

# LYCONET MARKETING AGREEMENT

## for Independent Lyconet Marketers

Version: January 2021

### Preamble

Lyconet Marketing Agency Limited with registered office at 3 Waterhouse Square, 138-142 Holborn, c/o Price & Accountants Ltd, Wework, London EC1N 2SW, United Kingdom, operates worldwide together with its subsidiary companies a Marketing Agency ("**Marketing Agency**").

Lyconet Marketing Agency Limited is a cooperation partner of myWorld International Limited with registered office at 40 Basinghall Street, 9th Floor, Suite 9.10, London EC2V 5DE, United Kingdom. An essential part of this cooperation is the recommendation of new Members and / or Loyalty Merchants as well as the related mediation of sales for the Benefit Program of myWorld International Limited.

The Benefit Program is a program operated by myWorld International Limited with its subsidiary companies and cooperation partners, which enables participating customers ("**Members**") to purchase goods, services, travels, etc. from the myWorld Group and / or Loyalty Merchants to receive benefits.

In Malaysia, Lyconet Malaysia Sdn. Bhd., a company registered at Menara Maxis, Level 36, Kuala Lumpur City Centre, 50088 Kuala Lumpur, Malaysia, under the business registration number 1333600-A ("**Lyconet**") is the contractual partner of Lyconet Marketers ("**Marketers**").

The main contractual basis between Lyconet and the Marketer is the Lyconet Marketing Agreement, which enables self-employed, commercially active entrepreneurs to distribute or mediate goods, services, travels, etc. from the myWorld Group and / or Loyalty Merchants. Having entered into the Lyconet Marketing Agreement, one becomes an independent, self-employed, commercially active Marketer.

### 1. Objectives of the Lyconet Agreement

- (a) In accordance with the Lyconet Marketing Agreement, the Marketer is entitled to distribute or mediate goods, services, travels, etc. from the myWorld Group and / or Loyalty Merchants. That includes mediation of sales from purchase of goods, services, travel, etc. within the Benefit Program of myWorld Group,
- (b) recommendation of new Members (free membership) and support of existing Members within the Benefit Program of myWorld Group,
- (c) recommendation of new Loyalty Merchants and support of existing Loyalty Merchants within the Benefit Program of myWorld Group, and
- (d) recommendation of new Marketers (free conclusion of the Lyconet Marketing Agreement) and support of existing Marketers of the Marketing Agency.

The Marketer is not obliged to recommend Members, Loyalty Merchants or Marketers at any time.

#### 1.2. The marketer is entitled to recommend Loyalty Merchants that sell goods services, travels, etc. exclusively to consumers and which

- (a) do not have more than one hundred (100) full time employees,
- (b) make no more than Ringgit Malaysian 46 million (MYR 46 million) in sales per year,
- (c) do not have more than ten (10) branches and do not have a transnational branch structure, or
- (d) are not franchises,

#### 1.3. Individual Loyalty Merchants that do not meet these requirements can also be regarded as Loyalty Merchants provided that myWorld International Limited together with its subsidiary companies and cooperation partners declares so in writing. The recommendation and support of Loyalty Merchants that do not qualify as Loyalty Merchants within the meaning of clause 1.2 does not form a part of the Lyconet Marketing Agreement. In particular, the Marketer is prohibited from conducting initial talks or negotiations with such companies or from pursuing any other advertising activity to gain them. In return for the marketing and mediation of goods, services, travel, etc., the Marketer shall receive payment in accordance with the Lyconet Earnings Plan in **Annex 1** to the Lyconet Marketing Agreement (see also clause 8).

### 2. Object of the contract

The Lyconet Marketing Agreement including all attachments is the sole contractual basis for the Marketer.

### 3. Legal relationship

- 3.1. Lyconet grants the Marketer a non-exclusive right to act as a self-employed and commercially active Marketer according to the Lyconet Marketing Agreement. The Marketer is not subject to any regional restrictions with regard to the exercise of his activity, but must assume responsibility for complying with the applicable law in each territory and/or jurisdiction in which he operates. The Marketer shall fully indemnify Lyconet from any claims of third parties.

