

# GENERAL TERMS AND CONDITIONS FOR LYONESS MEMBERS (MEMBERSHIP AGREEMENT)

Version: April 2012

## Introduction

Lyoneess Canada, Inc. („Lyoneess“) operates a shopping community that permits participants („Members“) to receive benefits in the form of rebates and compensations when they or other Members make purchases at Lyoneess affiliated retailers and companies („Loyalty Merchants“). Pursuant to these General Terms and Conditions (the „Membership Agreement“) the Member may participate in the Lyoneess community and receive benefits as set out herein (the „Lyoneess Loyalty Program“).

The Lyoneess Loyalty Program is based on the principle that Lyoneess will negotiate volume rebates from Loyalty Merchants. These rebates will be provided to Lyoneess when Members make purchases at Loyalty Merchants and Lyoneess will then use monies obtained from these rebates to confer benefits to Members, as described below. Lyoneess is not making any supply of tangible or intangible property or services and Members are not required to make any purchases from Lyoneess or provide any money or services to Lyoneess in order to benefit from the Lyoneess Loyalty Program. All purchases will be made directly from Loyalty Merchants (except Gift Card(s), Voucher(s), and Mobile Gift Card(s), described below under Section 4.2, which may only be obtained from Lyoneess). All benefits accruing to Members are based on rebates received from Loyalty Merchants and passed on to Members, and all such rebates are based on the volume of purchases by Members from Loyalty Merchants.

## 1 Object of Contract

1.1 To the extent permitted by this Membership Agreement, the Member may participate in the Lyoneess Loyalty Program and take advantage of benefits when the Member or other Members purchase goods or services from Loyalty Merchants.

## 2 Contractual Basis

2.1 Upon acceptance of the registration application by Lyoneess, the applicant becomes a registered Member and receives a personal Membership number (the „ID Number“). The Membership is a „Trial Membership“ until the Member makes a Booked Purchase or someone referred by the Member makes a booked purchase (as defined under Section 4.2). The term „booked“ as used by Lyoneess refers to transactions that have been entered into the program and whereby the settlement of all activities for each transaction have been finalized. Transactions settle at different periods as Loyalty Merchants process and report activities on different cycles. As such, a Member may not see the results of a purchase for one or more statement periods. Only Booked Purchases made by registered members generate benefits through the Lyoneess Loyalty Program.

2.2 Each natural person or legal entity may maintain only one Membership (one ID Number). Country of registration is based on the primary residence of the person or the head office of the legal entity. In the event of multiple registrations, the ID Number(s) registered last will be deleted and any benefits acquired through the multiple registrations will be forfeited. Multiple registrations undertaken to obtain benefits is cause for termination of the Membership Agreement by Lyoneess.

2.3 To become a Member, an individual must be at least the age of majority in the Member's local jurisdiction and must not be an undischarged bankrupt.

2.4 If a Trial Member makes a purchase within thirty (30) days, or someone they refer makes a purchase, they become a regular Member. After achieving regular Member status, they qualify for the first four (4) parts of the compensation plan, which includes Cashback, Friendship Bonus, Loyalty Cash, and Loyalty Credit.

2.5 The Member may recommend the Lyoneess Loyalty Program to other persons but is under no obligation to Lyoneess to do so or to succeed in such activities. Any registration made by one person on behalf of another must be done with the express consent of such other person.

2.6 The Member declares that all information provided to Lyoneess is true, accurate, and complete when given, and the Member undertakes to inform Lyoneess in a timely manner of any change in the Member's registration information. Lyoneess will rely on the information provided by the Member and is not obligated to seek out such information. The Member shall be solely responsible and liable for any and all loss, damage, and cost that the Member, Lyoneess, or any other person may incur as a consequence of the submission of any false, incorrect, or incomplete information or any failure to update such Member's registration information. Lyoneess may require a certified copy of government-issued identification prior to making changes to the Member's registration information.

2.7 Lyoneess may perform its contractual obligations and pursue its contractual claims through any of its subsidiaries, its parent corporation, or the subsidiaries of its parent corporation (each, an „Affiliate“), each of which shall act as an agent of Lyoneess in such respects. The Member's contractual relationship is solely with Lyoneess, any payments made for the purchase of Gift Card(s), Voucher(s), and Mobile Gift Card(s) shall be made to Lyoneess, and any benefits received shall be provided by Lyoneess.

2.8 This Membership Agreement together with Covenants respecting Additional Benefits described under Section 7.1.5 and in addition, the Friendship Flyer, the Online Registration Form, the Online Policy for Members, and as applicable the Policy and Procedures Agreement, and the referenced material on the Lyoneess website constitute the entire agreement between Lyoneess and the Member.

