

**SMALL/MEDIUM ENTERPRISES (SME)
LOYALTY MERCHANT APPLICATION AGREEMENT**



LYONESS Canada, Inc.
5000 Yonge Street
Suite 1706
Toronto, ON M2N 7E9

Loyalty Merchant Contract #: (Headquarters)	Loyalty Merchant ID # (if already registered)

- I am a Premium Member with ID#: _____
- I am a Non-Premium Member with ID#: _____
- New Application for Membership using Friendship Flyer (I am sending a copy of the Application attached).

CORPORATE INFORMATION

Company Name* (max. 30 characters)		Business Owner* (First, Last name)	
Branch Name* (max. 25 characters)		Date Founded*	Business#*
Address (No P.O. Boxes)*		Town*	Province*
			Postal Code*
Phone*	Fax*	Owner's Cell Phone*	
Website*		Owner's Email*	
Administrative / Technical Contact*		Cell Phone*	Administrative / Technical Contact's Email*
Alternative Shipping Address (No P.O. Boxes)			

Please do NOT list my address on the Lyoness website.

COMPANY STRUCTURE*

Headquarters only location with branches, number: _____

INVOICING*

Settlement: Weekly invoicing if accumulated rebates are \$70 or more and monthly if less than \$70. All payment are due immediately upon receipt of invoice.

TERMS*

Rebate Percentage (Margin Agreement): _____ % from gross sales, defined as net sales for product/service plus sales tax.

Additional Terms (ex: excluding shipping/handling):

V-TERM* (Check One)

Requirements for the installation of software: • Existing PC/MAC in checkout area with internet connection and Browser: Internet Explorer version 7 or higher, Firefox version 3 or higher, Safari version 4 or higher. • Access can be tested using https://vterm.lyoness.ag	<input type="checkbox"/> Premium Member Pricing	\$570 + tax	\$299 + tax
	<input type="checkbox"/> Non-Premium Member Pricing	\$1,999 + tax	\$999 + tax

MOBILE VOUCHER FLEX* (Check One) - % from Gross Sales

I Accept No Charge

I Decline

ORDER*

Quantity	Description	Details	Price	Total
	V-Term with P.O.S. Merchant Package	One per location		
	V-Term with P.O.S. Merchant Package	Additional Location pricing (2-5 Locations)		
	V-Term with P.O.S. Merchant Package	Additional Location pricing (6-10 Locations)		
			Sub Total	
			PST/QST ___ %	
			GST/HST ___ %	
			Total	

Original Invoice will be issued and contract will be processed upon proof or receipt of payment

DATA SHEET*

SALES AREA*

Regional

National

International: Countries ____, ____, ____, ____

Sector (Choose a max. of two sectors):

<input type="checkbox"/> 1. Audio & Hi-Fi	<input type="checkbox"/> 11. Photo & Camcorder	<input type="checkbox"/> 21. Furniture & Accessories	<input type="checkbox"/> 31. TV, Video & Electronic
<input type="checkbox"/> 2. Automotive & Motorcycle	<input type="checkbox"/> 12. Restaurants & Bars	<input type="checkbox"/> 22. Fashion & Accessories	<input type="checkbox"/> 32. Watches & Jewelry
<input type="checkbox"/> 3. Baby & Child	<input type="checkbox"/> 13. Gifts & Flowers	<input type="checkbox"/> 23. Music, Movies & Games	<input type="checkbox"/> 33. Other
<input type="checkbox"/> 4. Building & Renovation	<input type="checkbox"/> 14. Health & Beauty (Rx)	<input type="checkbox"/> 24. Travel & Vacation	<input type="checkbox"/> 34. Banking & Insurance
<input type="checkbox"/> 5. Glasses & Contact Lenses	<input type="checkbox"/> 15. Mobile & Wireless	<input type="checkbox"/> 25. Shoes & Bags	<input type="checkbox"/> 35. Taxi & Transport
<input type="checkbox"/> 6. Books & Magazines	<input type="checkbox"/> 16. Home Appliances & Decor	<input type="checkbox"/> 26. Toys & Games	<input type="checkbox"/> 36. Dietary Supplements
<input type="checkbox"/> 7. Office & School Supplies	<input type="checkbox"/> 17. Hobby & Recreation	<input type="checkbox"/> 27. Sport & Wellness	<input type="checkbox"/> 37. Hair & Skincare
<input type="checkbox"/> 8. Business & Industry	<input type="checkbox"/> 18. Hotel & Accommodation	<input type="checkbox"/> 28. Energy-Fuel, Gas, Electricity	
<input type="checkbox"/> 9. Computer & Software	<input type="checkbox"/> 19. Art, Antiques & Collectibles	<input type="checkbox"/> 29. Ticket Service	
<input type="checkbox"/> 10. Beauty & Fragrance	<input type="checkbox"/> 20. Groceries	<input type="checkbox"/> 30. Pet Supplies	Main Sector #: _____

