

LYCONET COMPENSATION PLAN



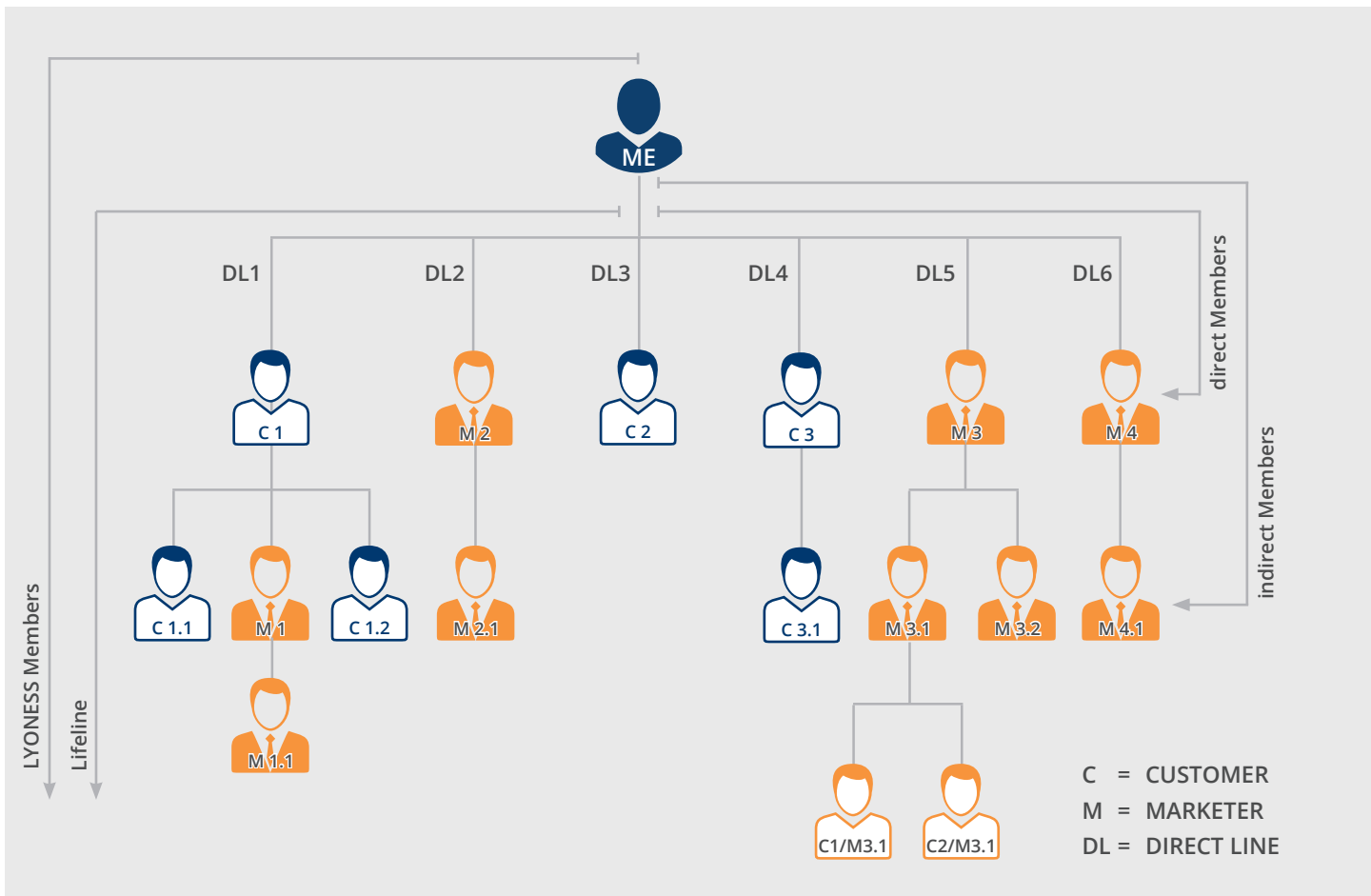
Exhibit 1 to the Lyconet Independent Marketer Agreement. Version 11/08/14

For information on typical incomes of Lyonesse Members in 2013 please refer to the 2013 Lyonesse Income Disclosure Statement: <http://lyo.me/IDS>

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TYPES OF MEMBERS



LYONESS MEMBER

A Lyonesse Member is a person who is registered with Lyonesse and has accepted the Lyonesse GTCs.

LYONESS CUSTOMER

A Lyonesse Customer is a Lyonesse Member in a Marketer's Lifeline who is not assigned to another Marketer. Lyonesse Customers have not signed a Lyconet Agreement and therefore are not Lyconet Marketers. Looking at the chart above, the Members "C1", "C1.1", "C1.2", "C2", "C3" and "C3.1" are all Lyonesse Customers of the original Marketer ("Me") while "C1/M3.1" and "C2/M3.1" are the Lyonesse Customers of Marketer "M 3.1".

INDEPENDENT LYCONET MARKETER

An Independent Lyconet Marketer (or simply "Marketer") is a person who has agreed to and carries out activities in accordance with the Lyconet Agreement.








LYCONET SHOPPING ADVISOR

A Shopping Advisor is a Marketer who has yet to reach Career Level 1.

LYCONET PREMIUM MARKETER

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

PROGRAM OVERVIEW

	 LYONESSE LOYALTY PROGRAM			 Lyonet MARKETING PROGRAM	
	 Cashback	 Friendship Bonus	 Deals	 SP Valuation in the Balance Program	 SP Valuation in the Career Program
Purchases with CBCard (at Lyonesse Loyalty Merchants)	✓	✓	✓	✓	✓
Purchases with Prepaid Lyonesse MasterCard® (at all Lyonesse Loyalty Merchants that are taking part in the Lyonesse MasterCard Program)	✓	✓	✓	✓	✓
Online purchase (at Lyonesse Loyalty Merchants)	✓	✓	✓	✓	✓
Purchase with Voucher (at Lyonesse Loyalty Merchants)	✓	✓	✓	✓	✓
Per \$150 purchase with Prepaid Lyonesse MasterCard® (at all MasterCard acceptance points)	✗	✗	✓	✗	✗
Loyalty Program*	✗	✗	✗	✗	✓
Promotion & Incentives**	✗	✗	✓	✗	✗

* An SME Marketer receives this for the procurement of a new SME.

** Lyonesse gives Shopping Points in the form of special offers (e.g. Welcome Bonus) that Members can redeem for Deals within the Loyalty Program.



LYONESS LOYALTY PROGRAM

Every Marketer is also a registered Lyoness Member and continues to receive the Member Benefits in accordance with the Lyoness GTCs.

→ CASHBACK

For every purchase made at a Lyoness Loyalty Merchant store or Loyalty Merchant Online Shop, a Member receives up to 5% of the purchase price as Cashback. The Cashback will be transferred to the Member's bank account or Prepaid Lyoness MasterCard®.



