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## WHAT YOU SHOULD KNOW ABOUT THE LYCONET SHOPPING NETWORK IN THE US

Lyonesse represents a global Shopping Community and international Customer Loyalty Program with approximately 80,000 local, regional and international Loyalty Merchants serving 8 million Members in 47 countries. Our core business is providing Shopping Benefits for our Members. A Member is someone who enrolled for free with no obligation to purchase or any other financial requirement. When Members shop at a Loyalty Merchant, they receive a percentage of the purchase price back as “Cashback” and collect Shopping Points they can redeem for exclusive offers (referred to as “Shopping Point Deals”) at Loyalty Merchants.

The business group comprises three service centers: A Shopping Community, a Customer Loyalty Program, and a Network Marketing Program.

The **Cashback World** brand serves the international Shopping Community. Its target group is consumers who want to save money when they shop. They receive benefits such as Cashback and Shopping Points regardless of whether they shop online or in-store with their Cashback World card with Loyalty Merchants. The Cashback World card is also available digitally via the Cashback App.

The **Cashback Solutions** brand is the Customer Loyalty Program based on an international multi-sector network of Loyalty Merchants which is comprised of small to medium-sized enterprises as well as large retailers and online shops. Members primarily shop at Loyalty Merchants, which can provide a better shopping experience and Cashback for the Members. This enables Loyalty Merchants to attract new loyal customers and thereby increase sales, while Members save money on their purchases.

The **Lyconet** brand consists of independent entrepreneurs identified as “Independent Lyconet Marketers (or simply “Marketers”) who receive benefits through successful promotion of retail shopping by their shopping network members and the Cashback Solutions Loyalty Program.

A Marketer agrees to the General Terms and Conditions and the Independent Lyconet Marketer Agreement. Every Marketer participates in the Lyconet Marketing Program. The Lyconet Marketing Program enables the Marketer to receive weekly and monthly compensation based on the credited Shopping Points resulting from retail purchases by the Marketer’s entire shopping network. Upon signing the Lyconet Marketer Agreement the Marketer may promote the Cashback Solutions Loyalty Program as well as the Lyconet Marketing Program by:

- (a) Acquiring new Members while providing support to existing Members;
- (b) Acquiring new Marketers while providing support for existing Marketers; and
- (c) Acquiring new Loyalty Merchants while providing support to existing Loyalty Merchants.

A Marketer cannot earn income or commissions simply by recruiting or sponsoring someone. While many Marketers are customers in the Shopping Community—receiving Cashback and Shopping Points on their retail purchases of goods and services from participating Loyalty Merchants—shopping with Cashback World is not a requirement of participation in Lyconet as a Marketer, nor is any personal shopping required for participation in the Lyconet Marketing Program.

Marketers represent six percent (6%) of the total Lyonesse America membership. From January 1, 2017 through December 31, 2017, excluding Cashback from their own purchases, approximately forty-three percent (43%) of all Marketers received no income. Following is a breakdown of the fifty-seven percent (57%) of all Marketers who received earnings from Lyonesse America in 2017.

- 97% of Marketers received earnings between \$0.01 and \$1,000.00 with average earnings of \$72.14.
- 2% of Marketers received earnings between \$1,001.00 and \$5,000.00 with average earnings of \$2,048.10.
- < 1% of Marketers received earnings between \$5,001.00 and \$10,000.00 with average earnings of \$7,241.31.
- < 1% of Marketers received earnings between \$10,001.00 and \$25,000.00 with average earnings of \$18,830.02.
- < 1% of Marketers received earnings above \$25,001.00 with average earnings of \$31,685.29.

The average income of typical participants who received earnings was \$186.05 and the median income was \$12.86. 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). Participation in the program 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 with Lyonesse America Inc.; namely the Lyconet Marketer Agreement, Policies & Procedures, Lyconet Compensation Plan, Income Disclosure Statement, and any official marketing materials available in the download section on the Lyconet website. Any other claims that are not contained in these documents are not enforceable against Lyonesse America Inc. and are not included as part of the Marketer agreement with Lyonesse America, Inc.