Field of Business or tagline* (max. 30 characters):

.....

Advertising Text* – Short description (max. 150 characters, Loyalty Merchant editable):

.....

Advertising Text* – Detailed description (max. 1000 characters, Loyalty Merchant editable):

.....

Search Criteria that is not mentioned in the short or detailed description* (max. 250 characters, Loyalty Merchant editable):

.....

***To be properly located and labeled in the Lyoness site, the above Field of Business, Advertising Texts, Search Criteria must be filled out.**

I hereby confirm that I have read and agree to the LYONESS SME Loyalty Merchant Application Agreement and Additional Terms and Conditions attached hereto and incorporated herein by reference.

This Agreement is made under and governed by the substantive laws of the Province of Ontario, Canada, without regard to its conflict of laws' rules or choice of laws' provisions that would require the application of the laws of any other jurisdiction. All actions or proceedings arising out of, or related to, this Agreement shall be brought only in an appropriate court in Ontario, Canada, having jurisdiction over the subject matter. The parties hereby waive the benefits of any diversity or citizenship and consent to the jurisdiction and venue of such courts over themselves and the subject matter of such actions or proceedings.

Lyoness Canada Inc. (Headquarters)	Lyoness SME Coach	Loyalty Merchant
Print Name:	Print Name:	Owner's Name Printed
Title:	Member ID#:	Title:
Signature:	Signature:	Signature:
Date:	Date:	Date:

*Required information

Send via email to sme-service@lyoness.ca:

- Completed SME Application form in PDF format
- Photos of the Business
- Logo

Send by regular mail:

- 3 copies of the signed SME application form
- VOID cheque for invoicing purposes
- Pre authorized debit agreement

**AUTOMATIC BANK WITHDRAWAL / DEPOSIT AUTHORIZATION
PLEASE ENCLOSE AN UNSIGNED SAMPLE OF YOUR CHEQUE MARK "VOID"**



PLEASE COMPLETE THE PRE-AUTHORIZED DEBIT (PAD) PLAN AGREEMENT BELOW

In this Authorization, "we", "us" and "our" refer to the Payor indicated on the reverse hereof.

We agree to participate in the Business Pre-Authorized Debit Plan and we authorize LYONESS CANADA INC. (the "Payee" indicated on this Authorization and any successor or assign of the Payee to draw a debit in paper, electronic or other form for the purpose of making payment and /or remittances pursuant to our commercial activities (a "business PAD") on our account indicated on this Authorization (the "Account") at the financial institution indicated on this Authorization (the "Financial Institution") and we authorize the Financial Institution to honour and pay such debits. The Authorization is provided for the benefit of the Payee and our Financial Institution and is provided in consideration of our financial Institution agreeing to process debits against our Account in accordance with the Rules of the Canadian Payments Association. We agree that any direction we may provide to draw a Business PAD, and any Business PAD drawn in accordance with this Authorization shall be binding on us as if signed by us, and, in the case of paper debits, as if they were cheques signed by us.

We may revoke this Authorization at any time by delivering 30 days written notice of revocation to the Payee. This Authorization applies only to the method of payment and we agree that revocation of this Authorization does not terminate or otherwise have any bearing on any contract that exists between us and the Payee.

We agree that our Financial Institution is not required to verify that any Business PAD has been drawn in accordance with this Authorization, including the amount, frequency and fulfillment of any purpose of any Business PAD.