→ SHOPPING POINTS

A Member also accumulates Shopping Points (SP) for every purchase made at a Lyoness Loyalty Merchant store or Loyalty Merchant Online Shops. These Shopping Points can be redeemed for attractive Shopping Point Deals and generous discounts on products sold in the Loyalty Mall at Lyoness.com.



→ FRIENDSHIP BONUS

A Member who enjoys Lyoness Benefits can refer the Loyalty Program to friends and family. When referred Members make purchases at Lyoness Loyalty Merchant stores and Loyalty Merchant Online Shops, Lyoness compensates the Referrer a Direct Friendship Bonus and, if applicable, an Indirect Friendship Bonus, each of which is worth up to 0.5% of the purchases made by the new Members. The Friendship Bonus will be transferred to the Member's bank account or Prepaid Lyoness MasterCard®.



LYCONET MARKETING PROGRAM

Every Marketer is a member of the Lyconet Marketing Program, which is made up of the Balance Program and the Career Program. The Lyconet Marketing Program enables the Marketer to receive weekly and monthly compensation in accordance with the Lyconet Agreement.

Compensations are calculated by Production Week or Production Month. A Production Week runs from Monday until Sunday. A Production Month normally consists of 4 or 5 Production Weeks. The Production Months are defined for each calendar year and can be viewed under "Production Dates" in the Download area at Lyconet.com.

All compensations within the Lyconet Marketing Program are calculated on the basis of the credited Shopping Points for the Balance Program or Career Program.

Lyconet MARKETING PROGRAM

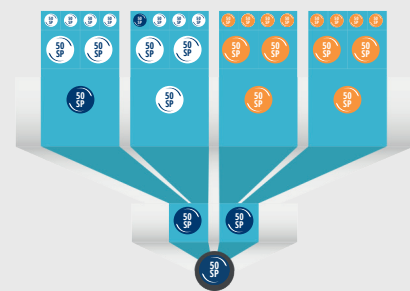
	SP Valuation in the Balance Program	SP Valuation in the Career Program
Purchases with CB Card (at Lyonesse Loyalty Merchants)	✓	✓
Purchases with Prepaid Lyonesse MasterCard® (at all Lyonesse Loyalty Merchants that are taking part in the Lyonesse MasterCard Program)	✓	✓
Online purchase (at Lyonesse Loyalty Merchants)	✓	✓
Purchase with Voucher (at Lyonesse Loyalty Merchants)	✓	✓
Per \$150 purchase with Prepaid Lyonesse MasterCard® (at all MasterCard acceptance points)	✗	✗
Loyalty Program	✗	✓
Promotion & Incentives	✗	✗

→ BALANCE PROGRAM








For the Balance Program, the credited Shopping Points generated by the Marketer's entire Shopping Network (i.e., his entire Lifeline as shown in the chart on page 3 as well as Shopping Points from his own purchases and/or orders) will be converted into Units. These Units are booked weekly into the Balance Program and the Marketer receives compensation on a weekly basis.

→ CAREER PROGRAM

For the Career Program, the credited Shopping Points generated by the Marketer's entire Shopping Network (i.e. his entire Lifeline as shown in the chart on page 3 as well as Shopping Points from his own purchases and/or orders) will be used to calculate the relevant Career Level each month. The Marketer will receive monthly compensation.



BALANCE PROGRAM

	 LYONESSE LOYALTY PROGRAM			 Lyconet MARKETING PROGRAM	
	 Cashback	 Friendship Bonus	 Deals	 SP Valuation in the Balance Program	 SP Valuation in the Career Program
Purchases with CB Card (at Lyonesse Loyalty Merchants)	✓	✓	✓	✓	✓
Purchases with Prepaid Lyonesse MasterCard® (at all Lyonesse Loyalty Merchants that are taking part in the Lyonesse MasterCard Program)	✓	✓	✓	✓	✓
Online purchase (at Lyonesse Loyalty Merchants)	✓	✓	✓	✓	✓
Purchase with Voucher (at Lyonesse Loyalty Merchants)	✓	✓	✓	✓	✓
Per \$150 purchase with Prepaid Lyonesse MasterCard® (at all MasterCard acceptance points)	✗	✗	✓	✗	✗
Loyalty Program	✗	✗	✗	✗	✓
Promotion & Incentives	✗	✗	✓	✗	✗

→ COMPENSATION

For the Balance Program, the credited Shopping Points generated by the Marketer's entire Shopping Network (i.e., his entire Lifeline as shown in the chart on page 3 as well as Shopping Points from his own purchases and/or orders) will be converted into Units and are booked into the Balance Program and credited to the Marketer for compensation on a weekly basis. Additional Bonus Units and Transfer Units will also be evaluated and credited to the Marketer. Booked Units are used to generate the following weekly compensation for the Marketer:

- Balance Commission
- Balance Bonus
- Coach & Senior Coach Bonus

The booked Units in the Balance Program entitle the Marketer to receive these compensations as described below.



→ COMPENSATION ELIGIBILITY

The Marketer must achieve the Compensation Eligibility status every year in order to receive all compensations, Bonus Units and Transfer Units within the Balance Program. There are two ways to achieve this status:






- 1. The Marketer must have obtained 350 Shopping Points within the Balance Program:** This includes all Shopping Points collected by the Marketer's Lyconet Customers as well as all Shopping Points obtained by the Marketer from his fully paid purchases and/or orders.
- 2. OR:** If the Marketer has a minimum of 5 direct lines, each of the lines must have collected a minimum of 150 Shopping Points within the Balance Program.

		min.350SP Total achieved		min. 350 SP Achieved again	
1 st Month	2 nd Month	3 rd Month	Compensation Eligibility for 12 months	8 th Month	Compensation Eligibility for 12 months
100 SP	150 SP	300 SP			

Once the Marketer has achieved Compensation Eligibility status, he will receive any compensations generated from Units up to that point, excluding any Coach or Senior Coach Bonuses. Also, the resulting Bonus Units and Transfer Units will be booked and credited in the same week. This means that the Balance Commission and the Balance Bonus resulting from the booked Units will be paid out in the Production Week in which the Marketer achieves Compensation Eligibility status. Coach and Senior Coach Bonuses will not be paid out retroactively. To be eligible to receive Coach and Senior Coach Bonuses, the Marketer must achieve Compensation Eligibility status.

→ TYPES OF UNITS:

The various types of Unit are based on the Shopping Points evaluated for the Balance Program.

	50 SP	= 1 UNIT IN BALANCE CATEGORY 1
	150 SP	= 1 UNIT IN BALANCE CATEGORY 2
	400 SP	= 1 UNIT IN BALANCE CATEGORY 3
	1,200 SP	= 1 UNIT IN BALANCE CATEGORY 4
	4,000 SP	= 1 UNIT IN BALANCE CATEGORY 5

SP Personal Units are generated using Shopping Points collected from the Marketer's purchases and orders.

