



POLICIES *and* PROCEDURES

A U S T R A L I A



YOUNG LIVING AUSTRALIA POLICIES AND PROCEDURES

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1: INTRODUCTION

1.1 Welcome

Welcome to Young Living! We are pleased that you have chosen to join the world leader in essential oils. We are dedicated to providing you with the very best products and a world-class home-based business.

Leading financial experts and business gurus agree that the home-based business sector is the wave of the future. The time you invest in becoming familiar with the Young Living business opportunity, including these Policies and Procedures, will make a significant difference in your business experience.

In these Policies and Procedures, Young Living Essential Oils, LC is referred to as Young Living; and you, the individual entering the Agreement (as defined below), is referred to as "you." If you are a member, your personal member account along with the downline that you build is referred to as your sales organisation.

The term "Sponsor" refers to a member's immediate upline member. A member account is referred to as being "active" if the member enrolled as a new member and purchased product within the previous 12 months and is "inactive" if he/she has not.

The term "Enroller" is the Young Living member who enrolls a new member into Young Living. An individual can be enrolled only once in 12 months. If any member does not place a minimum order for 12 consecutive months, that member is considered inactive. See section 12.1 for further details and discretion.

Importantly, Young Living recognises and rewards loyalty to the company and is careful to protect both the valuable intellectual property of the company and the business interests of Young Living members. Accordingly, the company shares valuable strategic information with members who are solely focused on the Young Living business. That information, including strategic planning and confidential product launch schedules, are not shared with members who are not solely focused on the Young Living business, nor are such members invited to participate in invitational functions or events.

1.2 Purpose

The purpose of these Policies and Procedures is to:

- Set standards of acceptable business behaviour expected of you;
- Define your relationship with Young Living, your customers, other members;
- Assist you in building and protecting your Young Living business.

1.3 Policies and Compensation Plan Incorporated into the Member Agreement

Throughout these Policies and Procedures, whenever the term "Agreement" is used, it refers collectively to your Young Living Member Agreement (or simply "Member Agreement"), these Policies and Procedures, and the Young Living Compensation Plan, which includes the Terms and Definitions for the Compensation Plan (or simply, "Compensation Plan"). These documents are incorporated by reference into the Member Agreement in their current form and as amended by Young Living from time to time.

It is your responsibility to read, understand, adhere to and ensure that you are operating under the most current version of these Policies and Procedures, as found online at YoungLiving.com.au

1.4 Ethics

You are required to abide by the following Code of Ethics in the operation of your sales organisation and your opportunity to participate in the Young Living business. Violations of the Code of Ethics may result in disciplinary action.

CODE OF ETHICS

You will follow the highest standards of honesty, professionalism and integrity in the development and operation of your sales organisation. You will give prompt and efficient service to anyone to whom you have introduced Young Living products, as well as to your downline members.

- You will not make negative or disparaging remarks about Young Living, Young Living founders, any Young Living competitor or their people, products or organisations.
- You will not make disparaging remarks or make unfounded claims about any business or organisations or their products in the marketplace.
- You will not engage in activities that may cause losses to Young Living or another Young Living member.
- You will perform all duties of a sponsor and a leader as you build your Young Living business, including providing the necessary training and support.
- You will respect the privacy of both your upline and downline members and customers.
- You will not recruit Young Living members to other business opportunities.
- You will abide by all rules, regulations, laws and ordinances that are applicable to the operation of your sales organisation as an independent member.

1.5 Amendments/Acceptance

Young Living may amend the terms and conditions of the Agreement from time to time. The changes will become effective **thirty (30) days** after first published by Young Living through official Young Living publications distributed to all active members (e.g., e-News) or posted on an official Young Living website. Amendments shall not apply retroactively to conduct that occurred prior to the effective date of the amendment.

By executing the Member Agreement, you agree to abide by all amendments or modifications that Young Living elects to make.

If a member is not willing to accept these changes, Young Living must be notified in writing within the **seven (7) days** prior to the change being effective. Any continued business, ordering, acceptance of a commission or bonus payout or any other benefit by a member pursuant to this Agreement constitutes acceptance of this Agreement in whole with any and all amendments. If a member is not willing to accept changes, then the business may be terminated.

1.6 Compliance with Policies & Procedures

Compliance with the principle and specifics of these Policies and Procedures is fundamental to the ongoing success of your Young Living business. Young Living's aim is to ensure you have the best opportunity to create an environment to achieve a successful Young Living enterprise.

1.7 10 Day Cooling Off Period

Young Living Essential Oils (Australasia) Pty Ltd stands behind its products and Business Plan. If you are not satisfied with your purchase, for any reason, return the product to your point of sale within **ten (10) days** of purchase to exchange for an equivalent price product, or for a full refund of your purchase price. This Satisfaction Guarantee is in addition to the Young Living **thirty (30) days** warranty allowing customers to return unused product for a full refund of purchase price less shipping charges.