We agree that delivery of this Authorization to the Payee constitutes delivery by us to our Financial Institution. We agree that the Payee may deliver this Authorization to the Payee's financial institution and agree to the disclosure of any information which may be contained in this Authorization to such financial institution.

WE AGREE TO WAIVE ANY PRE-NOTIFICATION REQUIREMENTS REQUIRED BY THE RULES OF THE CANADIAN PAYMENTS ASSOCIATION PERTAINING TO ANY AMOUNT TO BE DEBITED OR DEPOSITED AS PER THIS AUTHORIZATION.

Authorized Signature of Payor: _____

We have certain recourse rights if any debit does not comply with this agreement. For example, we have the right to receive reimbursement for any debit that is not authorized or is inconsistent to this agreement. We may dispute a Business PAD by providing a signed declaration to our Financial Institution under the following conditions:

- a) the Business PAD was not drawn in accordance with this Authorization; or
- b) this Authorization was revoked

We acknowledge that, in order to obtain reimbursement from our Financial Institution for the amount of a disputed Business PAD, we must sign a declaration to the effect that either (a) or (b) above took place and present it to our Financial Institution up to and including but not later than then (10) business days after the date on which the disputed Business PAD was posted to the Account. We acknowledge that, after this ten (10) business day period, we shall resolve any dispute regarding a Business PAD solely with the Payee, and that our Financial Institution shall have no liability to us respecting any such Business PAD. To obtain more information regarding our recourse rights we may contact our Financial Institution or visit www.cdnpay.ca.

We certify that all information provided with respect to the Account is accurate and we agree to inform the payee, in writing, of any change in the Account information provided in this Authorization with twenty-four (24) hours prior to the next date of a Business PAD. In the event of any such change, this Authorization shall continue in respect of any new account to be used for Business PAD.

We agree that the Payee may deliver this Authorization to the Payee's Financial Institution and agree to the disclosure of any personal information which may be contained in the Authorization to such Financial Institution,

We warrant and guarantee that all persons whose signatures are required to sign on the Account have signed this Authorization.

We understand we may contact LYONESS CANADA INC. via:

- i) Mail: 5000 Yonge St., suite1706, Toronto, ON, M2N 7E9
- ii) Telephone: 001.416.479.8373
- iii) Fax: 001.416.479.8372
- iv) Email: payments@lyoness.ca

We understand and agree to the foregoing terms and conditions.

PAYOR INFORMATION

Name: _____

Company Name: _____

Address: _____ City/Town: _____

Province: _____ Postal Code: _____

PAYOR BANKING INFORMATION

Branch Number: _____ Institution # _____ Account Number: _____

Name of Bank: _____ Branch Address: _____

City/Town: _____ Province: _____ Postal Code _____

I acknowledge that I have entered into an Agreement (the "Agreement") with LYONESS CANADA INC. (the "Payee"). I hereby authorize the Payee to debit/credit my account for all variable recurring remittances/payments as determined by the Payee, arising pursuant to the Agreement on a daily basis or at such other intervals as set from time to time by the Payee.

I acknowledge that all ABW transactions by LYONESS CANADA INC. are and will be Business Pre Authorized debits and are for business purposes only and related to my retail/commercial activities with LYONESS CANADA INC. and are not for any personal or household purposes.

I hereby agree to all the ABW terms and conditions of this Authorization and I have signed the waiver for pre-notification requirements.

Authorized Signature: _____ Date: _____

PLEASE ENCLOSE AN UNSIGNED SAMPLE OF YOUR CHEQUE MARKED "VOID"

Additional Terms and Conditions of the Merchant Agreement

Lyoness Canada, Inc., 5000 Yonge Street, Suite 1706, Toronto, ON M2N 7E9, operates a shopping community that allows participants (hereinafter referred to as "Members") to receive Lyoness benefits (hereinafter referred to as the "Lyoness Loyalty Program") for purchasing goods or services from Lyoness Loyalty Merchants (hereinafter referred to as "Loyalty Merchants"). The contractual relationship with the Members is with Lyoness Canada, Inc., (hereinafter referred to as "Lyoness").

