LYCONET COMPENSATION PLAN

Lyconet

1. General

Lyconet Marketing Agency Limited with registered office at 3rd Floor, 40 Bank Street, London E14 5NR, United Kingdom, together with its subsidiary companies (both hereinafter referred to as Lyconet), operates an international Marketing Agency. Its task is to optimally support independent entrepreneurs in building a successful business.

Lyconet cooperates with myWorld International Limited with registered office at 3rd Floor, 40 Bank Street, London E14 5NR, United Kingdom, which operates a Benefit Program. Customers who take part in the Benefit Program receive benefits such as Cashback and Shopping Points when purchasing goods, services, travels, etc. from the myWorld Group and/or its Loyalty Merchants.

In order to market the benefits of the Benefit Program efficiently, myWorld International Limited collaborates with Lyconet and Lyconet uses independent entrepreneurs - so-called Lyconet Marketers (Marketer). They acquire new Customers and Loyalty Merchants for the Benefit Program and distribute or mediate the sale of products and services from this program. They are supported by Lyconet with well-founded know-how and receive earnings for their marketing and mediation of sales activities based on the purchases and/or orders made (mediated sales from the Benefit Program).

In addition, a Marketer can acquire new Marketers, who in turn acquire Customers, Loyalty Merchants and new Marketers and distribute and mediate the sale of products and services from the Benefit Program.
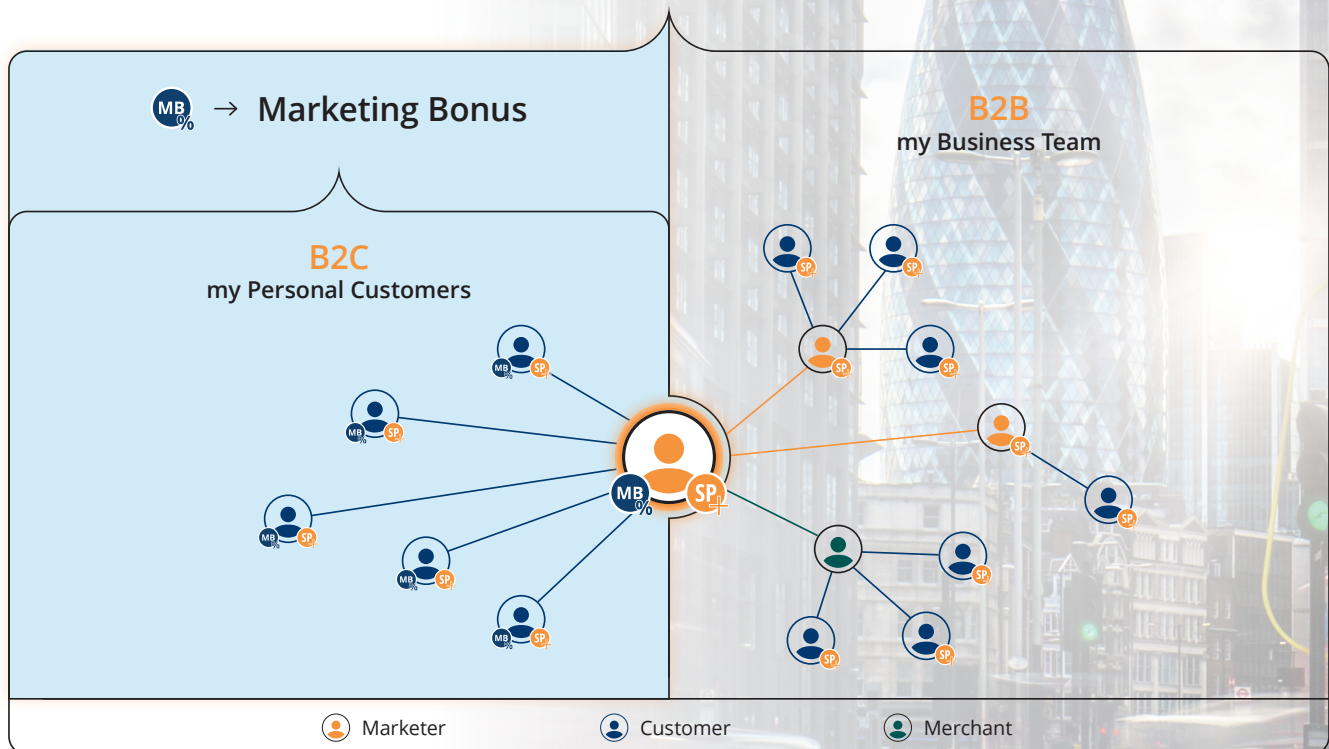
2. The Business of a Marketer

Through the acquisition of new Customers, Loyalty Merchants and Marketers, a Marketer builds his so-called **"Organization".**

Personal Customers:
A Marketer's (personal) Customers are members of the Benefit Program within the Marketer's Organization (until the next Marketer), who have not signed a Lyconet Marketing Agreement and are therefore not Marketers themselves.