2: BECOMING A MEMBER

2.1 Requirements to Become a Member

To become an Australian Young Living member, you must meet the following requirements:

- If you are an individual, be at least 18 years of age and provide a valid identification document or Individual Tax File Number (TFN).
- Be an Australian resident or must hold a visa which allows the applicant to have sources of income in Australia.
- If you are a business entity, provide an Australian Business Number (ABN). Also, a copy of the ASIC Certificate of Registration is to be provided within **thirty (30) days** of application.
- Read and agree to these Policies and Procedures and the Compensation Plan.
- Complete, sign and submit a Member Agreement to Young Living within **thirty (30) days** of your enrolment.
- Purchase a Young Living Starter Kit.

Young Living reserves the right, in its sole discretion, to reject your Member Agreement for any reason.

2.2 Member Agreement

You can submit your Member Agreement through mail, email, fax or the Young Living website (YoungLiving.com.au). This application must be received within **thirty (30) days** of your enrolment for you to receive member benefits. If the Member Agreement is not received within **thirty (30) days**, your member account will be placed on hold until the agreement is received.

2.3 Web Applications

If you enrol on the Young Living website and click on "I agree" and accept the rights and obligations of Young Living membership, you will not need to submit a paper application.

While your sponsor may assist you in completing the online enrolment as a member, you must personally review and agree to the online Member Agreement, these Policies and Procedures and the Compensation Plan.

3: OPERATING YOUR SALES ORGANISATION

3.1 Independent Contractor Status

As a Young Living member, you are an independent sales contractor and are not a purchaser of a franchise or business opportunity. The agreement between you and Young Living does not create an employer/employee relationship, agency, partnership or joint venture. You will not be treated as an employee for your services or for tax purposes. You are responsible for paying all taxes due from compensation earned as a member. You have no authority (expressed or implied) to bind Young Living to any obligation. You are encouraged to establish your own goals, hours and methods of sale, as long as you comply with applicable laws and the terms and

conditions of this Agreement.

Members purchase product from Young Living at the published wholesale price and have the potential of earning commissions and bonuses based on qualification and achievement rank, as outlined in the Compensation Plan.

3.2 Retail Customers

Individuals may join Young Living as retail customers. Retail customers can purchase product directly from Young Living for personal consumption but do not participate in the Young Living member organisation or Compensation Plan. Retail customers are not required to sign a Member Agreement. Retail customers purchase products at the published retail price. Retail customers' purchases apply toward their sponsor's Organisation Group Volume (OGV). Thus, orders placed by any retail customers will be included in the total sales volume for their sponsor's sales organisation. A retail customer may become a Young Living member at any time by completing the requirements outlined in Section 2.1.

3.3 Beneficial Interest in More than One Account and Duplicate Accounts

A member may operate or have an interest, legal or equitable, in only one member account, unless expressly permitted in this section. If Young Living finds that a member has an unpermitted interest in multiple accounts, it will terminate the duplicate account(s), leaving only the member account created first.

You are specifically prohibited from creating duplicate accounts in an attempt to change lines of sponsorship, manipulate the Compensation Plan or circumvent the Agreement in any way.

You may have a beneficial interest in more than one member account if you receive an interest in another account as an inheritance (either through a direct inheritance or as beneficiaries of a trust) from another member, you notify Young Living of the inheritance in writing (as specified in Sections 3.7 and 3.7.1), and Young Living approves of the transfer in writing. Young Living reserves the right, in its sole and absolute discretion and for any reason and at any time, to (1) deny you the option of owning an interest in your original account and an inherited account or (2) to deny you the right to earn the Generation and Diamond Leadership Bonuses on the inherited account (e.g., if Young Living determines you have not demonstrated the ability to operate two sales organisation by failing to engage in leadership activities such as contacting and training your downline, participation in meetings, increasing enrolments, and/or increasing PGV and OGV within the payment levels of your downline in the recent past).

If Young Living denies you the right to have a beneficial interest in a second account that you received through inheritance, it may allow you a four-month grace period to sell your interest in one of your accounts. After that grace period the inherited account will be placed on hold or terminated.

Young Living strongly encourages and prefers that members work together with their spouse/partner (if applicable) in building a single sales organisation. However, due to divorce, separation, mutual agreement, etc. there may be an exception to this general rule. Beginning August 1st 2018, you and your spouse/partner may have separate accounts as long as the second account is sponsored as the first or second level to other spouse's account. Young Living will periodically audit these two accounts and may terminate the latter-created account if it is found, in Young Living's sole discretion, that the latter-created account is used to manipulate the Compensation Plan or the spouses are not complying with the 70% rule as outlined in Section 6.1. A joint sales organisation will be treated as a joint tenancy with rights of survivorship.