General Conditions

Goods and Services may be purchased by Members directly from Loyalty Merchants online through the Lyoness portal or by patroning the Loyalty Merchant's facility. Information regarding those purchases will be supported through an internet service between the Member and the Loyalty Merchant (e.g. internet merchant, retail merchant, or mobile service provider) associated with Lyoness. Transactions will take place via Lyoness Cashback card as well as mobile gift cards. Any Member may use the Lyoness Loyalty Program operated by Lyoness.

These Terms and Conditions form an integral part of this Merchant Agreement and any definition which appears on the Lyoness Website as well as any other explanations provided in the "Lyoness Loyalty Program" are part of these Terms and Conditions and are incorporated herein by reference. Furthermore, Lyoness shall be authorized to designate agents to act on its behalf. Loyalty Merchant understands that Lyoness cannot begin performance until such time that Loyalty Merchant provides Lyoness with all required information as stated on the Merchant Application including written descriptions, logos, trademarks, taglines, etc.

Obligations of the Lyoness Loyalty Merchant

The Loyalty Merchant is expressly obligated to charge Members the same prices and rates that it charges its other customers and, in particular, to ensure that the Loyalty Merchant grants Members any special discounts that are being offered (e.g., in connection with seasonal or clearance sales) to the general public. The Lyoness rebate is a special agreement between Lyoness and the Loyalty Merchant.

For the duration of this Merchant Agreement, the Loyalty Merchant is granted a limited license to use the name "Lyoness" and Lyoness trademarks only as permitted. Any further use of or any promotional activities using the name "Lyoness" and/or Lyoness trademarks require the express prior written consent of Lyoness.

The Loyalty Merchant agrees to display Lyoness POS (Point of Sale) advertising material provided to Loyalty Merchant by Lyoness in a clearly visible location at both the entrance area and checkout area. Furthermore, Loyalty Merchant agrees to inform customers that it is a Lyoness Loyalty Merchant by also displaying such material provided by Lyoness on its business premises.

Lyoness Cashback Card

The Lyoness Cashback card serves to facilitate the collection and transmission of a Member's basic information by electronic means using a card reading system. Basic information consists of the Member's full name, address, phone number, email and ID#. It cannot be used to make payments (e.g., like a bank card).

The Member submits their Lyoness Cashback card to the Loyalty Merchant when paying. The Loyalty Merchant uploads the basic data of the transaction, (customer information, date, purchase amount and merchant information) via a terminal (or PC, PDA) that transmits the data to the Lyoness server. Lyoness will

subsequently transmit an invoice for the benefit and applicable sales taxes including a detailed report to the Loyalty Merchant to their online office according to the Terms and Conditions of this Agreement. Lyoness shall be responsible for paying the Member all benefits.

Lyoness does not assume any liability for transmission errors that are not within its scope of responsibility or that were caused by a third party. Purchase information must be transmitted collectively at one time and any deadlines/timelines for transmission of information, rebate payments and the like, must be strictly adhered to. Manual transmission of purchase information by electronic means must be done in a manner that ensures the reusability of the data.

The conversion rates applicable at the time of accounting shall be used for settling international Member's purchases.

Mobile Voucher

When making a purchase a live link will be created between the Loyalty Merchant's Point of Sale payment system (V-Term) and the Lyoness Accounting Program. The Member orders a voucher on his Smartphone for the invoice amount (minimum \$1.50) via the Lyoness Accounting Program. Lyoness will then generate a voucher with a unique number. The resulting data will be booked as a voucher. The Loyalty Merchant will receive the credit minus the Loyalty Merchant rebate, excluding sales tax, within fourteen (14) days, or on a monthly basis if less than \$70.00.

E-Journal

The e-journal allows a Loyalty Merchant to transmit purchase information to Lyoness. The Loyalty Merchant collects information on purchases made by Members and sends that information to the SFTP server provided by Lyoness. This data must be transmitted at least once a week. The Loyalty Merchant shall pay the full amount of any costs that may arise in transmitting the required data.

Rebate

Loyalty Merchant and Lyoness have agreed on a rebate (as stipulated in the Merchant Application), whose terms are incorporated herein by reference, to be paid for the purchase of goods and services to a Member by the Loyalty Merchant, through the Lyoness Loyalty Program. The agreed upon rebate is paid on relevant gross sales (The net purchase price of goods and services paid by the Member including sales tax but excluding shipping and handling).

