

# LYCONET AGREEMENT

## for Independent Lyonet Marketers

Version: July 2020

### Preamble

Lyonet South Africa (Pty) Ltd, First Floor, Building 29, The Woodlands Office Park, 20 Woodlands Drive, Woodmead, Johannesburg, 2191, Gauteng, South Africa, with Company Registration number 2019/ 077352/07, operates a marketing programme under the term as "Lyonet" (hereinafter: "**Lyonet Marketing Programme**").

An essential element of this Lyonet Marketing Programme is the Lyonet Agreement, which allows self-employed entrepreneurs to establish and to promote their own customer loyalty programme. Following the conclusion of the Lyonet Agreement with Lyonet South Africa (Pty) Ltd ("**Lyonet**"), participants acquire the status of an Independent Lyonet Marketer ("**Marketer**").

Lyonet South Africa (Pty) Ltd is authorised by myWorld International Limited with registered office at 3<sup>rd</sup> Floor, 40 Bank Street, London E14 5NR, United Kingdom to promote the Cashback World Programme, among other things. The Cashback World Programme is a shopping community operated by myWorld International Limited, together with its subsidiary companies and cooperation partners, through which the participants ("**Members**"), may purchase goods and services from Loyalty Merchants ("**Loyalty Merchants**"), to receive benefits.

### 1. Object of the agreement

1.1 In accordance with this Lyonet Agreement, the Marketer is entitled to promote the distribution and use of the Cashback World Programme and the Lyonet Marketing Programme in accordance with this Lyonet Agreement, subject to the provisions of clause 4,

- (a) by introducing new Members and supporting existing Members,
- (b) by introducing new Marketers and supporting existing Marketers and
- (c) by introducing new Loyalty Merchants and supporting existing Loyalty Merchants.

1.2 "**Loyalty Merchants**" are merchants that sell goods or services exclusively to consumers and

- (a) do not have more than 100 employees (full time equivalent),
- (b) do not have an annual turnover of more than ZAR 100 million,
- (c) do not have more than 10 branches and do not have a transnational branch structure,
- (d) do not operate or use a regular customer loyalty programme (with a personal loyalty card),
- (e) are not franchises, or
- (f) are not controlled by a foreign parent company.

In addition, Loyalty Merchants that do not meet these requirements shall also 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 clause 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.

1.4 In return for these activities, the Marketer shall receive remuneration according to the Lyonet Compensation Plan in **Annex 1** to this Lyonet Agreement (see also clause 9).

### 2. Basis for the agreement

The sales activities of the Marketer shall be governed exclusively by this Lyonet Agreement including all annexes.

### 3. Legal relationship

3.1 Lyonet grants the Marketer a non-exclusive right to act as a self-employed independent sales representative for Lyonet under the terms of this Lyonet Agreement. The Marketer shall not be subject to any regional 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 acts in the context of commercial activity as an independent entrepreneur. No form of employment, service, or company relationship of any kind whatsoever is concluded between Lyonet South Africa (Pty) Ltd and the Marketer. The Marketer shall provide his/her contractual services solely as an autonomous and self-employed activity, legally independent of Lyonet and is not bound in particular to instructions from Lyonet.

3.3 The Marketer is expressly prohibited from giving the impression in the course of business that he/she is an employee or otherwise on the staff of Lyonet South Africa (Pty) Ltd or of any related company.

3.4 The Marketer is prohibited from representing Lyonet, in particular, he/she is not authorised to conclude contracts or receive services on behalf of Lyonet, i.e. Lyonet South Africa (Pty) Ltd. The Marketer is also prohibited from representing other group companies of the Lyonet or myWorld Group. A violation of this clause 3.4 shall entitle Lyonet to terminate this Lyonet Agreement for good cause in accordance with clause 13.2.

3.5 Only one registration (i.e. one ID number) is 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. Benefits under the Lyonet Compensation Plan, which have arisen only through a multiple registration, will lapse.

#### **4. Requirements for the activity and the entitlement to remuneration**

4.1 In order to conclude this Lyonet Agreement, natural persons are required to have reached the legal age of majority.

4.2 As a condition for the entitlement to claim compensation, the Marketer must be active in the exercise of a commercial activity. In doing so, the Marketer must independently ensure that his/her business is duly registered and that he/she has the necessary regulatory approvals to practice his/her trade. He/she must ensure the proper payment of taxes and levies and shall indemnify and hold Lyonet harmless in the event of any third-party claims.

4.3 The recruitment of new Loyalty Merchants requires activation of the respective Loyalty Merchants 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 use the organisational support of third parties (such as assistance) for his/her sales activities. The sales activity itself must always be performed by the Marketer himself/herself. The Marketer must ensure that the obligations of this Lyonet Agreement are also met by these third parties.