Business Team:
A Marketer's Business Team includes all Marketers and Loyalty Merchants (Merchant) within his Organization.

The Organization of a Marketer consists of all Marketers, Loyalty Merchants or Customers who can be attributed to him, as well as their recommendations.

For the marketing and mediation of sales activities of the Marketers in his Organization, the Marketer also receives earnings based on the purchases and/or orders made.

3. What You Should Know About the Lyconet Marketing Agency in the US

Marketers represent five percent (5%) of the total myWorld membership. From January 1, 2021 through December 31, 2021, excluding Cashback from their own purchases, approximately ninety percent (90%) of all Marketers received no income. Following is a breakdown of the ten percent (10%) of all Marketers who received earnings from Lyconet in 2021.

•	94% of Marketers received earnings between $0.01 and $1,000.00 with average earnings of $42.86.
•	4% of Marketers received earnings between $1,001.00 and $5,000.00 with average earnings of $2,141.74.
•	< 1% of Marketers received earnings between $5,001.00 and $10,000.00 with average earnings of $6,913.13.
•	< 1% of Marketers received earnings between $10,001.00 and $25,000.00 with average earnings of $16,874.25.
•	< 1% of Marketers received earnings above $25,001.00 with average earnings of $37,189.72.

The average income of typical participants who received earnings was USD $425.02 and the median income was USD $42.00. Note that these figures do not represent a Marketer's profit, as they do not consider expenses incurred by a Marketer in the promotion of his/her shopping network. Although the earnings shown above represent actual Marketers earnings, it does not necessarily represent the income a Marketer will earn (if any). The figures used are for illustration purposes only and must not be considered or construed as a guarantee, nor do the figures imply a guarantee or projection of actual earnings or potential earnings. The time it takes to receive earnings depends on many factors and will vary by Marketer.

Do not rely on income claims, representations, and/or projections of potential income made by Members, Marketers, or other outside sources as these claims, representations, and/or projections do not accurately represent the income a Marketer will earn (if any). Registering and acting as a Marketer does not constitute an investment and any earnings generated as a Marketer are a result of that Marketer's individual sales efforts, hard work, diligence, leadership, and dedication.

Marketers must rely exclusively on the terms contained in the official agreements from Lyconet America Inc.; namely the Lyconet Marketing Agreement, Lyconet Compensation Plan, Income Disclosure Policy, and any official marketing materials available on the Lyconet website. Any other claims that are not contained in these documents are not enforceable against Lyconet America Inc. and are not included as part of the Marketer agreement with Lyconet America Inc.

4. Calculation of earnings for operating as a Marketer

Lyconet provides its Marketers with several options for receiving earnings for their activity. These are explained in more detail in the following sections.

Earnings are calculated during each respective Production Month. The Production Months are defined annually in advance and can be viewed in the Download Area under "Production Dates" after logging in at www.lyconet.com. A Production Month consists of 4 or 5 Production Weeks, which always run from Wednesday to Tuesday.

5. Earnings based on the purchasing volume/ Marketing Bonus

Every Marketer receives earnings which are based on their (personal) customers' purchasing volume:

As compensation for his marketing and mediation of sales activities, a Marketer benefits from all purchases and orders that his Customers make at myWorld and Loyalty Merchants. For these purchases and orders, he receives a Marketing Bonus once per Production Month. This Marketing Bonus generally amounts to up to 1% of the Customer's purchasing volume. For certain, designated products, however, a set Marketing Bonus may also apply.

If the Marketer is a Member of the Benefit Program himself, he will also receive up to 1% Marketing Bonus for his own purchases and orders made within the Benefit Program.

6. Earnings based on the Shopping Point+ volume/ Career Bonus & Career Commission

Every Marketer receives earnings which are based on his entire Organization's purchasing volume.

As soon as Shopping Points are generated for a purchase from the Benefit Program within the Marketer's Organization, these are credited to the Marketer in the form of Shopping Points+ (SP+). Furthermore, the Marketer receives SP+ for designated products or services outside the Benefit Program that he himself or the Marketers in his Organization have purchased or ordered.