## 3 Legal Relationship

3.1 This Membership Agreement does not constitute or establish and shall not be construed as creating any employment, franchise, partnership, or joint venture relationship between Lyoneess and the Member. The Member is entitled only to the benefits enumerated herein and is not entitled to any other compensation for activities undertaken in connection with the Lyoneess Loyalty Program, nor to any reimbursement for expenses incurred in such activities.

3.2 The Member shall be responsible for any and all payments due to applicable taxation and other governmental authorities in respect of all activities and benefits hereunder.

3.3 The Member agrees to abide by all federal, provincial, and municipal laws, rules, and regulations applicable to activities in connection with the Lyoneess Loyalty Program, including without limitation consumer protection law, advertising and promotions law, and insurance law. A Member who chooses to engage in promotional activities or the solicitation of new Members does so independently of Lyoneess; shall not hold herself or himself out as a representative, agent or employee of Lyoneess; and is under no obligation to Lyoneess to succeed in such activities; and shall comply and be solely responsible for compliance with all applicable laws and any municipal or provincial business or licensing requirements in connection with such activities. The Member shall not make any misleading or incorrect material statement about Lyoneess or the Lyoneess Loyalty Program, including without limitation in connection with soliciting new Members. The Member has no authority to act on behalf of or to incur any obligation binding on Lyoneess or its Affiliates.

3.4 The Member may not use or rely on the Lyoneess logo, name, advertising documentation, such as flyers, handouts, mailings, or intellectual property of any kind without the express and prior written consent of Lyoneess. The Member is not entitled to use the trademarks of any Loyalty Merchant without the prior written consent of such Loyalty Merchant.

3.5 Without limiting the foregoing, the Member may not, without the prior written consent of Lyoneess:

- a. Use Lyoneess or Loyalty Merchant logos, identification marks, documentation, or promotional materials or the like;
- b. Generate, distribute in written, electronic, or other form, or make publicly available (for example on websites such as YouTube or Facebook) business cards, presentations, videos, audio files, screenshots, websites or web content, media, flyers, brochures, bulk mail or mailings, advertising material, or the like regarding Lyoneess or the Lyoneess Loyalty Program;
- c. Conduct public events such as information meetings, workshops, and seminars concerning Lyoneess or the Lyoneess Loyalty Program; and
- d. Recruit retailers, wholesalers, or other merchants or companies that offer goods or services to customers as Loyalty Merchants or Members, or conduct negotiations or preliminary discussions or carry out any sort of promotional activity whatsoever to recruit such companies.

Members who are interested in participating in promotional activities and events with the approval of Lyoneess may contact Lyoneess by email to: [events@lyoneess.ca](mailto:events@lyoneess.ca).

3.6 This Membership Agreement does not cover or include the terms and conditions under which a Loyalty Merchant deals with its customers, including Members, and any purchase of goods or services by a Member from a Loyalty Merchant, including a purchase by way of Gift Card(s), Voucher(s), and Mobile Gift Card(s), or online shopping, shall be governed exclusively by the terms and conditions of such Loyalty Merchant. The return policy applicable to any purchase, including a Booked Purchase, shall be that of the Loyalty Merchant.

3.7 This Membership Agreement shall remain in force until terminated pursuant to Sections 13 and/or 14.

#### 4 Lyoness Loyalty Program

4.1 Members acquire benefits by making purchases from Loyalty Merchants. Lyoness strives to continually expand the number of Loyalty Merchants, but is under no obligation to do so. A list of all current Loyalty Merchants can be found online at [www.lyoness.ca](http://www.lyoness.ca) and may be obtained on request from the relevant regional office by mail.

4.2 To ensure a transaction is recorded in the Lyoness Loyalty Program (a „Booked Purchase“), the Member must make the purchase by one of the following methods:

- a. Cashback Card: The Cashback Card is available as a plastic card or as a mobile app and is swiped or scanned by the Loyalty Merchant at the point of purchase to transmit purchase information to Lyoness and record the transaction. The Cashback Card only transmits information. It is not a credit or debit card and cannot be used to make payments.
- b. Gift Card(s): Gift Card(s) for specific Loyalty Merchants may be ordered using an order form, by telephone, or online at [www.lyoness.ca](http://www.lyoness.ca) (log-in area). Gift Card(s) may then be redeemed for goods or services from the named Loyalty Merchant. The transaction is recorded and benefits accrue when the purchase of the Gift Card(s) is completed, not when the Card(s) is redeemed.
- c. Mobile Gift Card(s): Mobile Gift Card can be purchased using the Lyoness Mobile Phone App using a mobile device such as a smartphone or tablet, or online at [www.lyoness.ca](http://www.lyoness.ca). The Mobile Gift Card is similar to a gift certificate. It is purchased in respect of a selected Loyalty Merchant and may then be used to make purchases from that Loyalty Merchant.
- d. Online Shopping: Members may shop online through the Lyoness website at [www.lyoness.ca](http://www.lyoness.ca) and all such purchases will be recorded in the Lyoness Loyalty Program.