5.2 The Marketer shall be obliged to make only such statements about Lyonet, a company affiliated with Lyonet, the Lyonet business model, and its distribution and marketing that are in accordance with Lyonet's official documentation.

5.3 As soon as the Marketer becomes aware of a possible violation of the provisions of this Lyonet Agreement by another Marketer, he/she must notify Lyonet without delay.

5.4 If the Marketer intends to hold events for a charge or otherwise offer services in connection with the Cashback World Programme or the Lyonet Marketing Programme to third parties for a fee, he/she must first obtain the written consent of Lyonet in text form (an electronic message by Lyonet is sufficient).

#### **6. Member registration**

6.1 The Marketer can use the original registration form to recruit new Members to the Cashback World Programme in order to spread the Cashback World Programme. Among other things, he/she shall bear in mind that he/she has no power of representation and therefore is not authorised to receive declarations under the Cashback World Programme. Membership in the Cashback World Programme shall be constituted only upon acceptance of the registration application by the respective contractual partner of the Member.

6.2 The Marketer has the following obligations 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 at [www.lyonet.com](http://www.lyonet.com) (log-in area) for downloading. The Marketer shall receive the necessary registration applications in printed form directly from Lyonet after the appropriate order has been placed.

6.2.2 When completing the registration form and thus 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 upload on his Lyonet account an adequately recognisable picture or scan of the registration form fully completed and signed by the Member in the designated area.

6.2.4 In addition, the Marketer undertakes always to have an adequate number of copies of the current *Cashback World GTC* available for examination and to hand them over at the request of the Member.

6.2.5 The Marketer shall keep all original registration forms securely and make them available any time at the request of Lyonet.

6.2.6 Lyonet reserves the right to carry out random checks 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 clause 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 disadvantages resulting from any violations of this obligation.
- 6.3.3 Any violation of this clause 6 by the Marketer shall entitle Lyonet to extraordinary terminate the entire contractual relationship.

## 7. Communication Material

- 7.1 Lyonet shall make the advertising and information material (documents, catalogues, presentations, etc.) (hereinafter: "**Communication Material**") required by the Marketer to perform his/her sales activities under this Lyonet Agreement available to the Marketer for download-free of charge at [www.lyconet.com](http://www.lyconet.com) (log-in section).
- 7.2 The Marketer may use only the Communication Material authorised by Lyonet at any given time by making it available at [www.lyconet.com](http://www.lyconet.com). Before using any Communication Material, the Marketer must check whether it reflects the current version. The culpable use of unauthorised Communication Material by the Marketer shall entitle Lyonet to terminate this Lyonet Agreement immediately for good cause according to clause 13.2.
- 7.3 In the event of termination of this Lyonet Agreement, the Marketer shall immediately destroy the Communication Material in his/her possession and confirm the destruction in writing to Lyonet, if requested by Lyonet to do so.
- 7.4 Publications and advertisements, as well as the use of trademarks applied for and/or registered for Lyonet or companies affiliated with Lyonet, such as the company logo and the brands Lyonet, Child & Family Foundation, Greenfinity Foundation, etc., 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 over the Internet or other electronic media. The right of the Marketer to use the Communication Material authorised by Lyonet according to clause 7.2 shall remain unaffected.
- 7.5 The Marketer shall indemnify Lyonet from all claims by third parties against Lyonet in connection with the culpable violation of their commercial property rights by the Marketer.

## 8. Lifeline

- 8.1 The "**Lifeline**" of each Marketer consists of the Marketers or Members recruited by him/her, the Marketers or Members recruited by them (second level), and the Marketers or Members recruited 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 recommendations and all successive recommendations, regardless of the level. The Lifeline is also referred to as the "**Downline**". The "**Upline**" consists of the Recommenders. 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 considered in favour of the Marketer (even if the Marketer has mediated the conclusion of the Lyonet Agreement with the Marketer).
- 8.3 The Lifeline basically cannot be changed and compliance with it is a principle of the Lyonet Marketing Programme for the protection of all Members and Marketers. Marketers who have not been eligible for compensation in the last 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 myWorld or Loyalty Merchants over a period of six months nor shall there have been any entitlement to compensation in the last twelve 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 of the original Referrer. The entitlement to compensation is defined and regulated in Annex 1 of the Lyonet Compensation Plan.
- 8.4 If a Marketer terminates his/her participation in the Lyonet Marketing Programme or changes the Lifeline according to clause 8.3 of this Agreement or as a Member, this shall not affect the position of the remaining Marketers or Members of the Lifeline concerned (in the upper or lower part).
- 8.5 Basically, the ID number can be transferred to third parties (e.g. by selling the ID number) only with the written consent of Lyonet and with the simultaneous transfer of all contractual relationships existing between the Marketer and Lyonesse and (if necessary) the myWorld Group to the third party. However, if the Marketer dies, the contractual relationships existing between the Marketer and Lyonet and (if applicable) the myWorld Group (including his/her ID) shall pass to his/her heirs under the applicable inheritance law.