3.4 Actions of Household Members or Affiliated Parties

If any individual in your immediate household engages in any activity, which, if performed by you, would violate any provision of this Agreement, such activity will be deemed a violation by you; and Young Living may take disciplinary action against you pursuant to these Policies and Procedures. Similarly, if any individual associated

in any way with a corporation, partnership, trust or other entity (collectively "entity") violates the Agreement, such action(s) will be deemed a violation by the entity, and Young Living may take disciplinary action against the entity. Likewise, if a member enrolls in Young Living as an entity, each affiliated party of the entity will be personally and individually bound to, and must comply with, the terms and conditions of this Agreement.

It is your responsibility to ensure each of your affiliated parties has been provided with a copy of the Agreement and have agreed to be bound by the terms and conditions of the Agreement.

3.5 Actions of Upline Members

If any upline member encourages, aids, or supports a downline member in any activity which, if performed by the upline member, would violate any provision of the Agreement (e.g., creating duplicate accounts or cross-line recruiting), such activity will be deemed to be a violation by the upline member; and Young Living may take disciplinary action against that upline member pursuant to these Policies and Procedures. If such violations continue, Young Living reserves the right to terminate the upline member's member account.

3.6 Corporations, Partnerships, Limited Liability Companies, and Trusts

A partnership, corporation, limited liability company or trust may become a Young Living member by submitting to Young Living a partnership agreement, certificate of incorporation, articles/certificate of organisation or trust agreement along with a copy of the state registration form for the entity or a certificate of good standing for the entity issued by the state of incorporation or organisation. The registration form or certificate of good standing must indicate the names of all of the shareholders, officers, members, managers, partners, or trustees of the entity ("affiliated parties"), or have such included with the submission to Young Living. The entity must demonstrate that no part or participant within the entity has participation in another sales organisation because no individual may participate in more than one sales organisation in any form. A member may change status under the same sponsor from individual to partnership or corporation by submitting the appropriate documentation mentioned above, as well as a Change of Dealings form.

Young Living reserves the right to approve or disapprove any member's change of business names, formation of partnerships, corporations and trusts for tax, estate planning and limited liability purposes. In addition, by submitting a copy of the certificate of partnership or incorporation or other substantiating documentation for the entity, it is certifying that no person with an interest in the new business entity has had an interest in another sales organisation within six (6) months of the submission of the certificate (unless it is the continuation of an existing sales organisation that is changing its form of doing business).

3.7 Sale, Transfer or Assignment

Subject to approval in writing by Young Living a member may sell, transfer, or assign (collectively "Transfer") your entire downline organisation by submitting a request to Young Living along with a \$50 USD processing fee. For your request to be considered, the following criteria must be met:

- You and the receiving party must notify Young Living in writing of your intent to sell or transfer the sales organisation. This request must be signed and witnessed by a Justice of the Peace.
- Young Living must approve of the receiving party prior to the Transfer.
- The receiving party must be (or must become) a Young Living member in good standing.
- After the transaction, the transferring party must not retain any copies, digital or otherwise, of personal information belonging to his/her downline organisation members.
- If the receiving party has an existing downline, he/she must

first transfer that sales organisation or have a transfer in place and approved by Young Living before accepting the new sales organisation. Alternatively, the receiving party may choose to cancel his/her existing sales organisation and allow that downline to roll up to his/her sponsor, as provided in Section 3.9.

- No changes in your line of sponsorship or your downline can result from the Transfer.
- Before a transfer will be approved, all debt obligations that you and the receiving party may have with Young Living must be satisfied.
- Before any transfer will be approved, you and the receiving party must each be in compliance with all the terms of the Agreement. The individual, to whom the sales organisation is sold and/or transferred, will be expected to meet leadership qualification in order to be eligible for leadership commission payments.
- Any sale of any organisation with OGV 50,000 or higher must be approved by Young Living in writing.

Young Living reserves the right to approve or disapprove your request to transfer your sales organisation for any reason. You may not transfer your sales organisation to any person or entity without Young Living's written approval.

Young Living does not waive any violations of the Agreement, even though a violation may have occurred under a prior owner of your sales organisation. As a new owner of a pre-existing sales organisation, you may be responsible for violations of the Agreement made by the prior owner in connection with your sales organisation. Any action that may be taken on a sales organisation with the previous owner under Section 13.4 may carry over to you.

3.7.1 Succession

Upon your death or your incapacitation, the rights to commissions, bonuses and your sales organisation, together with all member responsibilities, may pass to your legal heir(s) or legal representative(s) (collectively "beneficiary") if the terms of succession are met. Your beneficiary must present Young Living with proof of your death or incapacitation, along with appropriate legal documentation and a properly completed Member Agreement.

If the transfer is approved, the beneficiary will be eligible to collect all future commissions and bonuses of your sales organisation provided that he/she meets all of the qualifications necessary under the Compensation Plan. Member accounts acquired under succession will not receive the same recognition benefits of original member account owners who built the original organisation; however, the beneficiary may earn recognition benefits as they fulfil the member responsibilities and continue to grow the member organisation. If the beneficiary already has an existing sales organisation, he/she will be subject to the terms set forth in Section 3.3. Young Living reserves the right to approve or reject a succession transfer.