Based on the number of SP+ generated in the Marketer's Organization per Production Month, the Marketer can reach a Career Level.

Level	SP+	Title
1	600	JUNIOR CONSULTANT
2	1,600	CONSULTANT
3	6,000	SENIOR CONSULTANT
4	20,000	JUNIOR AMBASSADOR
5	50,000	AMBASSADOR
6	200,000	SENIOR AMBASSADOR
7	500,000	VICE PRESIDENT
8	1,250,000	PRESIDENT

The Marketer will receive the following monthly Earnings when reaching a Career Level:
1. Career Bonus
2. Career Commission

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

Additionally, the Marketer receives the Premium Marketer Status when he reaches a Career Level for the first time. This status is fixed for the duration of the Lyconet Marketing Agreement, even if the Marketer is no longer on a Career Level.

6.1. Reaching a Career Level

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

Requirement 1:
Together with his Organization, the Marketer must generate the total number of SP+ needed (as demonstrated in the following table) for the specific Career Level in the given Production Month. All SP+ generated within the Production Month will be counted.

Requirement 2:
Together, all the Lines* within the Marketer's Organization must generate the minimum number of SP+, as shown in the table below. The SP+ must stem from at least 3 Lines and only the maximum number of SP+ shown in the table below will be counted for each Line. SP+ resulting from the Marketer's own purchases and orders (personal SP+) will not be counted for requirement 2.

Requirement 1		Requirement 2			
Career Level	Total number of SP+	Minimum number of SP+ from all Lines	Maximum number of SP+ counted per Line		
			Line 1	Line 2	Line 3
1	600	300	100	100	100
2	1,600	900	300	300	300
3	6,000	3,000	1,000	1,000	1,000
4	20,000	9,000	3,000	3,000	3,000
5	50,000	30,000	10,000	10,000	10,000
6	200,000	90,000	30,000	30,000	30,000
7	500,000	300,000	100,000	100,000	100,000
8	1,250,000	900,000	300,000	300,000	300,000

* A Line within a Marketer's Organization is formed by each direct recommended Marketer and his Organization.

Bonus Lines

In addition to the Lines which result from the Marketer's Organization, each Marketer has 3 separate Bonus Lines. All SP+ generated through purchases and orders made by the Marketer's Customers are evenly distributed across these 3 Bonus Lines. Additional SP+, which will also be divided equally between these Bonus Lines, will be displayed separately. The maximum number of SP+ counted per Line (as shown in the table) does not apply to the 3 Bonus Lines.

Example 1:

A Marketer is currently in Career Level 1 and wishes to reach Career Level 2. In the current Production Month, he and his Organization have generated a total of 1,630 SP+. These are distributed as follows:

Total number of SP+ (Requirement 1)

Bonus Line 1	Bonus Line 2	Bonus Line 3	Line 1	Line 2	Line 3	Line 4	Line 5	Additional Lines	Personal SP+	Total (generated/required)	
100	100	100	850	200	150	50	0	0	80	1,630/1,600	✓

The Marketer has generated the required total number of SP+ and meets the first requirement for Career Level 2.

Counted SP+ (Requirement 2)

Bonus Line 1	Bonus Line 2	Bonus Line 3	Line 1	Line 2	Line 3	Line 4	Line 5	Additional Lines	Personal SP+	Total (generated/required)	
100	100	100	300	200	150	50	0	0	0	1,000/900	✓

The required minimum number of SP+ has been generated in the Marketer's Lines. The Marketer has also fulfilled the second requirement and reaches Career Level 2.

Example 2:

A Marketer is currently in Career Level 2 and wishes to reach Career Level 3. In the current Production Month, he and his Organization have generated a total of 6,800 SP+. These are distributed as follows:

Total number of SP+ (Requirement 1)

Bonus Line 1	Bonus Line 2	Bonus Line 3	Line 1	Line 2	Line 3	Line 4	Line 5	Additional Lines	Personal SP+	Total (generated/required)	
210	210	210	3,700	2,000	150	100	20	0	200	6,800/6,000	✓

The Marketer has generated the required total number of SP+ and meets the first requirement for Career Level 3.

Counted SP+ (Requirement 2)

Bonus Line 1	Bonus Line 2	Bonus Line 3	Line 1	Line 2	Line 3	Line 4	Line 5	Additional Lines	Personal SP+	Total (generated/required)	
210	210	210	1,000	1,000	150	100	20	0	0	2,900/3,000	✗

The Marketer does not fulfill the second requirement and does not reach Career Level 3. To meet the second requirement, his Lines need to generate another 100 SP+ (with the exception of Line 1 and 2, where the maximum number of counted SP+ has already been reached).