## 9. Compensation

- 9.1 The Marketer shall be compensated for his/her Lyonet activities according to the Lyonet Compensation Plan in [Annex 1](#). The Marketer shall not be entitled to claim compensation for expenses incurred in the performance of his/her sales activities (especially, but not limited to the reimbursement of travel costs and expenses, material or personnel costs) from Lyonet.

- 9.2 In addition to compensation according to the Compensation Plan, Lyonet may also offer additional premiums at its sole discretion. However, there is no entitlement to this.
- 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 Programme (according to the Lyonet Compensation Plan). 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 week after receipt of the statement. Violation of this obligation may entitle Lyonet to claim for damages.
- 9.5 The compensation due to the Marketer from the Lyonet Marketing Programme shall be paid to the Marketer, provided that the sum of the payment entitlements reaches an amount of R250 and the Marketer already has 5 active customers\*.

## **10. Secrecy and confidentiality**

- 10.1 The Marketer shall maintain all business and trade secrets of Lyonet and/or any of its affiliated companies that have been entrusted or disclosed to him/her by Lyonet as such during his/her activities strictly confidential, even after termination of this 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 to implement the Lyonet Agreement, in particular to calculate the Shopping Points and compensation according to the Lyonet Compensation Plan in Annex 1, Lyonet South Africa (Pty) Ltd, 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 Lyonet South Africa (Pty) Ltd at First Floor, Building 29, The Woodlands Office Park, Woodmead, Johannesburg, 2191, Gauteng, South Africa or by e-mail to [international@lyconet.com](mailto:international@lyconet.com). Further 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 recognised security technologies to protect Marketers' data against unauthorised 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 conclude a contract data processing agreement.

## **12. Non-competition/non-solicitation agreement**

- 12.1 The Marketer will not, for the entire duration of this Lyonet Agreement, directly or indirectly, or through any third party, without the express prior written consent of Lyonet, provide or promote such services to a competitor providing or promoting services that are identical or similar to those of Lyonet or manage, work for or participate in a rival company or otherwise support or advise it.
- 12.2 The same shall apply to competitors that are involved in the network sector (structure sales) generally.
- 12.3 The activities of the Marketer for competing companies already existing at the time of conclusion of this Lyonet Agreement and disclosed in text form (electronic message) shall be excluded from the aforementioned competition agreement.
- 12.4 During the term of this Lyonet Agreement, the Marketer shall also refrain from soliciting Marketers, Members, or Loyalty Merchants for any other network marketing companies in particular, or even attempting to do so.
- 12.5 If the foregoing provisions of this clause 12 are violated by the Marketer or his/her assistants, Lyonet shall be entitled to demand the cessation of the aforementioned actions. This shall not affect the right of Lyonet to terminate this Lyonet Agreement and to claim for any damage that has resulted or is resulting.

## **13. Duration and term of this Lyonet Agreement**

- 13.1 The Lyonet Agreement shall be concluded for an indefinite period of time and may be terminated by either party subject to a written notification within a notification period of 30 days.

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\* Active customers of a Marketer are all registered Members of the Cashback World Programme within the Marketer's Lifeline (until the next Marketer), who has not signed a Lyonet Agreement and is therefore not a Marketer himself and who have additionally made a purchase in the amount of R100 at a Loyalty Merchant. Directly recommended Marketers as well as directly recommended Loyalty Merchants, which are also Members of the Cashback World Programme, will also be considered as active customers, provided they have made a purchase in the amount of R100 at a Loyalty Merchant. Purchases of an eVoucher are equated to purchases.