3.8 Separation of a Young Living Member Business

You may, with others, operate a single sales organisation as a husband-wife partnership, regular partnership, corporation or trust (the latter three entities are collectively referred to herein as "entities"). If your marriage ends in divorce or your entity is dissolved or otherwise restructured, arrangements must immediately be made to assure that any separation or division of the business is accomplished so as not to adversely affect the interests and income of any other business upline or downline. If divorcing spouses or a dissolving business entity fail to provide for the best interests of other members and Young Living, such actions will constitute a breach of this Agreement; and Young Living may terminate the Agreement pursuant to these Policies and Procedures.

During the proceedings of divorce or entity dissolution, the divorcing spouses or a dissolving business entity must adopt one of the following methods of operation:

- One of the parties may, with consent of the other(s), operate the business pursuant to an assignment in writing, witnessed by a Justice of the Peace, whereby the relinquishing party(ies) requests Young Living to deal directly and solely with the other party(ies). A request, witnessed by a Justice of the Peace, from the person being removed is required. A new Member Application is required from the person remaining on the account.
- The parties may continue to operate the sales organisation jointly on a “business-as-usual” basis, whereupon all compensation paid by Young Living will be paid in the joint names of the members or in the name of the entity to be divided, as the parties may independently agree among themselves.
- The parties may operate the business pursuant to a Court Order naming the parties.
- If one of these requirements is not met, Young Living will maintain the status quo as to how commissions are paid.

Young Living will not divide your sales organisation with a divorcing spouse or with affiliate parties of a dissolving business. Similarly, Young Living will not split your commission or bonus payments between you and a divorcing spouse or affiliate parties of a dissolving entity. Young Living will recognise only one sales organisation and will issue only one commission payment per sales organisation per commission cycle. Commission payments will always be issued to the same individual or entity, unless all parties to a sales organisation agree that commissions will be due and paid to another party or by order of a court having jurisdiction over Young Living. If you have completely relinquished all of your rights as a former spouse or a former affiliate party to a sales organisation, you are free to enrol as a new member under any sponsor of your choosing. However, in such case you will have no rights to any members or customers from your former sales organisation. In that instance, you must develop the new business in the same manner as would any other new member.

3.9 Roll Up of Marketing Organisation

When a vacancy occurs in the Young Living member organisation due to the cancellation or termination of a member account, each member in the first level immediately below the terminated member on the date of the cancellation will “roll up,” which means to move to the first level (“front line”) of the terminated member’s sponsor. For example, A sponsors B, and B sponsors C1, C2, and C3. If B terminates his/her business, then C1, C2, and C3 will roll up to A and become part of A’s first level. Young Living also reserves the right, in its sole discretion, to maintain its place and ultimately sell the sales organisation that has been cancelled or terminated for inappropriate behaviour.

3.10 Taxes

3.10.1 Income Taxes

You are responsible for complying with relevant taxation laws in the jurisdiction where you reside. In Australia, you are responsible for paying income taxes on any earnings generated through your sales organisation. When you enrol as a member, you are required to provide Young Living with your Tax File Number (TFN) for application compliance purposes.

Retail customers are not required to provide any tax information.

When a sales organisation is owned by two or more individuals, taxes will be reported on the primary member’s tax number.

3.10.2 Goods and Services Tax

Young Living and Young Living members are required to comply with the requirements of the Goods and Services Tax provision.

3.11 Prohibited Practices

3.11.1 Unauthorised Recruiting

3.11.1.1 Recruiting

During your membership with Young Living and after your membership has terminated, you may engage in other non-competing business ventures; however, you may not take advantage

of your knowledge of, or association with, other Young Living members, including your knowledge resulting from or relating to your upline and downline in order to promote and expand such other business ventures. Such conduct constitutes an unwarranted and unreasonable interference with the business of other members and Young Living.

Young Living may not invite a member who is engaged with another MLM or Direct Selling company to invitational or strategic Young Living events.

3.11.2 Non-Solicitation

To qualify for compensation under Young Living’s Compensation Plan, you have the ongoing responsibility to help, educate, train, motivate and assist the members in your sales organisation.