The Loyalty Merchant undertakes to treat the amount of the rebate as Confidential Information and shall not disclose such information to employees, other personnel, customers, Members, or any other third parties. A breach of confidentiality shall be deemed a material breach of contract entitling Lyoness to immediately terminate this Merchant Agreement along with other remedies Lyoness may have available at law or equity.

Customer Claims Arising from Default in Performance

The contractual relationship regarding the purchase and delivery of goods by the Loyalty Merchant and services provided by the Loyalty Merchant exists solely between the Loyalty Merchant and the Member. The Loyalty Merchant is therefore solely responsible for fulfilling its contractual obligations to the Member. The Loyalty Merchant shall be solely liable for any claims asserted by the Member for warranty, damages, errors, or any other claims arising from a failure to perform or default in performance.

In the event that a claim is brought against Lyoness with regard to a claim for which the Loyalty Merchant is responsible, the Loyalty Merchant shall fully indemnify

and hold Lyoness harmless for any and all claims.

Liability

Lyoness may only be held liable to the Loyalty Merchant in those cases of gross negligence or intentional actions by Lyoness. Any other and/or additional claims for damages by the Loyalty Merchant are explicitly waived and released.

Should the Loyalty Merchant provide the option of ordering or purchasing goods or services via electronic media using the services of a third party (provider), then the Loyalty Merchant shall be liable for any damages caused by the third party, regardless of the degree of fault and the legal relationship existing between Lyoness, Loyalty Merchant, and the third party. The selection of a third party shall always be entirely attributable to the Loyalty Merchant. The Loyalty Merchant indemnifies and holds Lyoness harmless with regard to any claims which may arise from a third party.

Loyalty Merchant shall have no right to claim damages from Lyoness unless such damages were caused by gross negligence on the part of Lyoness. If a claim of damages exists, Loyalty Merchant shall not be entitled to any damages resulting from a price reduction regarding the connection and service charges to be paid by the Loyalty Merchant.

Term and Termination of this Merchant Agreement

This Merchant Agreement shall continue until terminated in writing. Termination shall occur by either party to the Agreement by sending a notice of termination to the other. A notice of termination shall be valid three (3) months after it is sent at the end of the month. All provisions of this Agreement shall remain valid through the date of termination.

Lyoness shall have the right to terminate this Merchant Agreement at any time without notice in the event of a gross violation of the Merchant Agreement by the Loyalty Merchant, or for any other good cause.

Lyoness shall be entitled to immediately terminate this Merchant Agreement without notice in the event Loyalty Merchant becomes insolvent, initiates bankruptcy proceedings, becomes subject to an Assignment for the Benefit of Creditors, or Lyoness has good cause to believe Loyalty Merchant lacks assets to continue in business.

Upon termination of this Merchant Agreement, Loyalty Merchant shall immediately remove any labels and information referring to the Merchant Agreement and/or to its status as a Loyalty Merchant and/or to Lyoness, and shall furthermore immediately return all documents as well as technical equipment that belongs to Lyoness. Upon termination of the Merchant Agreement, the Loyalty Merchant shall cease to be authorized to record any further purchases.

Password and Merchant Portal

Any personal password issued by Lyoness is confidential information.

If Loyalty Merchant notices any unauthorized use of its access to the Lyoness Merchant Portal the Loyalty Merchant agrees to immediately inform Lyoness so Lyoness can block the Loyalty Merchant's access. In the event of any unauthorized use of the Lyoness Loyalty Program by third parties, Loyalty Merchant will not be liable for damages arising only after it has immediately notified Lyoness and only if Loyalty Merchant can prove that the unauthorized use was not caused by the negligent or willful violation of the Loyalty Merchant, its agent, or employees.

Advertising

Lyoness shall be authorized to advertise Loyalty Merchant in connection with the presentation of the Lyoness Loyalty Program and to conduct other promotional activities. Loyalty Merchant agrees that it shall grant Lyoness a limited license to use Loyalty Merchant data, trademarks, brand name, and other identification marks for promotional purposes in connection with the Lyoness Loyalty Program and shall notify Lyoness in writing of any design changes made in this respect.