BU Bonus Units credited under the Balance Program are generated if a booked Unit (any type) contains the pre-defined number of "subsequent" booked Units* (left / right). Bonus Units are generated for Balance Category- 1 - 5 and made available to the Marketer for the duration of the Lyconet Agreement. See pages 12 &13

* "Subsequent" Units can be any type of Unit that is booked in the applicable Balance Category; these can be Personal Units, CustomerUnits, Units from all Coaching Levels, Bonus Units and Transfer Units that can be allocated to a Marketer's Unit.

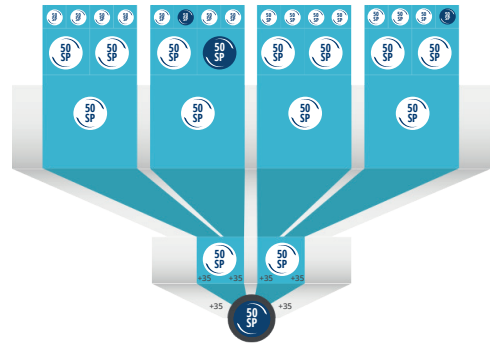


Transfer Units credited under the Balance Program are generated if they contain the pre-defined number of “subsequent” booked Units (left / right). Transfer Units are generated for Balance Categories 1 - 4 and made available to the Marketer in the next Balance Category for the duration of the Lyconet Contract Agreement. See page 14 & 15.

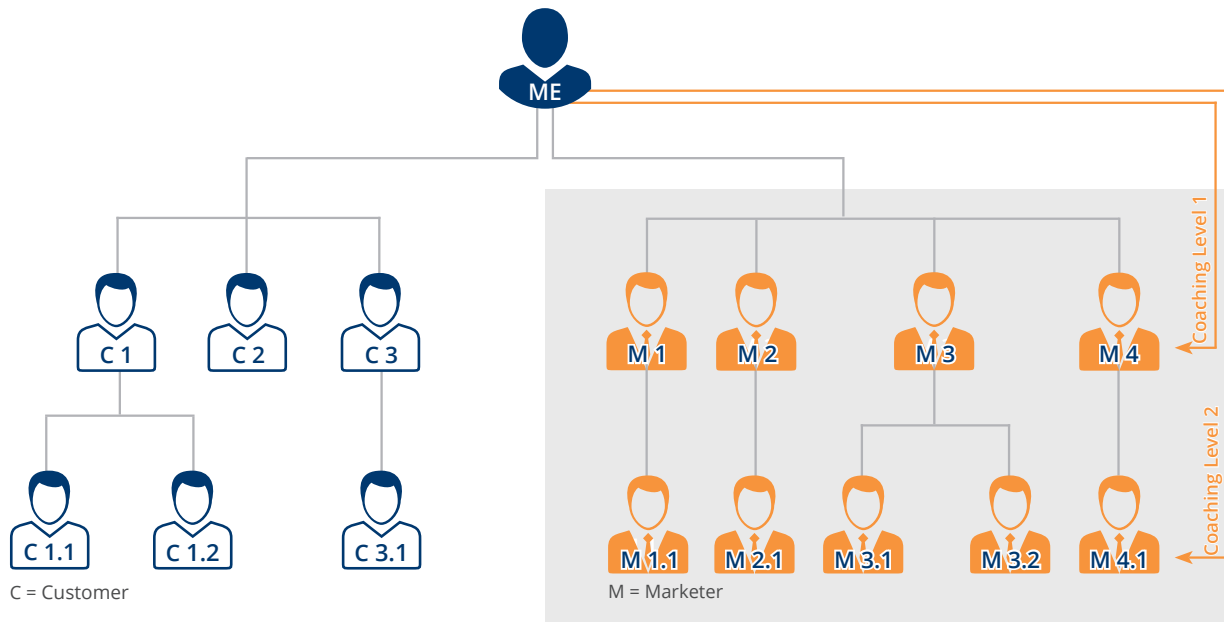


Customer Units are generated from the Shopping Points obtained from purchases and orders made by Lyoness Customers in the Marketer’s Lifeline (that are not assigned to another Marketer).

For the duration of the Lyconet Agreement, the **first** and **eleventh Customer Units** and every **tenth Customer Unit** there after will be granted to the Marketer with the same Entitlement to Compensation as for Personal Units.



A Marketer’s Units in Coaching Level 1 (i.e. the Marketer is the Coach) are generated from Shopping Points obtained from personal purchases and/or orders made by the Marketer in Coaching Level 1, as well as purchases and/or orders made by his Customers.



A Marketer’s Units in Coaching Level 2 (i.e. the Marketer is a Senior Coach) are generated from Shopping Points obtained from personal purchases and/or orders made by the Marketer in Coaching Level 2, as well as from purchases and/or orders made by his Customers.



A Marketer’s Units in Coaching Level 3 or lower are generated from Shopping Points obtained from personal purchases and/or orders made by the Marketer in Coaching Level 3 or lower, as well as purchases and/or orders made by his Customers.

BOOKING IN THE BALANCE PROGRAM

The Marketer's first Unit to be booked in the Personal Balance in each of the Balance Categories (1 - 5) will be booked once the Coach or Senior Coach's Unit has been booked. This Unit is the starting point for every Balance Category from which all of the Marketer's Units and Units from his Lifeline will be booked.

All credited Units are booked on a weekly basis. Units in the Personal Balance will be booked in a binary fashion which allows the placement of two additional units after each unit. Units in the National, Continental and International Balance are always booked in a row (linearly).

➔ BALANCE CATEGORIES AND THE PERSONAL, NATIONAL, CONTINENTAL AND INTERNATIONAL BALANCE

The Balance Program is broken down into Balance Categories 1 - 5, as well as into the Personal, National, Continental and International Balance.

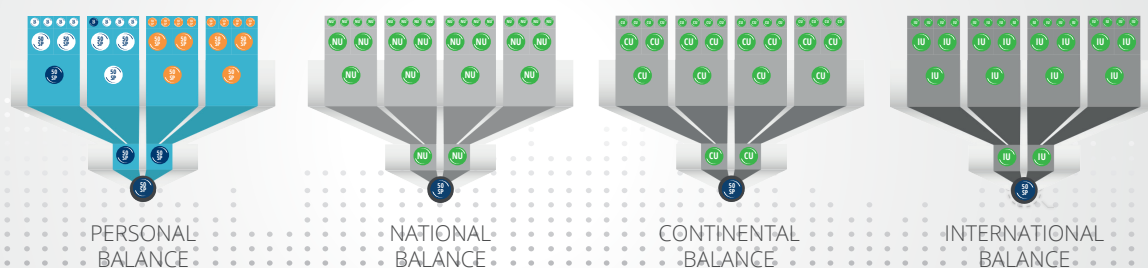
Personal Balance: Personal Units, Customer Units, Bonus Units, Units from all of the Marketer's Coaching Levels from the Lifeline and Transfer Units are booked under the Personal Balance

National Balance: The National Bonus Units for all of the Marketers in the respective country and the Transfer Units will be booked here. By working together on a national scale, Marketers can benefit from all the Loyalty Program purchases made in their country.