You also have the responsibility to promote Young Living products and the Young Living income opportunity. Young Living and its members have made a great investment in the establishment of organisations consisting of retail customers, and members, of which you will benefit. This constitutes one of Young Living’s most valuable assets. Young Living reserves the right to cease paying compensation to any member, including you, who recruits any Young Living retail customers, or member to participate in a Competing Business Venture (defined below). To protect the efforts of all members in building and maintaining their sales organisations and customer bases, and in order to protect Young Living’s interest and investment in the overall customer base, members and all members of their immediate household are required to abide by the following policies:

A. Non-Solicitation of Young Living Retail Customers, and Members:

- During the period that this Agreement is in force, you and all members of your immediate household are prohibited from directly, indirectly or through a third party, recruiting any Young Living retail customers or member to participate in a Competing Business Venture, regardless of who initiates the contact;
- For a period of twelve (12) months after cancellation or termination for any reason of this Agreement, you and all members of your immediate household are prohibited from directly, indirectly or through a third party, recruiting, regardless of who initiates the contact, any Young Living retail customers, or members to participate in a Competing Business Venture:
 - Who were in your sales organisation or upline at any time during the term of his or her association with Young Living;
 - With whom you had contact during the term of your association with Young Living;
 - Whose contact information (name, address, phone number or email address, etc.) you or members of your immediate household obtained at any time during the term of your association with Young Living; or
 - Whose contact information (name, address, phone number or email address, etc.) you or members of your immediate household obtained at any time from another person who obtained the information because of any other person’s association with Young Living.

As used herein, the term “Competing Business Venture” means any business venture offering a similar business opportunity or similar or alternative products or services to those offered by Young Living. The prohibitions under clauses (A)(i) and (A)(ii) above include, but are not limited, to presenting or assisting in the presentation of Competing Business Ventures to any Young Living retail customers or member, and implicitly or explicitly encouraging any Young Living retail customers or member to join any Competing Business Ventures that would detract from their relationship with Young Living (as determined by Young Living in its sole discretion). It is a violation of this Policy to recruit any Young Living retail customers or members to participate in a Competing Business Venture even if you do not know that the

prospect is also a Young Living retail customer or member. It is your responsibility to first determine whether the prospect is a Young Living retail customer or member before recruiting the prospect to participate in a Competing Business Venture. As used herein the term "recruit" or "recruiting" means: 1) to enrol, enlist or solicit an individual or entity to join a business, program or organisation, or attempt to do so; 2) to promote, influence or encourage an individual or entity to join a business, program or organisation, or attempt to do so; or 3) to present, or participate or assist in the presentation of, a business, program, organisation or its products to an individual or entity.

Such recruitment constitutes a violation of this provision whether or not the individual or entity ultimately leaves their relationship with Young Living. To constitute recruiting, such efforts or attempts may be performed either directly through personal contact (including, but not limited to electronic and social media means) or indirectly through a third party.

The term "immediate household," as used herein refers to married couples and other persons residing in the same home. With respect to members and retail customers which are entities (e.g., corporations, tax exempt entities, trusts, etc.) rather than individuals, "immediate household" means the shareholders, owners, directors, officers, members, trustees, responsible parties, etc. of such entities and persons married to or residing in the same home with the persons who are the shareholders, owners, directors, officers, members, trustees, responsible parties, etc. of such entities.

B. During the period that this Agreement is in force, and for a period of twelve (12) months after the cancellation or termination thereof for any reason, you and all members of your immediate household are further prohibited from the following:

- i. Producing any literature, tapes or promotional material of any nature (including but not limited to websites and emails) which is used by you or any third person to recruit Young Living retail customers or members to participate in a Competing Business Venture;
- ii. Offering any non-Young Living products, services or Competing Business Ventures in conjunction with the offering of Young Living products, services or income opportunity or at any Young Living meeting, seminar, launch, convention or other Young Living function.

C. Violation of any provision of this Section 3.11.2 constitutes your voluntary resignation and cancellation of this Agreement, effective as of the date of the violation, and:

- i. The forfeiture by you of all commissions or bonuses payable for and after the calendar month in which the violation occurred.
- ii. If Young Living pays any bonuses or commissions to you after the date of the violation, all bonuses and commissions for and after the calendar month in which the violation occurred shall be refunded to Young Living.
- iii. Young Living may seek and obtain both injunctive relief and damages for violations of this Section 3.11.2. Young Living, may, at its option, elect to enforce this Policy by lawsuit in a court of competent jurisdiction in Sydney, Australia rather than by arbitration.
- iv. In addition to being entitled to a refund of bonuses and commissions and to damages as described above, in the event a person or entity violates this Section 3.11.2, Young Living and any Member that experiences an adverse financial impact as a result of such person's or entity's violation of this Section 3.11.2 shall be entitled to an accounting and repayment of all profits, compensation, commissions, remunerations or other benefits which the person or entity directly or indirectly receives and/or may receive as a result of, growing out of, or in connection with any violation of this Section. Such remedy shall be in addition to and not in limitation of any damages, or injunctive relief or other rights

or remedies to which Young Living is or may be entitled at law or in equity.

- v. You recognise that the restrictions herein are reasonable and necessary to protect the legitimate business interests of Young Living and other members, and that such restrictions will not prevent you from working or otherwise earning a living.

D. Violations of this Section 3.11.2 are especially detrimental to the growth and sales of other members' independent Young Living businesses and to Young Living's business. Consequently, members who have knowledge that any member has violated this Policy must immediately report that information to Young Living's Policy Administration Department.