- 3.2. When carrying out the duties and obligations pursuant to this Lyconet Marketing Agreement, the Marketer shall act as an independent entrepreneur, acting in his own name, for his own account and shall be liable for his own taxes. No form of employment, service, joint venture, partnership or relationship of any kind whatsoever is concluded between Lyconet and the Marketer. The Marketer provides his contractual services exclusively within the framework of an autonomous, independent activity that is legally independent of Lyconet and, in particular, the Marketer is not subject to instructions from Lyconet.
- 3.3. The Marketer is expressly prohibited from giving the impression or use any word that would indicate he is an employee, agent or representative of Lyconet or of any of its related company.
- 3.4. The Marketer is prohibited from representing Lyconet. In particular, he is not authorised to conclude contracts or receive services on behalf of Lyconet. The Marketer is also prohibited from representing other group companies of the Lyconet or myWorld Group, their cooperation partners and Loyalty Merchants. Infringement of this clause shall entitle Lyconet to terminate the Lyconet Marketing Agreement with immediate effect in accordance with clause 12.2.
- 3.5. Only one registration (i.e. one ID number) is permitted for each Marketer, whether a natural or legal person. The residential or business address (registered office) of the Marketer must be stated in the registration. Multiple registrations made to achieve unjustified advantages according to the Lyconet Compensation Plan in Annex 1 entitle Lyconet to terminate the contractual relationship for good cause and to withdraw the advantages obtained in this way. In the case of multiple registrations, the last registered ID numbers will be deleted. Advantages according to the Lyconet Compensation Plan in Annex 1, which only resulted through multiple registrations, will be forfeited.

#### **4. Precondition for a Marketer's activity and Earnings**

- 4.1. The conclusion of the Lyconet Marketing Agreement requires natural persons to have reached the age of eighteen (18) and have the legal capacity to enter into this Lyconet Agreement and carry out the duties/obligations pursuant to this Lyconet Agreement.
- 4.2. The Marketer must independently ensure that his commercial activity is duly registered (if applicable) and that he has duly obtained all necessary regulatory approvals to practice his trade. He must ensure the proper payment of taxes and levies and indemnify Lyconet, any company affiliated with Lyconet, the myWorld Group, its cooperation partners and Loyalty Merchants against all claims of third parties arising from or as a result of a breach of his obligations in clause 4.

#### **5. Rights and obligations of the Marketer**

- 5.1 The Marketer is entitled to use third parties (e.g. assistance) to provide organisational support for his activities. The Marketer must ensure that the obligations of this Agreement are also met by such third parties.
- 5.2 The Marketer is required to make only such statements about Lyconet, any company affiliated with Lyconet the myWorld Group, its cooperation partners and Loyalty Merchants that are in accordance with the official Lyconet documentation.
- 5.3 As soon as the Marketer becomes aware of a possible breach or a breach of the provisions of this Lyconet Agreement by another Marketer, he must notify Lyconet without delay.
- 5.4 If the Marketer intends to carry out chargeable events or otherwise offer chargeable services to third parties regarding Benefit Program or the Marketing Agency, he must first obtain the consent of Lyconet in writing (by way of email is sufficient).  
effect.

#### **6. Communication Materials**

- 6.1 Lyconet provides the Marketer with the advertising and information material (documents, catalogues, presentations, etc.) ("**Communication Material**") required by the Marketer to carry out his activities under the Lyconet Marketing Agreement for download free of charge at [www.lyconet.com](http://www.lyconet.com) (log-in section).
- 6.2 The Marketer may use only the current version of the Communication Material authorised by Lyconet and made available at [www.lyconet.com](http://www.lyconet.com). Before using the Communication Material, the Marketer must check if it corresponds to the current version. Lyconet reserves the right to terminate the Lyconet Marketing Agreement. Lyconet reserves the right to terminate the Lyconet Marketing Agreement for good cause, in accordance with clause 12.2, if the Marketer uses any unauthorised communication materials.
- 6.3 In the event of termination of the Lyconet Marketing Agreement, the Marketer shall, at the request of Lyconet, forthwith destroy all Communication Material made available to him and shall confirm its destruction to Lyconet in writing.
- 6.4 Publications and advertisements as well as the use of trademarks of Lyconet or companies affiliated with Lyconet, the myWorld Group, their cooperation partners and Loyalty Merchants, such as the company logo and the trademarks of Lyconet, myWorld, Child & Family Foundation, Greenfinity Foundation etc., are only permitted within the framework of the authorized Communication Material. This also applies for its use via internet, social media or other electronic media.
- 6.5 The Marketer shall indemnify Lyconet, companies affiliated with Lyconet, the myWorld group, their cooperation partners and Loyalty Merchants from claims of third parties that they assert against Lyconet, companies affiliated with Lyconet, the myWorld Group, their cooperation partners and Loyalty Merchants due to a culpable violation of their commercial property rights by the Marketer.

