

CANADA INCOME DISCLOSURE POLICY

The Income Disclosure Statement (“IDS”) is designed to convey truthful, timely, and comprehensive information regarding the “income” Independent Lyonet Marketers earn. In order to accomplish this objective, the IDS must be presented to all prospective Independent Lyonet Marketers and posted during every “opportunity” meeting.

In addition, the IDS must be presented to a prospective Lyonet Marketer (someone who has not established a contractual relationship with Lyonet) any time the Lyonet Compensation Plan is presented or discussed. This includes conversations regarding income claims, earning opportunities, or other representations regarding compensation.

The terms “income claim” and/or “earnings representation” (collectively “income claims”) include: 1) statements of average earnings; 2) statements of non-average earnings; 3) statements of earning ranges; 4) income testimonials; 5) lifestyle claims; and 6) hypothetical claims. Examples of “statements of non-average earnings” include: “Our number one Independent Lyonet Marketer earned XXX dollars last year,” or “Our average Career Level X makes XXX dollar per month.” An example of a “statement of earning ranges” is: “The monthly income for a Career Level 8 is XXX on the low end and YYY on the high end.”

A “lifestyle income claim” typically includes statements (or pictures) involving large homes, luxury cars, exotic vacations, or other items suggesting or implying wealth. They also consist of references to the achievement of “one’s dreams,” having “everything one always dreamt of,” and are phrased in terms of “opportunity,” or “possibility,” or “chance.” Claims such as: “After six (6) months in the business, my Lyonet Marketer income exceeded my salary,” or “Thanks to my Lyonet business, I am now able to spend time with my family,” also fall within the purview of “lifestyle” claims.

A “hypothetical income claim” exists when you attempt to explain the operation of the Lyonet Compensation Plan through the use of a hypothetical example. Certain assumptions are made regarding some or all of the following: 1) number of Members and Merchants of the Benefit Program within the Marketer’s Organization and/or Independent Lyonet Marketers referred; 2) number of Members and Merchants of the Benefit Program within the Marketer’s Organization and/or Independent Lyonet Marketers in your Organization; 3) average purchase volume per Members and Merchants of the Benefit Program within the Marketer’s Organization and/or 4) total volume in your Organization. Applying these assumptions through the Lyonet Compensation Plan yields income figures which constitute “hypothetical income claims.”

In any non-public meeting (e.g. online and offline) with a prospective Independent Lyonet Marketer in which the Lyonet Compensation Plan is discussed, or any kind of income claim is made, you must provide the prospect(s) with the IDS. In any meeting that is open to the public in which the Lyonet Compensation Plan is discussed, or any type of income claim is made, you must provide every prospective Independent Lyonet Marketer with a copy of the IDS. In any meeting in which any type of video display is utilized, (e.g. monitor, television, projector, smartphone, etc.) a slide of the IDS must be displayed prior to any discussion of the Lyonet Compensation Plan, or making of any income claims. Copies of the IDS may be printed or downloaded without charge from the Lyonet website – www.lyconet.com