The failure of a member to report such information to Young Living will also constitute a violation of this Policy. The names of those reporting violations of this Section 3.11.2 will be held in confidence.

3.11.3 Business Separation/Non Competition

If, during the term of the Agreement, you engage in a non-Young Living direct selling program, you will ensure that you operate your Young Living sales organisation separately and apart from your non-Young Living program. To that end:

- You may not display Young Living promotional materials, sales aids, products or services ("Promotional Materials") with or in the same location as any non-Young Living Promotional Materials, or in any manner or format that enables a viewer to contemporaneously view Young Living Promotional Material and non-Young Living Promotional Material. For example, you may not present Young Living Promotional Material and non-Young Living Promotional Material on or in the same website, blog, tweet, post, text, brochure or other printed marketing material, signage or electronic or other communication.
- You may not offer Young Living programs, opportunities, products or services to prospective or existing Young Living customers or members in conjunction with any non-Young Living programs, opportunities, products or services.
- You may not offer any non-Young Living programs, opportunities, products or services at any Young Living-related meeting, seminar, convention, webinar, teleconference or other event.

Notwithstanding the foregoing, during the term of the Agreement and for a period of six (6) months after the cancellation, expiration or termination by either party for any reason of the Agreement, you agree not to directly or indirectly serve in any capacity as a member, representative, consultant, employee, agent, officer, director, shareholder, partner, member, seller, distributor, or owner of or with doTERRA International, LLC or any parent or affiliate company of this company. This restriction applies to any geographic market which you (or your sales organisation) serviced or within which you (or your sales organisation) physically worked during the term of this Agreement.

Reaching the rank of Diamond and above is very prestigious and requires a significant time commitment to Young Living. Additionally, members who have achieved the rank of Diamond and above are privy to additional Young Living confidential and trade secret information. To achieve this rank and participate in the Diamond Leadership Bonuses, it is important to be an example in all facets of the Young Living business and be dedicated to Young Living. Accordingly, notwithstanding the foregoing, during the term of the Agreement and for a period of six (6) months after the cancellation, expiration or termination by either party for any reason of the Agreement, once you have achieved the rank of Diamond or above, you will not directly or indirectly serve in any capacity as a member, representative, consultant, employee, agent, officer, director, shareholder, partner, seller, distributor or owner of or with any other multi-level marketing, party planning or other direct sales company, regardless of the type of products or services offered by that new entity. This restriction applies to any geographic market which you (or your sales organisation) serviced or within which you (or your sales organisation) physically worked during the term of this Agreement. Any member who has achieved the rank of Diamond and is violating this policy as of July 2nd, 2018 will be given a grace period until December 1st, 2018 to comply with this Policy.

Diamond ranking members may, however, purchase products from other multi-level marketing, party planning or other direct sales companies solely for their personal use.

You agree that Young Living has a protectable interest in its goodwill, customer-base, member network, confidential information and trade secret information. You further acknowledge that any breach of your obligations under Sections 3.11.2, 3.11.3, and 3.14 of the Agreement will cause immediate and irreparable harm to Young Living for which monetary damages and other legal remedies could not adequately compensate. You further acknowledge that the restrictions set forth in Sections 3.11.2, 3.11.3, and 3.14 of the Agreement are reasonable and necessary to protect, maintain and preserve the legitimate business interests of Young Living and other members, and restrict your conduct only to the extent necessary to protect, maintain and preserve such business interests. You further warrant that you understand the legal and other consequences of entering into the covenants and agreements contained in Sections 3.11.2, 3.11.3, and 3.14 of the Agreement and that the enforcement of these provisions will cause no undue hardship to you. You agree that the restrictions herein will not prevent you from working or otherwise earning a living. If any restriction contained in Sections 3.11.2, 3.11.3, and 3.14 of the Agreement is deemed to be unenforceable by a court of competent jurisdiction, you agree that such court shall modify and enforce such restrictions to the extent it believes to be reasonable under the circumstances existing at that time.

3.11.4 Targeting Other Direct Sellers

Young Living does not condone members specifically or consciously targeting the sales force of another direct sales company to sell Young Living products or to become members for Young Living. Nor does Young Living condone the solicitation or enticement of members of the sales force of another direct sales company to violate the terms of their contract with such other company. In the event that any lawsuit, arbitration or mediation is brought against you alleging that you have engaged in inappropriate recruiting activity of its sales force or customers, Young Living will not pay any of your defence costs or legal fees, nor will Young Living indemnify you for any judgment, award or settlement.