## **7. Change or assignment of a Recommender**

- 7.1 Marketers without a Recommender have the right to be assigned a Recommender at any time if the Recommender give his explicit consent.
- 7.2 Marketers with a Recommender can make a change of Recommender if following requirements are met:
- The Marketer has had the same Recommender for the last 6 months.
  - The Marketer was not in any Career Level according to the Lyconet Compensation Plan in Annex 1 in the last 6 months.
  - The new Recommender give his explicit consent to the change.
- 7.3 As a result of the change of Recommender, the Marketer will lose his previously recommended Members and Marketers. However, the change of Recommender has no further effects for these previously recommended Members or Marketers themselves
- 7.4 In the event of a termination of the Lyconet Marketing Agreement and a subsequent new registration within 6 months, the Marketer will automatically be assigned to the Recommender the Marketer had at the moment of termination.

## **8. Earnings**

- 8.1 The Marketer shall be compensated for marketing or mediation of goods, services, travels, etc. according to his Lyconet activities under the Lyconet Compensation Plan in Annex 1. For the avoidance of doubt, the Marketer shall have no claim against Lyconet for reimbursement in respect of expenses incurred in the performance of his activity (e.g. travel, hotel, materials or personnel costs).
- 8.2 All payments are calculated monthly, in accordance to the Lyconet Compensation Plan in Annex 1. Lyconet provides all relevant information for the Marketer's Earnings according to the Lyconet Compensation Plan in Annex 1 to the marketer via the log-in area at [www.lyconet.com](http://www.lyconet.com).
- 8.3 The Marketer shall review promptly all information, credit advices immediately. Any objection to shall be made in writing to Lyconet no later than one (1) week after receipt of the invoice via [www.Lyconet.come](http://www.Lyconet.come). Infringement of this obligation may entitle Lyconet to a claim for damages.
- 8.4 Entitlement to initial payment of the remuneration arises when the Marketer has 5 direct active Members according to the Lyconet Compensation Plan in Annex 1. A minimum amount according to the Lyconet Compensation Plan in Annex 1 must be reached for the transfer to the Marketer's bank account to take place.

## **9. Confidentiality**

- 9.1 The Marketer shall not disclose any trade secret, proprietary or confidential information in respect of all business and commercial activities of Lyconet that have been entrusted or made known to him by Lyconet ("Confidential Information") to any person and/or entity and shall not use the Confidential Information for any purpose other than permitted by this Lyconet Marketing Agreement.
- 9.2 Documents relating to the Confidential Information entrusted to the Marketer shall be duly returned to Lyconet immediately at its request after they have been duly used and, in any case, shall not be later than the termination date of the Lyconet Marketing Agreement.
- 9.3 The Marketer shall take all reasonable steps to ensure that its employees, agents and/or any third parties engaged for the purposes of carrying out his obligations under this Agreement, if any, do not disclose the Confidential Information to any person and/or entity and do not use the Confidential Information for any purpose other than permitted according to clause 5
- 9.4 The confidentiality obligations under this Clause 10 shall survive the termination of this Agreement.

## **10. Data Protection**

- 10.1. To the extent necessary for the implementation of the Lyconet Marketing Agreement, in particular for the calculation Earnings according to the Lyconet Earnings Plan in Annex 1, the Marketer hereby acknowledges that Lyconet, being responsible for data protection of the Marketer, collects, stores and processes personal or company-related data as well as data on activities of the Marketer in accordance with Lyconet's Privacy Policy (and/or any other privacy policy as may be released or published by Lyconet from time to time).
- 10.2. All requests for information, changes, and deletion of Personal Data may be addressed to Lyconet Malaysia Sdn. Bhd., Menara Maxis, Level 36, Kuala Lumpur City Centre, 50088 Kuala Lumpur, Malaysia or by e-mail to [international@lyconet.com](mailto:international@lyconet.com). Further data protection-relevant provisions when using the Lyconet website can be found in the Privacy Policy at [www.lyconet.com](http://www.lyconet.com).