Loyalty Merchant expressly agrees to waive any rights against Lyoness for damages caused by incorrect or misleading information posted on the Internet. Lyoness disclaims any liability for the correctness of the Loyalty Merchant's data.

Confidentiality

It is recognized that, during the course of this Agreement, both Lyoness and Loyalty Merchant shall be disclosed or come across information, either orally or in writing, that either Lyoness or Loyalty Merchant consider Confidential Information (as hereinafter defined) referred to as "Confidential Information". All Confidential Information communicated to either Lyoness or Loyalty Merchant (each of whom, as the case may be, referred to herein as the "Recipient"), by either Lyoness or Loyalty Merchant (each of whom, as the case may be, referred to herein as the "Discloser") shall be (i) received in confidence, (ii) treated as confidential, (iii) used only for the purposes of this Agreement, and (iv) protected in the same manner as such party protects its own Confidential Information. Disclosure shall require an employee or agent who receives the Confidential Information to sign a Confidentiality Agreement which shall specifically incorporate by reference the terms of this Paragraph. Subject to disclosure to employees or agents of Recipient necessary to effectuate the purpose of this Agreement, Recipient shall not disclose Discloser's Confidential Information to any third party without the prior written consent of the Discloser, except as may be necessary by reason of legal, accounting or regulatory requirements applicable to such party.

If Recipient receives a subpoena or other valid administrative or legal demand requiring it to disclose Confidential Information, then Recipient shall promptly provide Discloser notice of such demand and, after a reasonable time has expired from providing Discloser notice, if Discloser has not appeared, or objected in such legal proceeding, then Recipient shall be able to disclose the Confidential Information only to the extent required by the Court Order or Administrative Proceeding requires.

The confidentiality, property, and proprietary rights protections set forth in this Agreement are in addition to, and not exclusive of, any and all other rights to which the Discloser is entitled under federal and provincial law, including, but not limited to, rights provided under copyright laws, trade secret and confidential information laws, and laws concerning fiduciary duties. Furthermore, it is acknowledged that the mere distribution or disclosure of the Confidential Information shall cause the Discloser to suffer damages. Therefore, Recipient shall be entitled to seek and obtain a preliminary and permanent injunction in order to prevent the continuation of such disclosure and damages without having to prove actual damages or to post any bond. Discloser may apply for such injunctive relief in any court of competent jurisdiction according to such jurisdictions rules and regulations. Nothing contained in this Agreement will limit the Discloser's right to pursue any other remedies available at law or in equity.

For purposes of this Paragraph and Agreement, "Confidential Information" means any of the trade secrets or information concerning (i) the organization, business or finances of the Discloser, or of any third party, including, but not limited to, clients and vendors, which the Discloser is under an obligation to keep confidential;

(ii) trade secrets or information regarding existing and future products, designs, methods, formulas, technical specifications, drawings, drafts of publications, research, know-how, techniques, systems, databases, processes, developments, works of authorship; (iii) customer information, including, but not limited to, any compilations of past, existing or prospective customers, members, agreements between customers and the Discloser, or related information about actual or prospective customers; (iv) business plans, marketing plans, sales techniques, projects; (v) the Discloser's salary or pay rates, other Discloser personnel information, financial performance data, strategic planning; (vi) all other plans or proposals and any other type of information that a reasonable person would deem to be the confidential information of a company operating a similar business to the Discloser's business; and (vii) any information which the Discloser stamps as being "Confidential." It is specifically acknowledged that the Discloser does not need to stamp a document as being Confidential for it to be considered Confidential Information. "Confidential Information" will not include information that (i) is or becomes a matter of public knowledge without violation of any duty of confidentiality of the Recipient; (ii) is rightfully received by the Recipient from a third party without a duty of confidentiality; or (iii) is received from a third party without restrictions against disclosure.

THE PROVISIONS OF THIS SECTION, CONFIDENTIALITY, SHALL SPECIFICALLY SURVIVE THE TERMINATION OF THIS AGREEMENT.