Continental Balance: The Continental Bonus Units for all of the Marketers in one continent and the Transfer Units will be booked here. By working with other Marketers from the same continent, Marketers can benefit from all of the Loyalty Program purchases made in their continent.

International Balance: The International Bonus Units for all of the Marketers in all countries and the Transfer Units will be booked here. By working together on an international scale, Marketers can benefit from all of the Loyalty Program purchases made around the world.

BALANCE-CATEGORY 1-5



→ BALANCE COMMISSION

The Balance Commission is calculated once a week on the basis of the Units booked within the calculation period. The Marketer can receive Balance Commission resulting from the following Units:

	Balance Commission
Personal Unit	✓
Bonus Unit	✓
Transfer Unit	✓

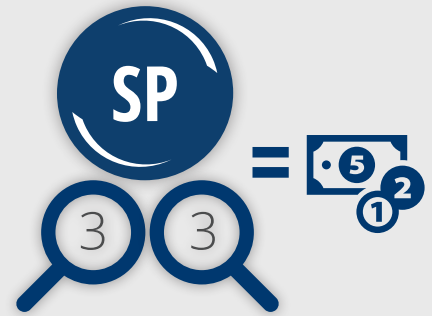
Calculation Period:
WEEKLY

BALANCE COMMISSION

Calculation based on:
Booked Units

Prerequisite:
Compensation Eligibility

Compensation in the form of:
Transfer to the Marketer's bank account or Prepaid Lyoness MasterCard®



The Marketer is entitled to receive the Balance Commission if a Marketer's booked Personal Units, Bonus Units or Transfer Units contains the pre-defined number of "subsequent" booked Units (left / right). The table below provides an overview of the required number of following Units for each Balance Category (BC) and the resulting Balance Commission:

	3 / 3 Left / Right	5 / 5 Left / Right	10 / 10 Left / Right	15 / 15 Left / Right	20 / 20 Left / Right	25 / 25 Left / Right
BC 1	\$ 9	\$ 15	\$ 21	\$ 33	\$ 39	\$ 48
BC 2	\$ 27	\$ 45	\$ 63	\$ 99	\$ 117	\$ 144
BC 3	\$ 90	\$ 150	\$ 210	\$ 330	\$ 390	\$ 480
BC 4	\$ 270	\$ 450	\$ 630	\$ 990	\$ 1,170	\$ 1,440
BC 5	\$ 900	\$ 1,500	\$ 2,100	\$ 3,300	\$ 3,900	\$ 4,800

→ BALANCE BONUS

The Balance Bonus is calculated every week on the basis of the Units booked within the calculation period. The Marketer can receive the Balance Bonus for the following Units:

	Balance Bonus
Personal Unit	✓
Bonus Unit	✗
Transfer Unit	✗

Calculation Period
WEEKLY

BALANCE BONUS

Calculation based on:
Booked Units

Prerequisite:
Compensation Eligibility

Compensation in the form of:
Lyoness Voucher
(for purchases within the Loyalty Merchant Network)



In order to be eligible for a Balance Bonus, the Marketer's booked Personal Units must contain the pre-defined number of "subsequent" booked Units (left / right). The table below provides an overview of the number of following Units required for each Balance Category (BC) and the resulting Balance Bonus:

	25 / 25 Left / Right	30 / 30 Left / Right	35 / 35 Left / Right
BC 1	-	-	\$ 600
BC 2	-	\$ 1,275	-
BC 3	\$ 2,400	-	-
BC 4	\$ 7,200	-	-
BC 5	\$ 24,000	-	-

➔ BONUS UNITS

Bonus Units are calculated on a weekly basis based on the Units booked within the calculation period and will be made available to the Marketer for the duration of the Lyconet Agreement. The Marketer can receive Bonus Units resulting from the following Units:

	Bonus Unit
Personal Unit	✓
Bonus Unit	✓
Transfer Unit	✓

Calculation Period:
WEEKLY

BONUS UNITS

Calculation based on:
Booked Units

Prerequisite:
Compensation Eligibility

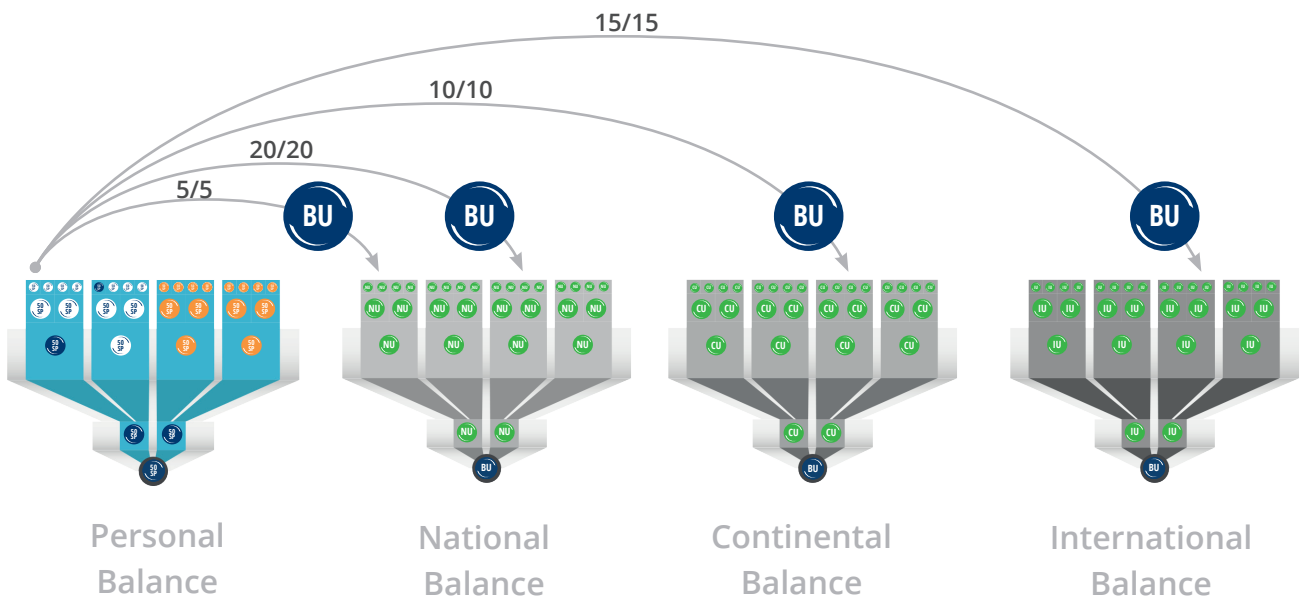
Booking:
National Balance
Continental Balance
International Balance



In order to be eligible for Bonus Units, the Marketer's booked Personal Unit, Bonus Unit or Transfer Unit must contain the pre-defined number of "subsequent" booked Units (left / right). The table and graphics below provide an overview of the number of following Units required, which is identical for each Balance Category, as well as the resulting Bonus Units and their booking:

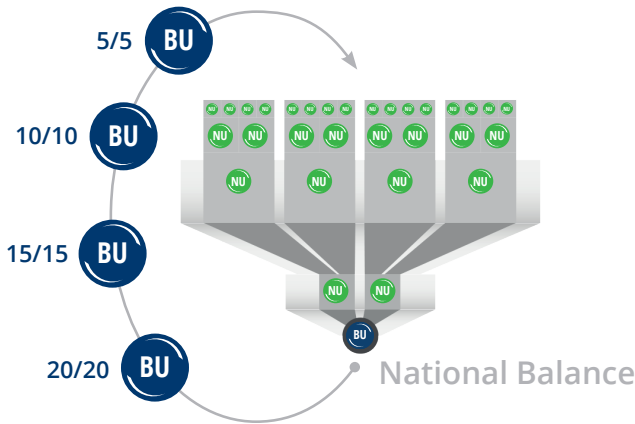
BOOKING OF BONUS UNITS GENERATED FROM UNITS BOOKED IN THE PERSONAL BALANCE

Every booked Unit in the Personal Balance with the pre-defined number of subsequent Units (Left / Right).	5 / 5 Left / Right	10 / 10 Left / Right	15 / 15 Left / Right	20 / 20 Left / Right
		Bonus Unit: National Balance	Bonus Unit: Continental Balance	Bonus Unit: International Balance



BOOKING OF BONUS UNITS GENERATED FROM UNITS BOOKED IN THE NATIONAL BALANCE

Every Unit booked in the National Balance with the pre-defined number of subsequent Units (Left / Right).	5 / 5 Left / Right	10 / 10 Left / Right	15 / 15 Left / Right	20 / 20 Left / Right
	Bonus Unit: National Balance	Bonus Unit: National Balance	Bonus Unit: National Balance	Bonus Unit: National Balance

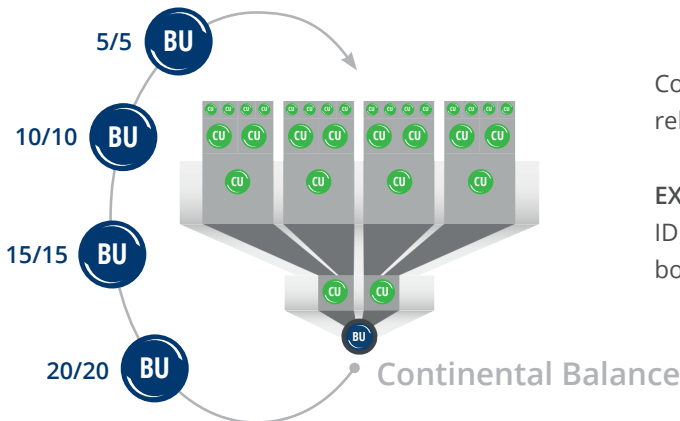


National Bonus Units will be booked into the relevant National Balance from left to right.

EXAMPLE: If the Lyconet Marketer has a US ID, his Bonus Units will be booked in the US Balance.

BOOKING OF BONUS UNITS GENERATED FROM UNITS BOOKED IN THE CONTINENTAL BALANCE

Every booked Unit in the Continental Balance with the pre-defined number of subsequent Units (Left / Right).	5 / 5 Left / Right	10 / 10 Left / Right	15 / 15 Left / Right	20 / 20 Left / Right
	Bonus Unit: Continental Balance	Bonus Unit: Continental Balance	Bonus Unit: Continental Balance	Bonus Unit: Continental Balance

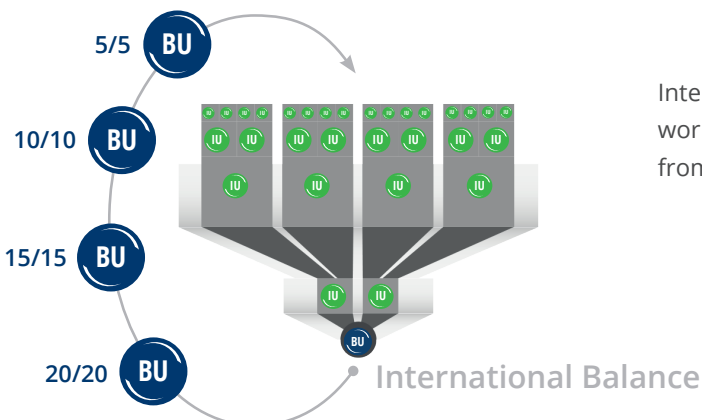


Continental Bonus Units will be booked into the relevant Continental Balance from left to right.

EXAMPLE: If the Lyconet Marketer has a Membership ID in Thailand, his continental Bonus Units will be booked in the Asian Balance.

BOOKING OF BONUS UNITS GENERATED FROM UNITS BOOKED IN THE INTERNATIONAL BALANCE

Every booked Unit in the international Balance with the pre-defined number of subsequent Units (Left / Right).	5 / 5 Left / Right	10 / 10 Left / Right	15 / 15 Left / Right	20 / 20 Left / Right
	Bonus Unit: International Balance	Bonus Unit: International Balance	Bonus Unit: International Balance	Bonus Unit: International Balance



International Bonus Units for all Lyconet Marketers worldwide will be booked into the International Balance from left to right.

In order to be eligible for a Balance Commission, the Marketer's booked Bonus Unit must contain the pre-defined number of "subsequent" booked Units (left / right). The table below provides an overview of the required number of following Units for each Balance Category (BC) and the resulting Balance Commission for Bonus Units:

	3 / 3 Left / Right	5 / 5 Left / Right	10 / 10 Left / Right	15 / 15 Left / Right	20 / 20 Left / Right	25 / 25 Left / Right
BC 1	\$ 9	\$ 15	\$ 21	\$ 33	\$ 39	\$ 48
BC 2	\$ 27	\$ 45	\$ 63	\$ 99	\$ 117	\$ 144
BC 3	\$ 90	\$ 150	\$ 210	\$ 330	\$ 390	\$ 480
BC 4	\$ 270	\$ 450	\$ 630	\$ 990	\$ 1,170	\$ 1,440
BC 5	\$ 900	\$ 1,500	\$ 2,100	\$ 3,300	\$ 3,900	\$ 4,800

Bonus Units can also generate Transfer Units and Bonus Units. Bonus Units do not generate Balance Bonus.