#### 5 Ordering Gift Cards and Vouchers

5.1 Gift Cards, Vouchers, and Mobile Gift Cards (collectively, „Gift Cards“) are Loyalty Merchant shopping Gift Cards that may be redeemed, for a total amount of goods and services equal to the amount of the Gift Card, at the respective Loyalty Merchant and only at that respective Loyalty Merchant.

5.2 Gift Cards and Vouchers may be ordered using an order form, by telephone, using the Lyoness Mobile App, or on the website at [www.lyoness.ca](http://www.lyoness.ca) as applicable. Gift Cards will be dispatched to the Member once Lyoness is in receipt of the full purchase price.

5.3 When placing a Gift Card order (fully paid) you may order as many Gift Cards as you like.

5.4 Members may also make a down payment which is a partial payment for a Gift Card order.

5.4.1 Down payments are non-refundable (subject to any applicable federal, provincial, and municipal laws, rules and regulations) and can be recovered in the form of Gift Cards only once the Member has made a „top up“ payment to purchase the full amount of the applicable Gift Card (the amount of which is dependent on the amount of the down payment and the percentage rebate negotiated by Lyoness with the selected Loyalty Merchant). The Member may make a partial „top up“ payment to recover a corresponding portion of the down payment in the form of a Gift Card in an amount that is a corresponding portion of the full Gift Card. The Loyalty Merchant to which a down payment is allocated can be changed at any time prior to purchase of the full Gift Card and recovery of the full down payment; however, a change in the Loyalty Merchant may affect the amount of the full Gift Card and the „top up“ payment required to recover the down payment.

5.4.2 Example One - If a Member makes a \$225 Gift Card down payment based on the percentage rebate of a Loyalty Merchant that offers a 10% total benefit, the amount of the „top up“ payment required to recover that down payment is \$2,025. In essence, the Member has made a \$225 down payment on a \$2,250 Gift Card.

Example Two - If a Member makes a \$225 Gift Card down payment based on the percentage rebate of a Loyalty Merchant that offers a 3% total benefit, the amount of the „top up“ payment required to recover that down payment is \$7,275. In essence, the Member has made a \$225 down payment on a \$7,500 Gift Card.

5.4.3 Down payments are subject to purchase preconditions. Once the Member has made \$300 in Booked Purchases, the Member may make down payments of up to \$1,500. Once the Member has made \$600 in Booked Purchases, the Member may make down payments of up to \$3,000. Thereafter, the Member may have outstanding down payments up to a maximum amount equal to the total value of Booked Purchases made by the Member.

5.4.4 Gift Cards and Vouchers are non-returnable and payments once made, cannot be refunded, except in the circumstances described under Section 6.1. Lyoness adheres to all applicable consumer protection laws or other legislation, which may provide rights of cancellation or other rights, which may be applicable to the Member. The Loyalty Merchant is not obliged to pay out any balance in cash. In the event that Gift Cards and Vouchers received by the Members are lost or stolen, Lyoness assumes no liability for any unlawful redemption, unless the Member has notified Lyoness of the loss or theft and Lyoness has neglected to take reasonable measures to prevent the unlawful redemption.

5.5 Gift Cards and Vouchers ordered from Lyoness can only be redeemed with the Loyalty Merchant specified by the Member when ordering the Gift Cards and Vouchers and accordingly named on the Gift Cards and Vouchers. The agreement created on redemption of the Gift Cards and Vouchers is between the Member and the Loyalty Merchant. Lyoness is not a party to such agreement and shall have no liability for claims arising from it.

5.6 Lyoness reserves the right to decline any order for Gift Cards and Vouchers.

5.7 Gift Cards and Vouchers are freely transferable. For example, the Member may pass the Gift Cards and Vouchers to any other person, and such person may use the Gift Cards and Vouchers to purchase goods or services at the named Loyalty Merchant.

#### 6 Service Disruption

6.1 Lyoness guarantees that Gift Cards and/or Voucher(s) and Mobile Apps purchased by Members can be redeemed and used to fulfill the payment obligation arising from a purchase of goods or services from a Loyalty Merchant. If this is impossible, for example because the named Loyalty Merchant has ceased to carry on business, the Member may exchange the Gift Cards and/or Vouchers for the Gift Cards and/or Vouchers of another Loyalty Merchant. A change of Loyalty Merchant may change the benefits applicable to the purchase of the Gift Cards and/or Vouchers.

