

RANGE OF PROGRAMS

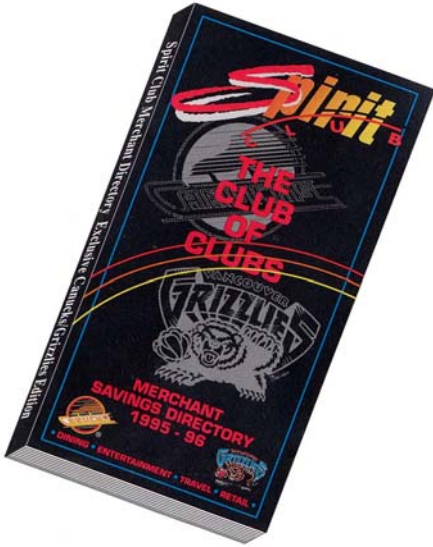


- GLX has invested significant financial and technical resources and spent years developing a powerful loyalty infrastructure that will provide **turnkey** solutions to its clients, while allowing them the flexibility to instantly adapt their program(s) and strategies as market conditions dictate. GLX has also been successful in developing partnerships with the industry's leading technology providers. They have shared a common vision of providing GLX clients the most technologically advanced and flexible loyalty applications available in today's market.
- Merchants may choose to maintain complete control over the user interfaces, loyalty management screens (allowing real-time program changes), and uploading of data and co-location of loyalty servers. Alternatively, merchants may elect to have the entire process managed by GLX.
- The GLX system architecture and technology partnerships provide every aspect of turnkey loyalty solutions for program merchants and cardholders. Most importantly, GLX is confident that, based on the design and flexibility of its proven loyalty and giftcard program models, the execution and implementation for its clients will be a seamless process.

HIGH LEVEL OVERVIEW

- GLX, with partner assistance, has designed and developed three unique, highly adaptable transaction-based loyalty models intended to satisfy the requirements of program merchants and marketing partners regardless of size or scope of loyalty objectives. These programs help businesses earn loyal customers and gather information for making intelligent marketing decisions.
- GLX has positioned itself in a dynamic market and will capitalize on strong demand for turnkey loyalty solutions that require minimal up-front expense. Further, there is no obligation of the merchants or marketing partners to build out expensive and time consuming infrastructure to support constantly changing loyalty objectives.
- GLX' Loyalty Programs are designed to keep our merchant's most profitable customers through relationship building. This process is based on knowledge of each individual customer's behavior. The programs offer recognition and rewards relevant to their customers as a reward for their loyalty and as a trade for their personal and transactional data. By tracking members transactions, merchants can identify various segments of their customer base in order to create clever promotional and communication strategies according to seasonal business trends.

MARKETING PARTNER/COALITION PROGRAMS

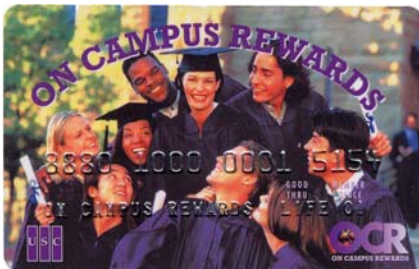


- Marketing Partners wish to increase their number of customers, transactions and frequency from existing customers. Where defection is a potential risk, they want to enhance customer relationships, retention and loyalty by providing a range of value added benefits. Typically there exists a large, highly targeted and segmented customer database, national or regional in scope and already providing their cardholders with an electronically encoded transactional/tracking card. These magnetically encoded cards integrate seamlessly with GLX's POS terminals, transaction switching and loyalty server host application. Examples include financial institution's credit and debit cardholders, telecommunications providers, ISP's, sports franchises, newspaper and magazine publishers.
- GLX designed its loyalty infrastructure to provide cardholder and merchant loyalty programs based on awarding points or giving instant POS discounts to cardholders for making purchases at participating merchants using a designated credit / private label card to make the purchase. For participating merchants, the ability to offer redeemable points (a currency that circulates throughout the coalition of merchant participants) as an incentive/reward in a multi sponsor loyalty program, holds great promise for new repeat business.