3.11.5 Cross-Line Recruiting

Actual or attempted cross-line recruiting or sponsoring is strictly prohibited and will not be tolerated. "Cross-line recruiting" is defined as (i) the enrolment, indirect or otherwise, of an individual or entity that already has a current membership with Young Living, or who has had an Agreement within the preceding six (6) calendar months, within a different line of sponsorship, (ii) training current Young Living members from different lines of sponsorship how to change sponsors in a non-permitted way in order to facilitate their move to your organisation; or (iii) aiding, encouraging or facilitating the actions outlined in (i) or (ii) of this definition. The use of a spouse's or relative's name, trade names, DBAs (Doing Business As), assumed names, corporations, trusts, Tax File Number or fictitious identification numbers to circumvent this Policy is strictly prohibited.

You may not demean, discredit or defame another Young Living member, especially in an attempt to entice another member to become part of your marketing organisation. Young Living reserves the right to terminate your sales organisation for failure to comply with this Policy.

3.11.6 Bonus Buying, Front-End Loading and Stacking

Bonus buying and stacking are material breaches of these Policies and Procedures (and your Agreement) and are strictly prohibited, and may result in the termination of your membership.

"Bonus buying" includes (a) the enrolment of members without their knowledge of or execution of a legal agreement by such individuals or entities; (b) the unauthorised enrolment of an individual or entity as a member or customer; (c) the enrolment or attempted enrolment of non-existent individuals or entities as members or customers (phantoms); or (d) the use of a credit card by or on behalf of a member or customer when the member or customer is not the account holder of such credit card without written authorisation.

The term "stacking" means: (a) the failure to transmit to Young

Living, or the holding of a Member Agreement, in excess of two (2) business days after its execution; (b) the manipulation of Member Agreements for the purpose of maximising compensation pursuant to the Compensation Plan; (c) providing financial assistance to members, buying products or drop shipping through another's account for the contrived purpose of increasing the payout of your sales organisation.

3.12 International

Compliance with foreign laws regarding intellectual property, customs, taxation, literature content and other direct selling guidelines is critical to successful international expansion of Young Living into new markets. Consequently, you are authorised to market and sell Young Living products and services and to recruit and sponsor other members only in countries in which Young Living is authorised to conduct business, as listed in official Young Living literature. Unauthorised premarket opening activity may jeopardize Young Living's ability to enter a new market and may result in loss of opportunity for many other members. Because of the severe possible consequences, those who engage in unauthorised premarket opening activity will be subject to disciplinary measures, possibly leading to home market termination or prohibition from commencing a business at any future time in the new market.

You are not authorised to register product, trade names, trademarks, patents, web domains or IP addresses in any country for or on behalf of Young Living.

You agree to indemnify Young Living for any such activity of yours that damages Young Living, including, but not limited to, loss of profit, loss of goodwill, any damages and reasonable attorneys' fees.

If you want to sponsor members in a country officially recognised as open, you must satisfy all of the following:

- Be in good standing in the country of residence.
- Read, understand and agree to follow the Young Living Policies and Procedures in place for that country.
- Agree to follow all applicable laws of that country.
- Agree to any tax withholdings that may be required for that country.

In any established Young Living market, members may sponsor and/or enrol members globally; however, members may only market and sell products in countries that are legally registered with the government for business activity. Only products that have been registered for sale in that same country may be promoted and sold. Members may not import products into any country that is not legally importable or saleable. You agree to follow all laws in any country into which you sponsor members, including, but not limited to, all direct selling laws, all solicitation laws, all advertising laws, all claims laws, all tax laws and any other laws that apply to operating a sales organisation in a foreign country.

3.12.1 NFR (Not For Resale)

In some countries, members may purchase Young Living products on a not-for-resale (NFR) basis as retail customers. If you purchase NFR products, you may not display, advertise or resell them. You must not make any claims, therapeutic or otherwise, on any product in a NFR market.

In markets where Young Living is authorised, you must not make unapproved therapeutic claims on NFR products you bring in through the NFR program. Approved claims in other markets cannot be made on products classified as NFR in your market.

If you are not a resident of the United States, then you agree that all services you perform in connection with your Young Living business are performed outside the United States. If you perform services within the United States in connection with your Young Living business, you agree to and will contact Young Living at USbusinessstrips@YoungLiving.com within thirty (30) days of performing such services to report the time you spent in the United States on business activities in connection with your Young Living business.

3.12.2 Anti-Bribery

You and your agents, employees or consultants must not pay or give, or offer or promise to pay or give, any money or anything of value to any government official or employee, political party or candidate for political office (collectively referred to as "Government Recipient") or to any person, while knowing or having reason to know that all or a portion of such money or thing of value will be paid or given to, or offered or promised to, directly or indirectly, any Government Recipient for purposes of obtaining an unfair advantage or influencing any act or decision of a Government Recipient or inducing a Government Recipient to use his, her, or its influence with the government or instrumentality thereof to affect or influence any act or decision of such government or instrumentality; and you will cause your employees, officers, agents and sub-consultants to do likewise.

You and your agents, employees or consultants must not pay or give, or offer or promise to pay or give, any money or anything of value to any prospective member or existing member to manipulate the Compensation Plan or circumvent the Agreement.