6.2 The rights and obligations stemming from a Booked Purchase arise solely between the Member and the Loyalty Merchant, and Lyoness assumes no warranty or liability for the non-performance or improper performance of any Loyalty Merchant. In the event of non-performance or improper performance by a Loyalty Merchant, the Member is not entitled to a refund of the redeemed Gift Cards and/or Vouchers, the issuance of any further Gift Cards and/or Vouchers, or any other reimbursement or compensation from Lyoness. The Member must assert any claims arising from a Loyalty Merchant's non-performance or improper performance against the Loyalty Merchant.

#### 7 Member Benefits

7.1 Booked Purchases generate benefits for the Member, based on the percentage rebate negotiated by Lyoness with the relevant Loyalty Merchant. Benefits include Cashback, Friendship Bonus, and additional benefits, each as described below:

7.1.1 Cashback: The Member receives up to 2% of the final purchase price (excluding applicable taxes, shipping, or handling charges, if any) of all Booked Purchases as a cash rebate paid into the Member's Cash Account (as described below under Section 7.3). The Cash back percentage for each Loyalty Merchant may be viewed at [www.lyoness.ca](http://www.lyoness.ca) (log-in area).

7.1.2 Friendship Bonus: The Member receives up to 0.5% of the final purchase price (excluding applicable taxes, shipping, or handling charges, if any) of all Booked Purchases made by Members who were directly recommended into the Lyoness Loyalty Program by the Member, and up to 0.5% of the final purchase price of all

Booked Purchases made by Members who were directly recommended by the Member's directly recommended Members (recommendations one degree removed). The Friendship Bonus is paid into the Member's Cash Account, and the percentage rates in respect of each Loyalty Merchant may be viewed at [www.lyoness.ca](http://www.lyoness.ca) (log-in area).

7.1.3 Loyalty Cash: When the number of Accounting Units within the Member's Accounting Program follow a Member's Accounting Unit that was created by shopping reaches set thresholds of Above and Below Units, the Member receives a fixed amount of Loyalty Cash.

7.1.4 Loyalty Credits: When the number of Accounting Units within the Member's Accounting Program follow a Member's Accounting Unit that was created by making down payments reaches set thresholds of Above and Below Units, the Member receives a fixed amount of Loyalty Credit. That credit can be used to purchase Gift Cards or Mobile Gift Cards from Lyoness which may be found at [www.lyoness.ca](http://www.lyoness.ca).

7.1.5 Additional Benefits: Additional benefits and rewards are available to Members once certain purchase thresholds and other preconditions are met. More information may be found at [www.lyoness.ca](http://www.lyoness.ca) (log-in area). When a Member qualifies for additional benefits, a pop-up on the website will notify the Member and provide further information.

7.2 Terms negotiated with Loyalty Merchants are subject to change and Lyoness may, with thirty (30) days' notice, change the benefits associated with a Loyalty Merchant provided that, and to the extent that, the terms agreed upon with that Loyalty Merchant are changed. Current applicable conditions are published at [www.lyoness.ca](http://www.lyoness.ca) (log-in area). In respect of any transaction, the applicable conditions shall be those that were in force on the date that is, in respect of transactions using Gift Cards and/or Vouchers, the date that Lyoness received payment in full, and in respect of transactions using the Cashback Card or online shopping, the date that the Loyalty Merchant received payment in full.

7.3 The Cash Account is a notional account maintained by Lyoness for each Member where the Member's cash benefits are recorded. Each Tuesday, if the amount in the Member's Cash Account is \$10 or more, the amount will be transferred to the Member's personal bank account. The Member will be informed of the amount transferred by SMS (text message). Benefits stemming from Booked Purchases settled as late as 11 :00 p.m. on Sunday, will be credited to the Cash Account for the purposes of transfer on the following Tuesday. Gift Cards and Vouchers purchases are settled as soon as Lyoness is in receipt of the purchase price. Cashback and online shopping purchases may not be settled by the Loyalty Merchant until the Loyalty Merchant's applicable return policy has expired. However, Lyoness ensures that Loyalty Merchants settle accounts within three (3) months of the date of purchase.

7.4 The Member shall have no right to receive benefits from Lyoness in respect of a transaction until and unless the rebate due to Lyoness from the Loyalty Merchant for the transaction has been irrevocably received by Lyoness. Benefits are based on the final purchase price paid by the Member and any sale, return, or other circumstances that reduce the price paid will also affect the corresponding benefit.

## 8 Online Office and Services

8.1 Lyoness makes a free online office available to each Member on the Lyoness website at [www.lyoness.ca](http://www.lyoness.ca) (log-in area), where Members can view Booked Purchases made, Members referred, and information about Lyoness Loyalty Program benefits. Lyoness shall not be liable for any non-availability of the website and/or the online office.