- 10.3. Lyconet uses internationally recognised security technology to protect the Marketers' Data against unauthorised access and undertakes to protect the Marketer's Data strictly in accordance with applicable laws and regulations of Malaysia.
- 10.4. If the Marketer uses additional IT-supported services and Lyconet processes Data entered by the Marketer in connection with the use of such additional IT-supported services, the parties shall execute a data-processing agreement separately.

## **11. Non-compete / non-solicitation agreement**

- 11.1 The Marketer hereby irrevocably and unconditionally agrees and undertakes that he shall not, at any time during the continuance of the Lyconet Marketing Agreement, do or permit to be done any of the following without the prior written consent of Lyconet:
- 11.1.1 either solely or jointly with or on behalf of any person directly or indirectly carry on or be engaged in or interested in or be associated with any trade, business, activity, whether as principal, agent, employer, employee, partner, shareholder or in any other capacity whatsoever, which is in any way in competition with Lyconet; or
  - 11.1.2 solicit Marketers, loyalty merchants or Members for any other company which is in any way in competition with Lyconet, myWorld or any affiliated company; or
  - 11.1.3 cause or permit any person directly or indirectly under its control to do any of the foregoing acts or things.
- 11.2 The Marketer shall also refrain, during the term of this Lyconet Agreement, from attempting to solicit or soliciting Marketers, Members, or Loyalty Merchants for other network marketing companies.
- 11.3 The Marketer agrees that the undertakings to be given by him are fair and reasonable and are given with full knowledge of the effects and consequences of such undertakings. Whilst the undertakings in Clause above are considered by the Marketer to be fair and reasonable in all the circumstances, if one or more should be held invalid as a restraint of trade or for any other reason whatsoever, but would have been valid if part of the wording thereof had been deleted or the period thereof reduced or the range of activities or area dealt with thereby reduced in scope, the said undertakings shall apply with such modifications as may be necessary to make them valid and effective. Further, each of the undertakings set out in Clause are separate and severable and enforceable accordingly.
- 11.4 If the above provisions of this clause are infringed/breached by the Marketer or his employee(s), representative(s), agent(s), associated company(s) (collectively, "Affiliates"), or third parties that the Marketer engaged, Lyconet shall be entitled to terminate this Lyconet Marketing Agreement for good cause and to claim damages.

## **12. Term and termination of the Lyconet Marketing Agreement**

- 12.1 The Lyconet Marketing Agreement shall continue in full force and effect for an indefinite term and may be terminated at will by either Party subject to a thirty (30) day period of notice in writing to the other Party.
- 12.2 Notwithstanding the aforesaid, Lyconet shall have the right to terminate this Lyconet Marketing Agreement at any time for one or more good cause. A good cause for termination by Lyconet is present in certain circumstances, including but not limited to the following:
- (a) The Marketer makes any statement that is false, inaccurate and/or untrue when concluding this Lyconet Marketing Agreement.
  - (b) The Marketer uses unauthorised Communication Material in breach of clause 6.2.
  - (c) The Marketer uses trademarks and logos of Lyconet and its affiliated companies in violation of clause 6.4
  - (d) The Marketer is in breach of any one or more of his undertaking(s) under clause 11 and/or breaches his confidentiality obligations under clause 10.
  - (e) The Marketer repeatedly provides wrong advice about the Benefit Program or the Lyconet. An indication of wrong advice is if an above-average number of contracts introduced by him (including Members, Marketers, or Loyalty Merchants) are contested regularly by the other party, revoked or terminated at the next possible date.
  - (f) The Marketer operates a commercial resale of vouchers of myWorld Group or its Loyalty Merchants.
  - (g) The Marketer holds a chargeable event without the written consent of Lyconet or offers third parties chargeable services regarding the Benefit Program or Lyconet
  - (h) The Marketer, in the conduct of his promotional activities, is convicted of a serious offence committed against Lyconet or an affiliated company, or the Marketer commits an offence of such gravity as to cause loss of trust or loss of reputation of Lyconet.
  - (i) The Marketer is repeatedly in arrears with the fulfilment of a contractual claim for payment.
  - (j) The financial situation of the Marketer deteriorates so significantly that his solvency is being called into question.
  - (k) The Marketer breaches any one or more of his contractual obligations under this Lyconet Agreement resulting in the significant damage to the economic interests or the reputation of Lyconet or any Loyalty Merchant.

