdale, FL 33301 or by e-mail to [international@lyconet.com](mailto:international@lyconet.com). Additional privacy provisions related to the use of the Lyonet website can be found in the Privacy Policy at [www.lyconet.com](http://www.lyconet.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 context, the parties shall execute a contract data processing agreement.

## **12. Non-Compete Agreement/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 like those of Lyonet or manage or participate in a competing company or otherwise support or advise it.
- 12.2 The same shall apply to companies or organizations that are involved in direct selling, multilevel marketing or network marketing (collectively, "network marketing") generally.
- 12.3 The activities of the Marketer for a competing company that existed at the time of the execution of this Lyonet Agreement that was disclosed in writing (electronic message) shall be excluded from the aforementioned non-competition provisions.
- 12.4 During the term of this Lyonet Agreement, the Marketer shall be prohibited from soliciting Marketers, Members, or Loyalty Merchants for other network marketing companies in particular, or even attempting to do so.
- 12.5 If the foregoing provisions of this Section 12 are violated by the Marketer or his/her agents or representatives, Lyonet shall be entitled to demand the cessation of the aforementioned actions. This shall not affect the right of Lyonet to pursue injunctive relief or terminate this Lyonet Agreement and to assert a claim for any damage that has resulted or is resulting.

## **13. Term and Termination of this Lyonet Agreement**

- 13.1 The Lyonet Agreement will have a minimum term of twelve (12) months as of the date of execution and will be extended for an additional twelve (12) months unless it is terminated by either party subject to a notification period of 30 days prior to the expiration of the agreed minimum term.
- 13.2 Both parties shall have the right to terminate this Lyonet Agreement without notice at any time for a good cause. A good cause for termination on the part of Lyonet shall constitute any of the following, but not limited to:
- (a) The Marketer knowingly provides false information in connection with the acceptance of this Lyonet Agreement;
  - (b) The Marketer uses unauthorized Communication Material in violation of Section 7.2 herein;
  - (c) The Marketer uses registered trademarks belonging to Lyonet or affiliated companies in violation of Section 7.4;

- (d) The Marketer violates the competition or non-solicitation provisions of Section 12 or violates the confidentiality provisions of Section 10.
- (e) The Marketer repeatedly provides incorrect or inaccurate information about the Cashback World Program or the Lyonet Marketing Program. An indication of incorrect or inaccurate information occurs when an above-average number of contracts mediated by the Marketer (including Members, Marketers, or Loyalty Merchants) are contested, cancelled, or terminated at the earliest possible date by the mediated supplier.
- (f) The Marketer operates a commercial resale of vouchers of the Loyalty Merchants.
- (g) The Marketer holds a paid event or offers services in connection with the Cashback World Program or the Lyonet Marketing Program to third parties for a fee without the written consent of Lyonet;
- (h) The Marketer has been convicted of an intentional/non-intentional criminal act (i) committed to the detriment of Lyonet or a company affiliated with Lyonet and/or (ii) in connection with the conduct of his/her sales activities under this Lyonet Agreement; (iii) have a material connection to the activities of the Marketer under this Lyonet agreement (e.g. offenses such as fraud) or (iv) 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 damage to its reputation.
- (i) The Marketer is repeatedly in arrears with the payment of a contractual debt payment.
- (j) The financial situation of the Marketer deteriorates so significantly that the sustainable solvency of the Marketer is questionable.
- (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 because of a breach of contract usually requires the expiry of a specified period for remedial action without success or a previous warning without success. However, the setting of a deadline or a warning shall be particularly unnecessary 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. Compliance with the deadline shall be determined by the date of receipt of the letter of termination.

13.4 Any participation in the Cashback World Program shall not be affected by the termination of this Lyonet Agreement.

#### **14. Effects of Termination**

14.1 The Marketer shall retain any compensation already paid out. In addition, the Marketer shall be entitled to any compensation payments for which all conditions according to the Lyonet Compensation Plan have already been satisfied at the time of termination. The Marketer shall not be entitled to assert any further claims against Lyonet, subject to mandatory legal claims.

14.2 Unless otherwise agreed, payments made by the Marketer (e.g. for services or voucher orders) shall not be refunded. No expenses of the Marketer shall be refunded.

#### **15. Changes**

15.1 The Marketer shall notify Lyonet in writing of any changes to his/her data that is essential to the contract without delay. This obligation applies particularly to changes in the address and bank details. Furthermore, the Marketer shall notify Lyonet immediately of any payment difficulties, but especially of impending insolvency or imminent over-indebtedness. If changes to the business address are not disclosed immediately, statements that Lyonet sends by mail to the last known address shall nevertheless be deemed to have been received by the Marketer.

15.2 No verbal agreements have been made between the parties. Moreover, Lyonet shall be entitled to send contract declarations and information required for the conclusion of the contract via SMS or e-mail to the Marketer provided that the Marketer has specified the corresponding contact data and does not object to the same.

#### **16. Governing Law and Place of Jurisdiction**

16.1 This Agreement is subject to and shall be construed by the laws of the State of Florida.

16.2 The venue and jurisdiction for all disputes arising from or in connection with this Agreement shall be the state or federal district court located in Fort Lauderdale, Florida.

16.3 Unless the proceedings are preceded by an official arbitration procedure, the parties shall be obliged to conduct settlement negotiations at the registered office of Lyoness America Inc., 450 East Las Olas Boulevard, Suite 700, Fort Lauderdale, FL 33301 before initiating any possible legal proceedings.

#### **17. General Provisions**

17.1 The Marketer shall not be entitled to assign this Lyonet Agreement or the rights and obligations established between the parties based on this Lyonet Agreement to a third party or to transfer it in any other way, including by way of universal succession, without the prior written consent of Lyoness. However, if the Marketer dies, the contractual relationships existing between him/her and Lyonet shall pass to his/her heirs under the applicable law of testamentary transfer or inheritance. Furthermore, the Marketer shall not be entitled to encumber any existing rights with a lien without the prior written consent of Lyonet

- 17.2 The Marketer shall not have the right to offset claims of Lyconet. This shall not apply if the claims are reciprocal and interdependent, or if the Marketer offsets a claim that is uncontested, ready for decision, or defined by enforceable final judgement.
- 17.3 Should any provision of this Lyconet Agreement be or become totally or partially invalid, this shall not affect the validity or practicability of the remaining provisions.