8.2 Access to the online office is controlled by a username, password, and PIN. The Member must keep this information secure and confidential and not disclose it under any circumstances to third parties. The Member may change her or his access information at any time by logging into the website.

8.3 The Member shall notify Lyoness immediately of any unauthorized use of the Member's password or PIN, or if the Member knows or suspects that the Member's password or PIN has become known to any other person or has been otherwise compromised. The Member's login will be immediately blocked and the Member will be sent new access information by SMS (text message) or email. The Member is solely responsible and liable for any use and misuse of her or his password or PIN and for all activities that occur under such password and PIN, and the Member must ensure that all uses of such password and PIN are in compliance with this Agreement. All passwords and PINs remain the property of Lyoness and may be cancelled or suspended at any time by Lyoness without notice and without liability to Lyoness. Lyoness is not under any obligation to verify the identity or authority of the user of any password or PIN. THE SECURITY AND PRIVACY PROVIDED BY PASSWORDS IS NOT COMPLETE, AND CAN BE CIRCUMVENTED. YOUR USE OF PASSWORDS IS AT YOUR OWN RISK.

## 9 Data Protection

9.1 To the extent necessary to operate the Lyoness Loyalty Program, Lyoness collects, stores, and processes Member's personal information. In connection with the settlement of the Friendship Bonus and additional benefits, Lyoness discloses information about the Member's Booked Purchases to the Member's referrer and other Members. The Member's personal information will be listed on the Cashback Card provided to the Member, and will be disclosed to a Loyalty Merchant when the Member makes a Booked Purchase at such Loyalty Merchant. Lyoness will also use the Member's data to provide personalized information to the Member about Lyoness Loyalty Merchant offers and products, and Lyoness may share statistical purchase information, collected in an anonymous format, with Loyalty Merchants for the purposes of developing the Lyoness Loyalty Program. Persons to whom information is disclosed may be located abroad. In respect of any disclosure of personal information, Lyoness will comply with data protection and privacy law in the relevant countries.

9.2 Members may request to view, change, or delete any personal information retained by Lyoness. Any such requests should be sent to [servicecenter@lyoness.ca](mailto:servicecenter@lyoness.ca). To the extent permitted by law, Lyoness reserves the right to refuse to process requests that are impractical, inappropriately repetitive, an abuse of law, or jeopardize the privacy of other Members.

9.3 Further information on data protection and personal information can be found in Lyoness' Data Protection Policy at [www.lyoness.ca](http://www.lyoness.ca).

## 10 Consent to Use and Disclosure of Personal Information

10.1 The Member consents, but may revoke her or his consent at any time, to the use and disclosure of the Member's personal information as described above under Section 9. In particular, the Member consents to the disclosure of the volume of the Member's Booked Purchases to third parties such as the Member's referrer who may be located abroad, and to the use of personal data concerning shopping preferences by Lyoness to generate personalized information and to contact the Member to promote the Lyoness Loyalty Program and Loyalty Merchant offers.

10.2 The Member may revoke her or his consent by emailing that request to: [servicecenter@lyoness.ca](mailto:servicecenter@lyoness.ca).

## 11 Limitation of Liability and Indemnity

11.1 ALL INFORMATION, PRODUCTS AND/OR SERVICES PROVIDED TO THE MEMBER BY LYONESS HEREUNDER ARE PROVIDED „AS IS“ AND WITHOUT EXPRESS OR IMPLIED WARRANTIES WHATSOEVER, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, ALL OF WHICH ARE EXPRESSLY DISCLAIMED.

11.2 IN NO EVENT SHALL LYONESS BE LIABLE UNDER ANY CLAIM, DEMAND OR ACTION (WHETHER ARISING IN CONTRACT, TORT, OR OTHERWISE) ARISING OUT OF OR IN RELATION TO LYONESS' PERFORMANCE OR LACK THEREOF UNDER THIS AGREEMENT FOR ANY SPECIAL, INDIRECT, INCIDENTAL, EXEMPLARY, OR CONSEQUENTIAL DAMAGES (INCLUDING BUT NOT LIMITED TO, LOSS OF ANTICIPATED PROFITS, LOSS OF USE, OR LOSS FROM BUSINESS DISRUPTION), REGARDLESS OF WHETHER OR NOT LYONESS, ITS EMPLOYEES, OR AGENTS HAVE BEEN ADVISED OF THE POSSIBILITY OR LIKELIHOOD OF SUCH DAMAGES. LYONESS' TOTAL LIABILITY FOR DAMAGES ARISING OUT OF OR IN CONNECTION WITH THIS LICENSE (WHETHER IN CONTRACT, TORT OR OTHERWISE) SHALL IN NO EVENT EXCEED THE AMOUNT OF ALL PAYMENTS ACTUALLY RECEIVED BY LYONESS OR OTHERWISE PAYABLE TO LYONESS FROM THE MEMBER DURING THE TERM OF THIS MEMBERSHIP AGREEMENT.