- 12.3 If at any time there is a non-compliance/default by the Marketer pursuant to Clause 13.2, the Marketer shall remedy the default to Lyconet's reasonable satisfaction within the reasonable time frame to be determined by Lyconet, failing which Lyconet shall be entitled to terminate this Lyconet Marketing Agreement with immediate effect and this Lyconet Marketing Agreement shall be deemed terminated and be of no further force or effect (without prejudice to any claims or rights or remedies at law or in equity Lyconet may have against the Marketer). Notwithstanding the aforesaid, in the event that Lyconet is of the view that any breach or non-compliance of any one or more of the term(s) by the Marketer is so severe and/or material that Lyconet can no longer be reasonably expected to continue this Lyconet Marketing Agreement, then Lyconet shall not be obliged to grant the Marketer reasonable time period to carry out remedial actions and Lyconet may, forthwith, terminate this Lyconet Marketing Agreement.
- 12.4 Termination of this Lyconet Marketing Agreement must be in writing. The termination notice period pursuant to Clause 12.1 shall commence on the date of receipt of the letter of termination.
- 12.5 Participation of a Marketer in the Benefit Program shall remain unaffected by the termination of this Lyconet Marketing Agreement.

### **13. Consequences of the termination**

- 13.1 All Earnings already paid to Marketer prior to the termination of this Lyconet Marketing Agreement shall remain with the Marketer. In addition, the Marketer shall be entitled to payments and Earnings for which all conditions under the Lyconet Compensation Plan in Annex 1 have already been met at the time of termination of this Lyconet Agreement and thereafter, there shall be no further claim from the Marketer against Lyconet, save and except in respect of any antecedent breach.
- 13.2 Unless otherwise agreed by both Parties in writing, all payments made by the Marketer (e.g. for services or voucher orders) shall not be refunded and/or reimbursed.
- 13.3 The Marketer shall stop and shall cause his Affiliates to stop using all Confidential Information of Lyconet and upon Lyconet's request shall return to Lyconet all Confidential Information.

### **14. Liability and Indemnity**

- 14.1 Nothing in this Lyconet Agreement excludes or limits a Party's liability:
- (a) for death or injury arising out of negligence;
  - (b) for fraud, fraudulent misrepresentation, criminal acts or the tort of deceit;
  - (c) for wilful default; or
  - (d) where such a limitation or exclusion would be contrary to law.
- 14.2 Subject to Clause 14.1 and to the fullest extent permitted by applicable Malaysian laws and regulations, neither Party nor any of its Affiliates shall be liable to the other Party or its Affiliates in contract (including for damages for any deliberate repudiatory acts), tort (including negligence), for breach of statutory duty, or otherwise:
- (a) for any special, exemplary, indirect or consequential loss of any kind whatsoever however caused; or
  - (b) for any loss that consists of loss of goodwill, business, revenue, profit or saving (in each case whether direct or indirect).
- 14.3 In addition to any other remedy at law and in equity available to Lyconet, the Marketer agrees to indemnify Lyconet and/or its Affiliates in full and on demand and keep them so indemnified from and against all loss, damage or liability incurred or suffered by Lyconet and/or its Affiliates as a result of:
- (a) any breach of any statutory duty or this Agreement by the Marketer and/or its Affiliates or any negligent or wrongful act or omission by any of them; or
  - (b) any act taken or omission of the Marketer and/or its Affiliates in relation to the Marketer's duty and/or obligations under this Agreement.