➔ TRANSFER UNIT

Transfer Units are calculated on a weekly basis based on the Units booked within the calculation period and will be made available to the Marketer for the duration of the Lyconet Contract Agreement. The Marketer can receive Transfer Units from the following Units:

	Transfer Unit
Personal Unit	✓
Bonus Unit	✓
Transfer Unit	✓

Calculation Period:
WEEKLY

TRANSFER UNIT

Calculation based on:
Booked Units

Prerequisite:
Compensation Eligibility

Booking:
Transfer into the next
Balance Category

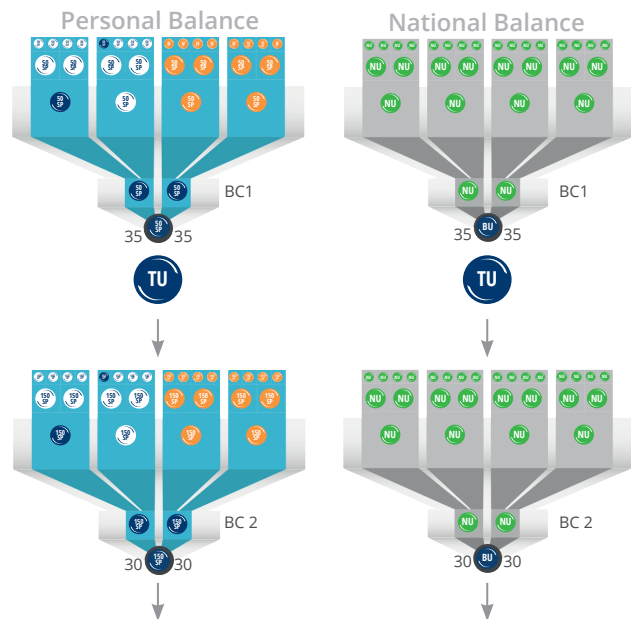


In order to be eligible for Transfer Units, the Marketer's booked Personal Unit, Bonus Unit or Transfer Unit must contain the pre-defined number of "subsequent" booked Units (left / right). The table below provides an overview of the number of following Units required, as well as the resulting Transfer Units and their booking:

	25 / 25 Left / Right	30 / 30 Left / Right	35 / 35 Left / Right
BC 1	-	-	Transfer Unit in BC 2
BC 2	-	Transfer Unit in BC 3	-
BC 3	Transfer Unit in BC 4	-	-
BC 4	Transfer Unit in BC 5	-	-
BC 5	-	-	-

BOOKING OF TRANSFER UNITS

- Transfer Units that are generated in the Personal Balance will be booked in the next Category in the Personal Balance
- Transfer Units that are generated in the National Balance will be booked in the next Category in the National Balance.
- Transfer Units that are generated in the Continental Balance will be booked in the next Category in the Continental Balance.
- Transfer Units that are generated in the International Balance will be booked in the next Category in the International Balance.



In order to be eligible for a Balance Commission, the Marketer's booked Transfer Unit must contain the pre-defined number of "subsequent" booked Units (left / right). The table below provides an overview of the required number of following Units for each Balance Category (BC) and the resulting Balance Commission for Transfer Units:

	3 / 3 Left / Right	5 / 5 Left / Right	10 / 10 Left / Right	15 / 15 Left / Right	20 / 20 Left / Right	25 / 25 Left / Right
BC 1	-	-	-	-	-	-
BC 2	\$ 27	\$ 45	\$ 63	\$ 99	\$ 117	\$ 144
BC 3	\$ 90	\$ 150	\$ 210	\$ 330	\$ 390	\$ 480
BC 4	\$ 270	\$ 450	\$ 630	\$ 990	\$ 1,170	\$ 1,440
BC 5	\$ 900	\$ 1,500	\$ 2,100	\$ 3,300	\$ 3,900	\$ 4,800

Transfer Units can also generate Bonus Units and Transfer Units. Transfer Units do not generate a Balance Bonus.

→ COACH & SENIOR COACH BONUS

The Coach and Senior Coach Bonus will be calculated on a weekly basis based on the Units booked within the calculation period and the resulting Balance Commissions. The Marketer can receive the following Coach and/ or Senior Coach Bonus for the following Calculation Period:

	Coach & Senior Coach Bonus
Balance Commission	✓
Balance Bonus	✗

Calculation Period:
WEEKLY

Calculation based on:
Balance Commission for Coaching Levels 1 + 2

Prerequisite:
Compensation Eligibility

Compensation in the form of:
Transfer to the Marketer's bank account or Prepaid Lyoness MasterCard®

COACH & SENIOR COACH BONUS



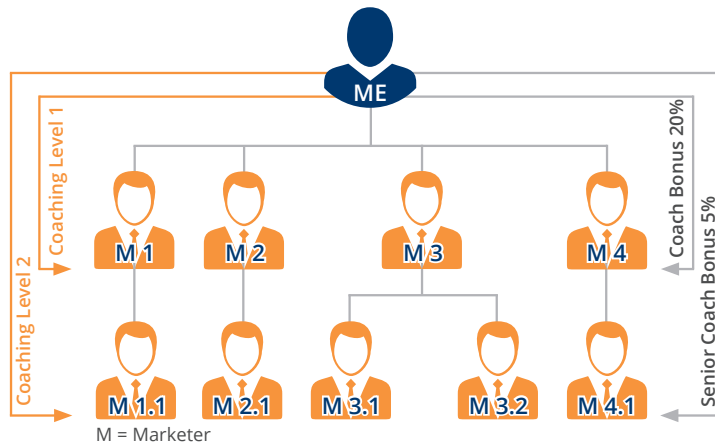
In order to be eligible to receive the Coach Bonus, the Direct Marketers (Coaching Level 1) must receive Balance Commissions. To receive the Senior Coach Bonus, the Indirect Marketers (Coaching Level 2) must receive Balance Commissions.

EXAMPLE OF A COACH AND SENIOR COACH BONUS:

The Coach Bonus is based on the total Balance Commissions received by all Direct Marketers (Coaching Level 1) within a Production Week. Based on this calculation, Lyconet compensates the Marketer an additional 20% Coach Bonus.

The Senior Coach Bonus is based on the total Balance Commissions received by all Indirect Marketers (Coaching Level 2) within a Production Week. Based on this calculation, Lyconet compensates the Marketer an additional 5% Senior Coach Bonus.

EXAMPLE: Your Direct Marketers (Coaching Level 1) receive a total of \$1,500 Balance Commission in one week. You receive an additional 20% Coach Bonus from Lyconet amounting to \$300.








Your Indirect Marketers (Coaching Level 2) receive a total of \$7,500 Balance Commission in one week. You receive an additional 5% Senior Coach Bonus from Lyconet amounting to \$375.

Coach and Senior Coach Bonuses do not apply for any other types of Compensations within the Marketer’s Lifeline (see chart on page 3), this means that they do not apply to the Balance Bonus, Career Commission or Career Bonus.



CAREER PROGRAM

	LYONESS LOYALTY PROGRAM			Lyconet MARKETING PROGRAM	
	 Cashback	 Friendship Bonus	 Deals	 SP Valuation in the Balance Program	 SP-Wertung im Career Program
Purchases with CB Card (at Lyoness Loyalty Merchants)	✓	✓	✓	✓	✓
Purchases with Prepaid Lyoness MasterCard® (at all Lyoness Loyalty Merchants that are taking part in the Lyoness MasterCard Program)	✓	✓	✓	✓	✓
Online purchase (at Lyoness Loyalty Merchants)	✓	✓	✓	✓	✓
Purchase with Voucher (at Lyoness Loyalty Merchants)	✓	✓	✓	✓	✓
Per \$150 purchase with Prepaid Lyoness MasterCard® (at all MasterCard acceptance points)	✗	✗	✓	✗	✗
Loyalty Program	✗	✗	✗	✗	✓
Promotion & Incentives	✗	✗	✓	✗	✗

For the Career Program, the volume of Shopping Points generated by the Marketer's entire Shopping Network (i.e., his entire Lifeline as well as Shopping Points from his own purchases and/or orders) are credited monthly in the Career Program, will be under consideration of the 50% Evaluation Rule for qualification, confirmation and fixation of a Career Level.