11.3 LYONESS ASSUMES NO LIABILITY TO THE MEMBER WHATSOEVER, INCLUDING WITHOUT LIMITATION, LIABILITY BY REASON OF THE TERMINATION OR AMENDMENT OF THE LYONESS LOYALTY PROGRAM OR THE ADDITION OR REMOVAL OF LOYALTY MERCHANTS. Furthermore and without limiting the foregoing, the liability of Lyoness is limited or excluded as follows:

11.3.1 Advice and information provided by Lyoness or any of its representatives, employees, or agents, or by any Member, whether oral or written, will not create any representation, warranty, or condition, or vary or amend this Membership Agreement, and the Member may not rely on any such advice or information, unless such information is in writing and is expressly an amendment of this Membership Agreement.

11.3.2 Lyoness shall not be liable for the continuous availability of the online office, website, SMS service, the Internet and mobile phone networks, Cashback Card

terminals and other Lyonesse terminals, and for the proper operation of mobile and other terminals. The operation of the above may not be uninterrupted, or secured, and security and privacy risks cannot be eliminated.

11.3.3 Lyonesse shall not be liable for any failure to acquire a product or service from third parties, including from Loyalty Merchants, or any limited availability of the same. All transactions with Loyalty Merchants and other third parties are at the Member's own risk. Lyonesse is not a party to such transactions and disclaims any and all liability in respect of such transactions.

11.4 For the purposes of this Section 11, the „Indemnified Parties“ shall be Lyonesse, its Affiliates, all of their respective agents, directors, officers, employees, service providers, suppliers, licensors and licensees, and all other related, associated, or connected persons and all other persons for whom Lyonesse or any of its Affiliates is liable. The Member hereby releases, indemnifies, and holds harmless the Indemnified Parties from and against any and all liabilities, expenses, and costs, including without limitation reasonable legal fees and expenses, incurred by the Indemnified Parties in connection with any claim or demand arising from, connected with, or relating to the Member's use of the Lyonesse Loyalty Program, the Member's breach of consumer protection law or any licensing requirements (including in connection with soliciting new Members), or the Member's breach of this Membership Agreement. The Member will assist and cooperate as reasonably required by the Indemnified Parties in the defense of any such claim or demand.

11.5 Insofar as the liability of Lyonesse is excluded, limited, or indemnified, the personal liability of employees, legal representatives, and agents of Lyonesse is likewise and to the same extent excluded, limited, or indemnified. The exclusion of certain warranties and limitation of certain liabilities is prohibited by legislation in certain jurisdictions. Such legislation may be applicable to the Member. The provisions of this Section 11 shall survive indefinitely after the termination of this Membership Agreement.

## 12 Costs

12.1 Registration and participation by the Member in the Lyonesse Loyalty Program is free of charge. Specific services (such as certain administrative services) may require the payment of a nominal fee.

12.2 A personalized Cashback Card is sent to the Member when the Member has made total Booked Purchases of \$300. The Cashback Card is valid for 24 months. Lost, damaged, or expired cards may be replaced for a small fee. The Member may also obtain and use the Mobile Cashback Card on a mobile device at any time, without charge.

## 13 Termination by Member

13.1 The Member may terminate the contractual relationship and her or his membership at any time by notice in writing. The Member may also simply cease to use the Lyonesse Loyalty Program at any time.

13.2 Upon termination, the Member may claim and Lyonesse will pay out any benefits that have accrued, such as Cashback amounts in respect of a Booked Purchase that was made prior to termination. Amounts in the Member's Cash Account will be paid out to the Member.

13.3 Down payments on Gift Cards are forfeited on termination. Prior to termination the Member may make a „top up“ payment to recover the down payment in the form of a Gift Card, pursuant to Section 5.4.1. Any rewards and benefits that have not accrued have no monetary value and are forfeited on termination.

13.4 A former Member may reapply for a new Membership no sooner than six (6) months after termination.

13.5 Subject to all applicable federal, provincial and/or state laws, you may have additional rights of rescission or termination under those laws. For further information, see Disclosure Statement located on the Lyonesse homepage at [www.lyonesse.ca](http://www.lyonesse.ca).

## 14 Termination by Lyonesse

14.1 Lyonesse may cancel the Member's ID Number and thus terminate the contractual relationship if the Member does not make a Booked Purchase or someone referred by the Member does not make a booked purchase within thirty (30) days after receipt of her or his ID Number (the „Trial Membership“ period). If Lyonesse exercises this right the termination notice will be given within two (2) weeks of the expiration of the thirty (30) day period.