### **15. Changes**

- 15.1 The Marketer hereby undertakes to notify Lyconet immediately and promptly in writing of any changes to his essential data. This obligation relates to changes in his address and bank details. In addition, the Marketer undertakes to notify Lyconet of any payment difficulties, and in any case, of impending insolvency or imminent over-indebtedness. If changes to the business address are not disclosed in writing to Lyconet immediately, statements that Lyconet sends by post to the Marketer's last known address shall be deemed to have been duly received by the Marketer.
- 15.2 This Lyconet Marketing Agreement is the complete and exclusive statement of the agreement between Lyconet and the Marketer and supersedes all previous communications, representations and arrangements, written or oral and the Parties confirm that they have not entered into this Agreement on the basis of any representations that are not expressly incorporated in this Agreement. Notwithstanding the aforesaid, in the event that Lyconet and the Marketer enters into any individual agreement(s) subsequent to and/or in addition to this Lyconet Agreement, such individual agreement(s) shall prevail.
- 15.3 Lyconet shall be entitled to send contract notices and information necessary for the performance of the contract to the Marketer via text message (SMS) or e-mail, provided that the Marketer gives the corresponding contact details to Lyconet and does not withdraw them.

- 15.4 Any amendment(s), change(s) and/or revision(s) to this Agreement and other contractual agreements between the Marketer and Lyonet shall be notified to the Marketer in writing to the address or email address given by the Marketer. Any such amendment(s), change(s) and/or revision(s) shall be deemed to have been duly accepted by the Marketer if the Marketer does not object to their validity within thirty (30) days of receipt. Lyonet shall inform the Marketer in writing at the commencement of the notice period that his consent to the notified amendment(s), change(s) and/or revision(s) to the Agreement is deemed to be given if he does not and/or fail to contradict or contest its validity within the thirty (30) days deadline. For avoidance of doubt, any amendment(s), changes and/or revision(s) made to this Agreement shall only be deemed to have been accepted by the Marketer if such notice has been given.

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

- 16.1 These conditions shall be governed by, and construed in accordance with, the law of Malaysia. The United Nations Convention on Contracts for the International Sale of Goods shall not be applicable.
- 16.2 The Parties hereto hereby submit to the exclusive jurisdiction of Malaysian courts.
- 16.3 The Parties shall use their best efforts to negotiate in good faith and settle any dispute, controversy or claim that may arise out of or relate to this Agreement or any breach of it. If any such dispute cannot be settled amicably through ordinary negotiations by the Parties within thirty (30) days from the date of negotiation, the Party may resort to litigation.
- 16.4 All negotiations connected with the dispute shall be conducted in complete confidence, and the Parties hereby undertake not to divulge details of such negotiations except to their professional advisers who shall also be subject to such confidentiality and shall be without prejudice to the rights of the Parties in any future proceedings.

## **17. General provisions**

- 17.1 The Marketer is not entitled to assign the Lyonet Marketing Agreement, or the rights and obligations established between the parties based on this Lyonet Marketing Agreement to a third party or otherwise, including by way of universal succession, without the prior written consent of Lyonet. However, if the Marketer dies, the contractual relationships existing between him and Lyonet shall be transferred to his heirs under the applicable inheritance law. In addition, without the prior written consent of Lyonet, the Marketer is not entitled to encumber any existing rights with a lien.
- 17.2 The transfer of identification number (ID number) to third parties (e.g. due to a sale of the ID number) can in principle only take place with the written consent of Lyonet and the simultaneous transfer of all existing contractual relationships between the Marketer and the Lyonet group to third parties. If the Marketer dies, the contractual relationships (including his ID) existing between him and the Lyonet group shall pass to his heirs in accordance with the applicable inheritance law.
- 17.3 This Agreement shall be binding upon and inure for the benefit of the respective heirs, personal representatives and successors-in-title or permitted assigns, as the case may be, of the Parties.
- 17.4 The Marketer hereby expressly waives any right of set-off it may have against Lyonet, save and except in cases of counter-claims, or if the Marketer sets-off against an undisputed or legally enforceable claim.
- 17.5 Should any provision of this Lyonet Marketing Agreement be or become wholly or partially invalid or unenforceable, this shall not affect the validity or enforceability of the remaining provisions.
- 17.6 Neither Party shall assign, whether in whole or in part, the benefit of this Agreement or any of its rights or obligations hereunder, without the prior written consent of the other Party, provided that Lyonet shall be entitled to assign its rights under this Agreement to its parent company, subsidiary or associated company with prior written notice to the Marketer.

## **18. Disclaimer**

- 18.1 This Lyonet Marketing Agreement was originally prepared in English. Should there be any discrepancy between the English and Malay versions, the English version shall prevail.