This means that Shopping Points from purchases and/or orders made by the Marketer, Shopping Points from purchases and/or orders made by the Marketer's Customers, and Shopping Points from purchases and/or orders made by all of the Marketer's Coaching Level and their Customers will be taken into account. This can be used to generate the following monthly compensation for the Marketer:

• Career Commission

• Career Bonus



QUALIFICATION, CONFIRMATION AND FIXATION OF A CAREER LEVEL:

The Career Level achieved is used as a basis for calculating the Career Commission and Career Bonus applicable. To achieve a Career Level, a Marketer must first qualify for the Career Level and then confirm it in the following month.

1. Qualification of a Career Level:

If a Marketer achieves the number of Shopping Points required for a particular Career Level (under consideration of the 50% Evaluation Rule) within one Production Month, he will qualify for the relevant Career Level.

2. Confirmation of a Career Level:

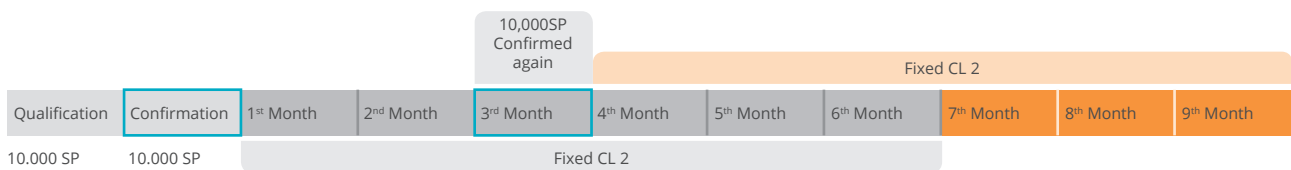
If a Marketer achieves the number of Shopping Points required for the relevant Career Level again in the following Production Month (under consideration of the 50% Evaluation Rule) the Career Level is confirmed.

EXAMPLE:

In order to reach Career Level 2, you must obtain 10,000 Shopping Points within one Production Month. If you achieve the required number of Shopping Points in the January Production Month, you have now qualified for Career Level 2.

FIXATION OF A CAREER LEVEL:

If a Marketer confirms a Career Level, it is then fixed for the next 6 months. If the Marketer confirms the required number of Shopping Points for the fixed Career Level again within these 6 months, the Career Level is fixed for another 6 months. If the Marketer does not achieve the required number of Shopping Points for the fixed Career Level again within these 6 months, the Career Level below is fixed for 6 months.



50% EVALUATION RULE:

For the Qualification, Confirmation and Fixation of a Career Level, a maximum of 50% of the total Shopping Points required „for the respective career level“ may be derived from one direct Line (see chart on page 3). However, 100% of the Marketer’s Personal Shopping Points and Shopping Points collected by his Customers (see chart on page 9) are considered.

→ CAREER COMMISSION

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

If the Marketer has confirmed a particular Career Level, he is deemed eligible for Career Commission for the duration of the 6 months during which the Career Level is fixed.

Calculation Period:
MONTHLY

CAREER COMMISSION

Calculation based on:
Shopping Points

Prerequisite:
Confirmed or Fixed Career Level



Compensation in the form of:
Transfer to the Marketer’s bank account or Prepaid Lyoness MasterCard®

Career Commission per Career Level								
Career Level	1	2	3	4	5	6	7	8
Career Commission per Shopping Point	\$0.0375 per SP	\$0.04875 per SP	\$0.05625 per SP	\$0.06375 per SP	\$0.07125 per SP	\$0.07875 per SP	\$0.08625 per SP	\$0.09375 per SP

This calculation is based on all of the Shopping Points within the Marketer's Shopping Network, i.e. the Shopping Points in his Lifeline and the Shopping Points from his personal purchases and/or orders (without consideration of the 50% Evaluation Rule).

Shopping Points from purchases and/or orders made by the Marketer, by the Marketer's Customers and by all Marketers within the Lifeline (without a Career Level) will be multiplied by the full factor applicable for the Career Level confirmed or fixed by the Marketer (Career Commission multiplied by the number of Shopping Points).

Shopping Points from the purchases and/or orders made by Marketers in one direct line who have confirmation of or fixation of a Career Level will be multiplied with a reduced factor (the difference between the two Career Levels). This means the factor for the lower Career Levels will be deducted from the factor for the higher Career Levels.

Personal Shopping Points and Shopping Points from the Marketers' Customers will be compensated based on the current (confirmed or fixed) Career Level.

EXAMPLE: You qualified for Career Level 3 in the previous month and now, you and your Shopping Network have generated a further 25,000 Shopping Points. You have now confirmed Career Level 3.

A Marketer in your Network has also achieved Career Level 1 thanks to your support

The Shopping Points from this direct line will be compensated to you at \$0.01875 per Shopping Point. This \$0.01875 is the difference between Career Level 3 that you have achieved and Career Level 1 that your Marketer achieved.



→ CAREER BONUS

The Career Bonus is calculated every month based on the Shopping Points accumulated within the calculation period.

The Marketer is eligible to receive the Career Bonus for every month he achieves the number of Shopping Points required to confirm a Career Level (under consideration of the 50% Evaluation Rule).

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

The following table shows the number of Shopping Points required and the relevant Career Bonus for each Career Level:

Calculation Period:
MONTHLY

Calculation based on:
Shopping Points taken into account in the Career Program.