14.2 Lyonesse may terminate this Agreement for convenience at any time and in its sole discretion. In the event that Lyonesse terminates for convenience, Lyonesse shall refund to the Member all outstanding down payments. All accrued benefits will also be paid out to the Member.

14.3 In the event of a termination by Lyonesse for cause, benefits will be settled in accordance with Sections 13.2 and 13.3, above. Lyonesse may terminate for cause if the Member commits (a) a material breach, which is a curable breach, which is not cured within (i) thirty (30) days of the date on which notice of the breach is provided to the Member, or (ii) if such material breach is, by its nature, a curable breach that is not curable within a thirty (30) day period, within such longer period as would be reasonably necessary for a diligent party to cure such material breach; or (b) a material breach which is, by its nature, incurable.

14.4 A material breach shall include, but is not limited to: any action or failure to act that may be detrimental to the commercial interests or reputation of Lyonesse or of a Loyalty Merchant; (b) any breach by the Member of the Member's obligations under this Membership Agreement or, if applicable, the Supplementary Agreement; (c) a violation by the Member of any federal, provincial, or municipal law or regulation applicable to the Lyonesse Loyalty Program and related activities including, without limitation, licensing or other requirements in connection with soliciting new Members; (d) any incorrect or misleading statement made by the Member about Lyonesse or the Lyonesse Loyalty Program, including representations made in connection with soliciting new Members; and (e) any unauthorized use of any trademark, trade name, logo, or other intellectual property of Lyonesse or a Loyalty Merchant.

## 15 Miscellaneous

15.1 All notices or other communications to either party hereunder, and any changes to the terms of the contract between Lyonesse and the Member, shall be in written form, including fax or email. In addition, Lyonesse is also permitted to send contractual and other information to a Member by SMS (text message). The Member shall be deemed to have received any email sent to the email address provided by the Member, and in respect of items sent by mail, Lyonesse shall be deemed to have completed delivery when the item has been deposited with the postal service.

15.2 The Member gives her or his consent, (which may be revoked at any time by giving proper notice), for Lyonesse to make written, personal and telephone contact with the Member for advertising purposes and to send advertising information by methods including SMS (text message) or email.

15.3 Lyonesse may, at any time, propose changes to any term of this Membership Agreement. The Member shall be informed in writing of such proposals at least thirty (30) days in advance of any changes taking effect, and such proposals may be sent to the Member by email to the email address of the Member. As it is not possible for Lyonesse to maintain the Lyonesse Loyalty Program on the basis of contracts with varying terms, the Member must elect to either accept the changes or terminate the Membership Agreement. Proposed changes are deemed to have been accepted by a Member unless rejected in writing by such Member within a period of thirty (30) day following notice of such changes, or if the Member continues to use the Lyonesse Loyalty Program after notification of such changes. Any such rejection of the proposed changes by a Member will be deemed to constitute a declaration of immediate termination of the contract.

15.4 The provisions of this Agreement will enure to the benefit of and be binding on each party and each of their respective successors, assigns, executors, administrators, and personal representatives. Following written approval from Lyonesse, in Lyonesse's sole and absolute discretion, a Member will be entitled to assign or transfer her or his rights and obligations resulting from the contract provisions to third parties.

15.5 This Agreement and all related matters are governed exclusively by the laws of the Province of Ontario, Canada and applicable federal laws of Canada, excluding any rules of private international law or the conflict of laws which would lead to the application of any other law. Any dispute between Lyonesse and the Member or any other person from, connected with, or relating to this contractual relationship or any related matters must be resolved before the Courts of Ontario sitting in the City of Toronto, Ontario, Canada, and each Member hereby irrevocably submits and attorns to the original and exclusive jurisdiction of such Courts.

15.6 The parties to the present Agreement have required that it and its ancillary documents be drawn up in the English language. Les parties ont exigé que la présente entente ainsi que ses autres documents connexes soient rédigés en anglais.

## 16 Sale, Transfer or Assignment of Lyonesse Membership

16.1 Although a Lyonesse Membership is privately owned, the sale, transfer, or assignment of a Lyonesse Membership, is subject to certain limitations. If a Member wishes



to sell her or his Lyoness Membership, the following criteria must be met:

- The selling Member must offer Lyoness the right of first refusal to purchase the Member ID on the same terms as agreed upon with a third-party buyer. Lyoness shall have fifteen (15) days from the date of receipt of the written offer from the seller to exercise its right of first refusal;
- The buyer or transferee must first qualify to become a Lyoness Member. Qualification is subject to Section 13.4;
- Before the sale, transfer, or assignment can be finalized and approved by Lyoness, any debt obligations the selling party has with Lyoness must be satisfied; and
- The selling party must be in good standing and not in violation of any of the terms of the Agreement in order to be eligible to sell, transfer, or assign a Lyoness Membership.