REAL-TIME POINTS BASED MODEL



- All participating merchants are required to award and redeem points or give an instant discount. Points are tracked by GLX, via GLX loyalty servers. Points awarded for the current purchase, total points accumulated or redeemed to date, and lifetime points along with a real-time instant message are displayed on every receipt.
- Merchant categories will be established (i.e. restaurant, retail, entertainment, travel, auto rental, golf, etc.) and each category will have a unique level of reward. For example, restaurants may award 20 points for each \$100 spent. Within certain guidelines, merchants may establish the benefit level that best reflects their profit margins.
- The ability to redeem points in lieu of cash in effect creates a new currency. For example, a customer shopping at a participating merchant may elect to use their points to make their purchase. Before making the payment, the customer would indicate that they want to use points to pay for the purchase. A number of points equivalent to their bill (1 point = \$1) would be deducted from the point total. If the customer does not have enough points to cover the bill, they can combine points with cash, credit or debit to make the payment.

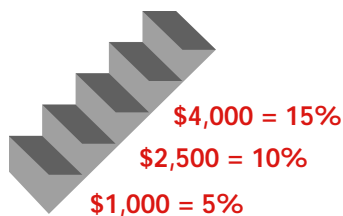


- For merchants participating in a coalition program, the on-line redemption option can significantly reduce the cost of the program for which a merchant pays at the end of each month based on the number of issued points for the month prior.

CLOSED LOOP PROGRAMS

- Based on the design and functionality of GLX's loyalty/giftcard host applications, a "closed loop" model has been developed for a defined regional or national chain or specific groups of merchants, for example, a shopping mall or group of retail or restaurant brands owned by a parent company. These merchants wish to increase customer transactions and retention through special offers, instant discounts, point incentives and instant messaging/coupons provided at their own merchant locations in real-time at the point of sale. Points are only exchanged within their participating outlets, thus greatly reducing the cost base of outstanding points.
- "Closed loop" programs require a private-label or in-house credit card to enable the program, and a marketing partner would not be required. "Closed loop" merchants can integrate into GLX coalition loyalty programs through GLX's ability to block points earned at their locations, while allowing their cardholders to earn and redeem points at other program merchants. (For clarity, these points are displayed in a separate total on every cardholder receipt). GLX can also award instant discounts depending on which model is implemented.

Stair Step: Great for increasing share of wallet! Spend \$100 receive 5%, spend \$500 receive 7.5%, spend \$1000 and receive 10% off every purchase for the rest of the year or receive a tiered (stair step) benefit as shown below:

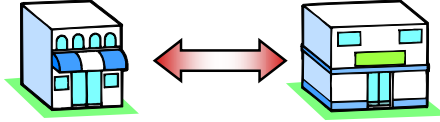


- GLX program managers are available to work with a project team at participating merchants to custom design and develop marketing strategies, implementing all aspects of their "closed loop" programs. These programs would be configured by GLX' technology group to include terminal setup (deployment if required), communications, switching of loyalty transactions and the customization of program specific loyalty screens, database reports and analysis all which will maintain the uniqueness and flexibility of the program models

"Loyalty Marketing is defined by the ability to know your customers in order to market to each segment differently according to their relative profitability. Effective loyalty programs generate incremental spending – more dollars spent, more frequently, from customers whose needs are understood and met."

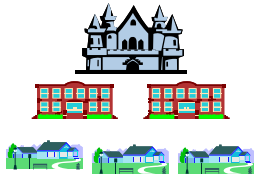
Richard Trieber, Global Loyalty X-Change

CROSS SELL MODEL



Cross-Sell: Create powerful, strategic merchant relationships amongst the program partners e.g. John accumulates points from purchases at one retailer and redeems them at another.

- Cross Sell programs generally consist of a group of closed loop merchants that enable participating cardholders to earn and redeem loyalty points or receive instant rewards at participating merchant locations. The GLX Host Application allows participating merchants the flexibility to participate in multiple programs from a single terminal or integrated POS platform. This program model would include the opportunity for any merchant to participate in cross-sell programs with non-competing merchants sharing similar demographic and psychographic profiles.



Tiered: Especially relevant for franchises. Different incentives established across different levels of an organization, (e.g. **Silver Gold & Platinum levels**)

- Cross Sell merchants can share information that will enable their respective marketing departments to leverage the economies of cooperative, highly targeted communications and promotional campaigns to an entire new audience of potential customers. Their best customers could be awarded with the ability to earn and redeem points and share in clever online cross-promotions while still incrementally increasing their business from participation in GLX's coalition merchant programs.