Prerequisite:
Confirmed Career Level

Compensation in the form of:
Transfer to the Marketer's bank account or Prepaid Lyoness MasterCard®

CAREER BONUS

Career Bonus per Career Level								
Career Level	1	2	3	4	5	6	7	8
required SP	5,000	10,000	25,000	60,000	150,000	400,000	1,000,000	2,500,000
Career Bonus	-	\$300	\$750	\$1,800	\$4,500	\$12,000	\$30,000	\$75,000

LYCONET GLOSSARY

TERMS	DEFINITION
Lyonesse Member	Anyone who is registered with Lyonesse and has accepted the Lyonesse GTCs and has received a Member Identification Number.
Independent Lyconet Marketer	A Lyonesse Member who has accepted the Lyconet Agreement and is now a Lyonesse Member and a Lyconet Marketer.
Lyonesse Customer	Every Lyonesse Member that is in your lifeline between you and your next Marketer are considered „Customers of the Marketer“.
Lyconet Shopping Advisor	Marketers who have not yet reached Career Level 1.
Lyconet Premium Marketer	Marketers who have reached a Career Level. They will remain a „Premium Marketer“ as long as the Lyconet Agreement agreed to by the Marketer is valid even if the Marketer is no longer in a Career Level.
Lyonesse Loyalty Program	A Loyalty Program created by Lyonesse where Members shop and receive Benefits according to the Lyonesse GTCs.
Cashback	Lyonesse Members receive up to 5% Cashback from every purchase they make from Loyalty Merchants and the Lyonesse Online Store/Loyalty Mall (certain restrictions may apply)
Shopping Points (SP)	Members receive Shopping Points from every purchase they make from Loyalty merchants and the Lyonesse online store/Loyalty Mall (certain restrictions may apply)
Friendship Bonus	A bonus paid by Lyonesse to a Member who registers another Member and receives 0.5% Friendship Bonus of all purchases made by that Member within the Lyonesse Loyalty Program.
Lyconet Marketing Program	A Program which consists of the Balance Program and the Career Program in which a Marketer receives compensation in accordance with the Lyconet Agreement.
Balance Program	A program by which Shopping Points are awarded from the entire Shopping Network/ lifeline and are converted into Units, credited weekly and booked into the Balance Program to allow for weekly compensations. The Balance program consists of 5 Balance Categories.
Career Program	A program by which Shopping Points are awarded from the entire Shopping Network/ lifeline of a Marketer and are converted into Units, credited weekly and booked into the Career Program to allow for monthly compensations.
Balance Commission	A commission calculated weekly based on booked Personal, Bonus and Transfer Units in the calculation period.
Balance Bonus	A bonus calculated weekly based on booked Personal Units in the calculation period.
Personal Units (PU)	Units which accrue in the Personal Balance from the Shopping Points of personal purchases or orders of the Marketer.
Bonus Units (BU)	Units which are credited to a Marketer's Balance Program when booked units reach a pre-determined number of booked Follow Units.
National Bonus Units	Units booked in the respective National Balance Program of the Marketer; i.e., if Marketer is Canadian then his/her Units will be booked in the Canadian Balance Program.
Continental Bonus Units	Units booked in the respective Continental Balance Program of the Marketer; i.e., if Marketer is from Thailand then his/her units will be booked in the Asian Balance Program.
International Bonus Units	Units booked in the International Balance Program of all Marketers worldwide.
Transfer Units (TU)	Units which are credited to a Marketer's Balance Program when a pre-determined number of booked Follow Units are reached.
Coach & Senior Coach Bonus	Once the Marketer has achieved Compensation Eligibility and Marketers in his lifeline have reached Compensation Eligibility, they may be eligible to Coach and Senior Coach Bonus.
Qualification	If the Marketer reaches the required Shopping Points of a Career Level (under the 50% Evaluation Rule) in a Production Month, the respective Career Level is regarded as qualified.
Confirmation	If the Marketer reaches the required Shopping Points of a Career Level again (under the 50% Evaluation Rule) in the following Production Month, the respective Career Level is regarded as confirmed.

TERMS	DEFINITION
Fixation of a Career Level	If the Marketer confirms a Career Level, this will be fixed for 6 months. If he/she confirms the same Career Level again within 6 months then his/her Career Level is fixed for another 6 months. If he/she does not confirm then the next lower Career Level will be regarded as fixed for 6 months.
50% Evaluation Rule	For the Qualification, Confirmation, and Fixation of a Career Level, 50% (max) of the required Shopping Points of a direct line will be awarded. Personal Shopping Points of the Marketer and his/her Customers will be credited 100%.
Career Commission	A monthly calculation based on the entire amount of Shopping Points from a Marketer's Shopping Network/Lifeline and from his/her personal purchases or orders under the the 50% Evaluation Rule, where applicable. Shopping Points will be multiplied by the difference between the factor of your confirmed and/or fixed Career Level and the factor of the Career Level of Marketers in your lifeline. Pre-requisite for this commission is valid for the duration of the fixation period (6 months).
Career Bonus	A pre-determined bonus calculated monthly based on the respective confirmed Career Level and the entire amount of Shopping Points from a Marketer's Shopping Network/Lifeline and from his/her personal purchases or orders (under the 50% Evaluation Rule).
Welcome Bonus	A bonus consisting of pre-determined Shopping Points that a Member can redeem for deals after registration.
Production Dates	The allotted time period when a calculation of the compensation takes place; either a Production Week or Production Month.
Production Week	The allotted time period when a calculation of the compensation takes place; One Production week is from Monday to Sunday.
Production Month	The allotted time period when a calculation of the compensation takes place; One Production Month consists of 4-5 Production weeks and the Production Calendar is announced every year in advance.
Compensation Eligibility	For all compensations in the Balance Program including crediting Bonus and Transfer Units, the Marketer annually needs the status of Compensation Eligibility which can be obtained in two different ways; (1) 350 Shopping Points credited in the Balance Program annually; and (2) 5 different Direct Lines of the Marketer with 150 Shopping Points each, credited in the Balance Program.
Balance Category (BC)	There are 5 Balance Categories within the Balance Program. Different types of Units result from Shopping Point Volume that are credited to the Balance Program within those 5 Balance Categories (Categories 1-5).
Follow Units	Units booked in the respective Balance Category including Personal Units, Customer Units, Units from all Coaching lines, Bonus Units, and Transfer Units which are assigned to the Marketer.
Customer Units (CU)	Units which accrue from the Shopping Point Volume of your Customers (Lyoness Members in the lifeline of a Marketer up to the next Marketer).
Units of a Marketer in Coaching Level 1	When the Marketer is a Coach, Units will accrue from Shopping Points which generate from the personal purchases and orders of the Marketer as well as purchases or orders of the Marketer's Customers.
Units of a Marketer in Coaching Level 2	When the Marketer is a Senior Coach, Units will accrue from Shopping Points which generate from the personal purchases and orders of the Marketer as well as purchases or orders of the Marketer's Customers.
Units of a Marketer in Coaching Level 3	Units accrued from Shopping Points which generate from the personal purchases and orders of the Marketer as well as purchases or orders of the Marketer's Customers.
Personal Balance Program	Consists of Personal Units, Customer Units, Units of all Coaching lines, and applicable Transfer Units that are all booked in the Personal Balance Program.
National Balance	Consists of National Bonus Units for all Marketers of a country as well as applicable Transfer Units are booked here. Marketers may additionally benefit from the shopping volume of a country.
Continental Balance	Consists of Continental Bonus Units for all Marketers of a continent as well as Transfer Units are booked here. Marketers may additionally benefit from the shopping volume of a continent.
International Balance	Consists of International Bonus Units of all Marketers of all countries as well as Transfer Units are booked here. Marketers may additionally benefit from the international shopping volume.
Shopping Network/Lifeline	A Marketer's shopping community consisting of multiple direct lines of Customers and Marketers including themselves.
Units	An accumulation of a pre-determined set amount of Shopping Points.