

## US INCOME DISCLOSURE POLICY

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

In addition, the IDS must be presented to a prospective Lyconet Marketer (someone who has not established a contractual relationship with Lyconet) any time the Lyconet 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 Lyconet 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 Lyconet Marketer income exceeded my salary,” or “Thanks to my Lyconet 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 Lyconet 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 Lyconet Marketers referred; 2) number of Members and Merchants of the Benefit Program within the Marketer’s Organization and/or Independent Lyconet Marketers in your Organization; 3) average purchase volume per Members and Merchants of the Benefit Program within the Marketer’s Organization and/or Independent Lyconet Marketer; and/or 4) total volume in your Organization. Applying these assumptions through the Lyconet Compensation Plan yields income figures which constitute “hypothetical income claims.”

In any non-public meeting (e.g. online and offline) with a prospective Independent Lyconet Marketer in which the Lyconet 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 Lyconet Compensation Plan is discussed, or any type of income claim is made, you must provide every prospective Independent Lyconet 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 Lyconet Compensation Plan, or making of any income claims. Copies of the IDS may be printed or downloaded without charge from the Lyconet website – [www.lyconet.com](http://www.lyconet.com)