- 13.2 Both parties shall have the right to terminate this Lyconet Agreement at any time for a good cause without notice. A good cause for termination by Lyconet shall exist especially in the following cases:
- (a) The Marketer deliberately makes false statements when concluding this Lyconet agreement.
  - (b) The Marketer uses unauthorised Communication Material in violation of clause 7.2.
  - (c) The Marketer uses trademarks applied for and/or registered for Lyconet or companies affiliated with Lyconet in violation of clause 7.4.
  - (d) The Marketer violates the competition or non-solicitation agreement according to clause 12 or violates the obligation to maintain secrecy and confidentiality according to clause 10.
  - (e) The Marketer repeatedly provides wrong advice about the Cashback World Programme or the Lyconet Marketing Programme. An indication of wrong advice is if an above-average number of contracts mediated by the Marketer (including Members, Marketers, or Loyalty Merchants) is contested, cancelled, or terminated at the earliest possible date by the mediated Member, Marketer or Loyalty Merchant.
  - (f) The Marketer operates a commercial resale of vouchers of the Loyalty Merchants.
  - (g) The Marketer holds events for a charge or offers services in connection with the Cashback World Programme or the Lyconet Marketing Programme to third parties for a fee without the written consent of Lyconet.
  - (h) The Marketer has been convicted of an intentional criminal offence (i) committed to the detriment of Lyconet or a company affiliated with Lyconet and/or (ii) in connection with the conduct of his/her sales activities according to this Lyconet Agreement; (iii) which has a material connection with the activity of the Marketer according to this Lyconet Agreement (e.g. property crimes such as fraud) or (iv) which is so serious that Lyconet can no longer be reasonably expected to cooperate further because of the destruction of the necessary basis of trust or a threat of loss of reputation.
  - (i) The Marketer is repeatedly in arrears with the fulfilment of a contractual payment claim or a considerable part of it.
  - (j) The financial situation of the Marketer deteriorates so significantly that the sustainable solvency of the Marketer is questionable based on concrete criteria.
  - (k) In addition to the significant damage to the economic interests or the reputation of Lyconet 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 Lyconet can reasonably no longer be expected to continue this Lyconet Agreement for that very reason.

13.3 Every declaration of termination must be in writing in any event. 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 Programme shall remain unaffected by the termination of this Lyconet Agreement.

#### **14. Effects of the termination**

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

15.1 Lyconet shall be liable without limitation for damages resulting from injury to life, limb, or health that are due to a deliberate or grossly negligent breach of obligation by Lyconet. Lyconet shall only be liable without limitation for damages that are due to a deliberate or grossly negligent breach of obligation by Lyconet.

15.2 For damages due to simple negligent breach of obligations that are fundamental for the reasonable and proper conclusion of the contract and that the Marketer accordingly trusts to be fulfilled (cardinal obligations), the liability of Lyconet shall be limited to typical and foreseeable damage.

15.3 Other claims for damages shall be excluded, subject to the following clauses 15.5. This shall apply particularly if Lyconet is not at fault.

15.4 Insofar as the liability for Lyconet is limited or excluded, the limitations or exclusions shall also apply to the personal liability of the employees, legal representatives, and vicarious agents of Lyconet.

15.5 The limitations and exclusions of liability as specified in clause 15 of this document shall not affect the liability of Lyconet according to the mandatory statutory provisions of Product Liability Act, based on the fraudulent concealment of a defect or the assumption of a guarantee for the quality of an item.

## **16. Changes**

- 16.1 The Marketer undertakes to notify Lyconet 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 undertakes to notify Lyconet 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 Lyconet sends by post to the last known address shall nevertheless be deemed to have been received by the Marketer.
- 16.2 Individual written agreements made in individual cases shall take precedence over this Lyconet Agreement. The contents of such agreements shall be governed by a written contract or written confirmation by Lyconet. No verbal agreements have been made between the parties. Moreover, Lyconet 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.
- 16.3 Changes to this Agreement and other contractual agreements between the Marketer and Lyconet communicated in text form to the address or e-mail address indicated by the Marketer shall be deemed to be accepted by the Marketer if the Marketer does not object to their applicability within 30 days of receipt of the written notification of change. At the beginning of this time period, Lyconet shall especially point out to the Marketer that his/her consent to the communicated changes to the Lyconet Agreement shall be deemed to be given if he/she does not object in text form to their applicability within the time period established. The changes to this Agreement shall be deemed to be accepted by the Marketer only if this notice has actually been given.

## **17. Applicable law and court of jurisdiction**

- 17.1 This Agreement is subject to South African substantive law to the exclusion of the reference norms of international private law and the UN Sales Convention.
- 17.2 The exclusive legal jurisdiction for all disputes arising from or in connection with this Agreement is the duly appointed court at Lyconet's registered office
- 17.3 Unless the proceedings are preceded by an official arbitration procedure, the parties shall be obliged to conduct settlement negotiations at the registered office of Lyconet South Africa (Pty) Ltd at First Floor, Building 29, The Woodlands Office Park, 20 Woodlands Drive, Woodmead, Johannesburg, 2191, Gauteng, South Africa before initiating any possible legal proceedings.

## **18. General conditions**

- 18.1 The Marketer shall not be entitled to assign this Lyconet Agreement, or the rights and obligations established between the parties based on this Lyconet 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 Lyconet. However, if the Marketer dies, the contractual relationships existing between him/her and Lyconet shall pass to his/her heirs under the applicable inheritance law. Furthermore, the Marketer shall not be entitled to encumber any existing rights with a lien without the prior written consent of Lyconet
- 18.2 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.
- 18.3 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.