Amendments or Additions to the Merchant Agreement

Loyalty Merchant undertakes to immediately inform Lyoness in writing of any changes in company data relevant to the Agreement, including but not limited to any changes in ownership, address, bank account information, or company name. Furthermore, Loyalty Merchant agrees to promptly notify Lyoness of any financial difficulties, especially in case of insolvency or overextension. In case Lyoness is not immediately notified of a change of business address, statements that Lyoness sends via postal mail to the last known address shall nevertheless be deemed to have been received by the Loyalty Merchant.

Any amendments to this Merchant Agreement must be made in writing. In this context written notice includes statements transmitted by fax or email. This shall also apply to any waiver of the written form.

Lyoness shall inform Loyalty Merchant in writing or by email of amendments to this Merchant Agreement or to these Terms and Conditions made by Lyoness as well as guidelines issued by Lyoness regarding Lyoness Loyalty Program operation and accounting. Such amendments and guidelines shall be deemed accepted unless the Loyalty Merchant objects in writing within one (1) month after notification or if the Loyalty Merchant continues to use the Lyoness Loyalty Program after receipt of the notification.

All information concerning amendments, guidelines, and newsletters will be sent to the email address provided by the Loyalty Merchant.

Governing Law, Place of Performance and Jurisdiction

Lyoness Canada, Inc. has an address 5000 Yonge Street, Suite 1706, Toronto, ON M2N 7E9. This Merchant Agreement shall be governed by the laws of the Province of Ontario, Canada. Furthermore, should litigation be commenced which arises out of or concerns this Agreement then venue for such a proceeding shall be in the Province of Ontario, Canada.

General Provisions

Loyalty Merchant shall not have the right to assign this Merchant Agreement or the rights and obligations of

the parties to the Agreement arising from this Merchant Agreement to a third party or to otherwise, including by way of universal succession, transfer such agreement or rights and obligations without first receiving the prior written approval from Lyoness. Furthermore, for purposes of this Agreement, a transfer of 50% or more of the share of stock or management of Loyalty Merchant shall be deemed an assignment.

Lyoness is furthermore expressly authorized to perform or accept individual or all contractual services pursuant to or in connection with this Merchant Agreement through one or more companies.

If any provision of this Merchant Agreement is held wholly or partially invalid or unenforceable, this shall not affect the validity or enforceability of the remaining provisions. The invalid or unenforceable provision shall be replaced with a valid and enforceable provision reflecting the intent and economic impact of the invalid or unenforceable provision.

Loyalty Merchants may only sign on new Members by using the Friendship Flyers. Any violation of this rule shall not only be deemed a good cause for immediate termination of the Merchant Agreement, but shall also constitute a claim for injunctive relief and damages.

Independent Contractor

Loyalty Merchant represents and warrants that it is and shall continue to be an independent contractor and that Loyalty Merchant is not serving as an employee of Lyoness under this Agreement. Both Loyalty Merchant and Lyoness intend their rights and duties to be those of independent contractors under the common law and nothing contained within this Agreement shall be deemed to create a partnership, joint venture, employment relationship, or authorize either Loyalty Merchant or Lyoness to act as an agent or representative of the other party for any purpose. Neither party can bind the other to any agreement with anyone else, nor shall Loyalty Merchant represent to anyone that he or she is an employee of Lyoness.

Loyalty Merchant recognizes and acknowledges that it shall be responsible for the payment of all taxes and other governmental fees necessitated by the receipt of payment for the tasks and duties provided by the Loyalty Merchant. Loyalty Merchant further agrees to indemnify, hold harmless and defend Lyoness from any and all claims, liabilities, damages, taxes, fines or penalties sought or recovered by any governmental entity, including but not limited to the Revenue Agency of Canada or any provincial taxing authority, arising out of Loyalty Merchant's alleged failure to pay federal, state, or local taxes during the term of this Agreement. Loyalty Merchant specifically recognizes that it is responsible for any and all workers' compensation or unemployment insurance premiums applicable.

Counterparts

This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same agreement.

Entire Agreement

No statements, representations, warranties, either written or oral, from whatever source arising, except as expressly stated or incorporated herein, shall have any legal validity between the parties or be binding upon any of them. The parties acknowledge that this Agreement contains the entire understanding and agreement of the parties.

By signing the Merchant Application, you agree to these additional Terms and Conditions of this Merchant Agreement.