16.2 Prior to your Lyoness Membership, the selling Member must notify the Lyoness Sales Department in writing at: sales@lyoness.ca and advise of her or his intent to sell her or his Lyoness Membership. The selling Member must also receive written approval from the Sales Department before proceeding with the sale. No changes in lifeline can result from the sale or transfer of a Lyoness Membership.

#### 17 Mediation

17.1 Prior to instituting arbitration, the parties shall meet in good faith and attempt to resolve any dispute arising from or relating to the Agreement through nonbinding mediation. One individual who is mutually acceptable to the parties shall be appointed as mediator; If the parties cannot agree on a mediator within ten (10) days after such meeting, the mediation shall be deemed to have been unsuccessful and the parties shall be governed by the provisions of Section 18 hereof. The mediation shall occur within sixty (60) days from the date on which the mediator is appointed. The mediator's fees and costs, as well as the costs of holding and conducting the mediation, shall be divided equally between the parties. Each party shall pay its portion of the anticipated shared fees and costs at least ten (10) days in advance of the mediation. Each party shall pay its own attorney's fees, costs, and individual expenses associated with conducting and attending the mediation. All disputes arising out of or in connection with this agreement, or in respect of any legal relationship associated with or derived from this agreement, shall be mediated pursuant to the National Mediation Rules of the ADR Institute of Canada, Inc. The place of mediation shall be Toronto, Ontario, Canada. The language of the mediation shall be English and shall last no more than two (2) business days.

#### 18 Arbitration

18.1 If mediation as provided in Section 17 above is unsuccessful, and subject to Section 18.4 below, any controversy or claim arising out of or relating to the Agreement, or the breach thereof, shall be settled by arbitration. The Parties waive all rights to trial by jury or to any court. The arbitration shall be filed with, administered by and shall be finally resolved by arbitration by a single arbitrator pursuant to the National Arbitration Rules of the ADR Institute of Canada, Inc. (the Simplified Arbitration Rules of the ADR Institute of Canada, Inc.). The place of arbitration shall be Toronto, Ontario, Canada. The language of the arbitration shall be English.

18.2 Costs and expenses of arbitration, including legal and filing fees shall be paid as awarded by the arbitrator in the cause. The arbitration shall occur within one hundred eighty (180) days from the date on which the arbitration is filed. The decision of the arbitrator shall be final and binding on the parties and may, if necessary, be enforced by a judgment in any court of competent jurisdiction. This agreement to arbitrate shall survive the cancellation or termination of the agreement. Section 18.3 except as may be necessary to permit enforcement as provided pursuant to Section 18.2. above, the parties and the arbitrator shall maintain the confidentiality of the entire arbitration process and shall not disclose to any person not directly involved in the arbitration process:

- The substance of, or basis for, the controversy, dispute, or claim;
- The content of any testimony or other evidence presented at an arbitration hearing or obtained through discovery in arbitration;
- The terms or amount of any arbitration award; and
- The rulings of the arbitrator on the procedural and/or substantive issues involved in the case.

18.3 Notwithstanding the foregoing, nothing contained within this „Membership Agreement“ shall prevent Lyoness from applying to and obtaining from any court having jurisdiction, a writ of attachment, a temporary injunction, preliminary injunction, permanent injunction, or other relief available to safeguard and protect its intellectual property rights, and/or to enforce its rights under the non-solicitation provision of the Agreement.

18.4 If any provision of this Membership Agreement is found to be unlawful, void, or for any reason unenforceable, then that provision shall be deemed to be severed from the rest of this Agreement and shall not affect the validity and enforceability of any remaining provisions. If any provision of the Agreement, in its current form or as it may be amended, is found to be invalid or unenforceable for any reason, only the invalid portion of the provision shall be severed and the remaining terms and provisions shall remain in full force and effect. The severed provision, or portion thereof, shall be reformed to reflect the purpose of the provision as closely as possible.

18.5 No waiver, expressed or implied, by either party of any breach or default under this Membership Agreement will constitute a continuing waiver of such breach or default, or be deemed to be a waiver of any proceeding or subsequent breach or default. Any rights not expressly granted by this Membership Agreement are reserved to Lyoness.

18.6 In this Membership Agreement, unless the context otherwise requires, words importing the singular include the plural and vice versa, and words imparting gender, include all genders. In addition, unless the context otherwise requires, reference to „person“ means a natural person, firm, trust, partnership, company, or corporation, joint venture, sole proprietorship, or other entity of any kind.