Example 3:
A Marketer is currently in Career Level 1 and wishes to reach Career Level 2. In the current Production Month, he has generated a total of 1,600 SP+ through his Bonus Lines as well as his personal purchases and orders. These are distributed as follows:

Total number of SP+ (Requirement 1)

Bonus Line 1	Bonus Line 2	Bonus Line 3	Line 1	Line 2	Line 3	Line 4	Line 5	Additional Lines	Personal SP+	Total (generated/required)	
500	500	500	0	0	0	0	0	0	100	1,600/1,600	✓

The Marketer has generated the required total number of SP+ and meets the first requirement for Career Level 2.

Counted SP+ (Requirement 2)

| Bonus Line 1	Bonus Line 2	Bonus Line 3	Line 1	Line 2	Line 3	Line 4	Line 5	Additional Lines	Personal SP+	Total (generated/required)	
500	500	500	0	0	0	0	0	0	0	1,500/900	✓

The required minimum number of SP+ has been generated in the Marketer's Bonus Lines. The Marketer has also fulfilled the second requirement and reaches Career Level 2.

Confirming and securing of a Career Level

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

If a Marketer confirms a Career Level, it is then secured for the next 6 Production Months. Should the Marketer fail to confirm the Career Level again within these 6 Production Months, the Career Level below is secured for a further 6 Production Months.
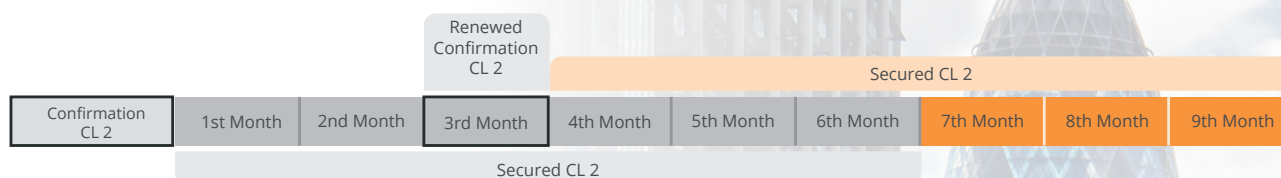
6.2. Career Bonus

For every Production Month in **which the Marketer confirms a Career Level**, he is entitled to a Career Bonus for the corresponding Career Level. The value of the Career Bonus can be found in the table below.

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

6.3. Career Commission

For every Production Month in **which the Marketer confirms or secures a Career Level,** he is entitled to a Career Commission for the corresponding Career Level. The calculation for this is based on all SP+ within the Marketer's Organization as well as the SP+ from his personal purchases and/or orders. The value of the Career Commission per SP+ can be found in the table below.

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

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

SP+ from the purchases and/or orders of the Marketers from a direct Line who have confirmed or secured a Career Level as well as from their Organization are multiplied by a reduced factor (difference between two Career Levels). The factor of the lower Career Level is subtracted from the factor of the higher Career Level

Example:
A Marketer has confirmed Career Level 6. One of his recommended Marketers has confirmed Career Level 4 in the same Production Month. The SP+ from this direct Line will only be remunerated to the Marketer with Career Level 6 in the amount of USD $0.015 per SP+. These USD $0.015 are the difference between the Career Commission for the Career Level 6 which he has reached and the Career Commission for the Career Level 4 of his Marketer.

7. Payout of earnings

Earnings to which the Marketer is entitled will be accumulated and transferred to the bank account specified by the Marketer once the Marketer has reached a minimum value of **USD $50** and has had at least **5 active Customers*** at one point. The payout date for the earnings of the respective Production Month can be seen in the Download Area under "Production Dates" after logging in at www.lyconet.com.

Should Lyconet offer the Marketer further alternative methods for receiving his earnings (in addition to a transfer to his bank account), these will be displayed at www.lyconet.com. In this case, the Marketer can select the desired option in his personal profile.

* An active Customer is a Member of the Benefit Program within the Marketer's Organization until the next Marketer, who has not signed a Lyconet Marketing Agreement and is therefore not a Marketer himself and who has also spent at least USD $10 at myWorld and/or Loyalty Merchants. Direct recommended Marketers as well as direct recommended Loyalty Merchants who are also Members of the Benefit Program are counted as active Customers if they have spent at least USD $10 at myWorld and/or Loyalty Merchants.

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