3.13 Repackaging and Relabelling

You may not relabel, alter the labels of, repackage or refill any Young Living product. Young Living's products must be sold in their original containers only. Young Living strongly recommends that you do not use Young Living products as ingredients in or components of any product for resale. If a member uses Young Living products as an ingredient of any product for resale, the member is strictly prohibited from using Young Living trademarks or logos in conjunction with selling such product. Such relabelling or repackaging could result in severe criminal penalties. Violation of this section may subject a member to disciplinary actions as outlined in Section 13.4. Additionally, you agree to indemnify Young Living against any harm resulting from use of Young Living products as an ingredient and the repackaging or relabelling of any of its products.

3.14 Confidentiality Agreement

As a member of Young Living, you may have access to information including, but not limited to, confidential information such as line of sponsorship and organisation reports, customer lists, customer information developed by Young Living or developed for and on behalf of Young Living by members (including, but not limited to, customer and member profiles and product purchase information), member lists, manufacturer and supplier information, business reports, commission or sales reports, marketing strategies and plans, product formulae, product information and other financial and business information ("Confidential Information").

All Confidential Information (whether in written, oral or electronic form) is transmitted to you in strictest confidence on a need-to-know basis for use solely in your sales organisation for the purpose of assisting you to build your Young Living business. You shall keep such information confidential and must not disclose any such information to a third party directly or indirectly. You must not use the information to compete with Young Living or for any purpose other than for promoting Young Living's program and its products and services. Upon cancellation, expiration or termination by either party for any reason of the Agreement, you must discontinue the use of such Confidential Information and destroy or promptly return to Young Living any Confidential Information in your possession. Without limiting your obligations as set forth in this Section, Young Living may further require a signed non-disclosure agreement before releasing any business information to you.

In the event of the cancellation, expiration or termination by either party for any reason of the Agreement, the obligations contained in this Section 3.14 survive and are subject to legal enforcement by injunction. You further agree that in the event Young Living prevails in any legal action to enforce its rights under this Section 3.14, Young Living shall be entitled to recover costs and reasonable attorneys' fees incurred in enforcing its rights under this Section 3.14.

3.15 Reporting Policy Violations

You should report any violations of these Policies and Procedures

by any member to the Young Living Compliance Team by emailing conduct.au@YoungLiving.com.au or calling Member Services at 1300 AU YLEO / 1300 28 9536.

3.16 Authorisation to Transfer and Disclose Personal Information

In order to provide support for your sales organisation, you authorise Young Living to disclose personal and/or confidential information that you have provided Young Living in connection with your sales organisation or that you have developed as a result of your activities as a member. You authorise Young Living to transfer and disclose this information to its parent and affiliate companies, to your upline when necessary to assist with upline support to you and your sales organisation, and to applicable government agencies or regulatory bodies if required by law.

You further authorise Young Living to reasonably use your personal information for member recognition and marketing materials.

3.17 Authorisation to Take and Use your Photo or Video

By becoming a member of Young Living, you consent to having your image captured in photographs or videos at various Young Living-sponsored events by Young Living staff and to have those images used by Young Living as they see fit in advertising and marketing materials. You will not be compensated for this usage.

If you have a religious or moral objection to having your picture taken or appearing in a video, please notify a member of Young Living's staff at the event where photographs and videos are being taken. The provisions of this section will permanently survive the term of the Agreement.

3.18 Rank Recognition

The Young Living Compensation Plan pays compensation based on different ranks and the criteria set forth in that plan. Each month you may qualify for payment according to the rank in which you qualify. Members are recognised by Young Living in various ways and at various times as they achieve certain ranks. In order to be recognised at and enjoy the perks of a new, higher rank that is Silver or above, you must qualify for that rank (or above) for three (3) consecutive months. You will be recognised as being at that new, higher rank beginning in the fourth month. In order to maintain recognition at a rank of Silver or above, after initially qualifying for that rank, you must re-qualify for that rank (or above) again within six months of the last month in which you qualified for that rank. If you fail to re-qualify for a rank for six (6) consecutive months, you will be recognised at the highest rank you qualified for during that six month period on the seventh month and be required to re-qualify for three consecutive months before you can be recognised at the higher rank again. In August 1st, 2018 all members will be recognised at the highest rank they have achieved as of July 2018 and will be deemed to have initially qualified for that rank, meaning they will not be required to achieve that rank for three consecutive months to be recognised at that rank. To continue to be recognised at that rank, however, they must maintain that rank, as outlined in this section.

3.19 Non-Exclusivity

As a member you will not be granted an exclusive territory nor required to pay franchise fees. Young Living reserves the right to offer its products and services through any sales channel and other companies (e.g., a direct sales company in China).

4: SPONSOR'S RESPONSIBILITIES

4.1 Sponsoring

Members have the right to sponsor other Young Living members. Each prospective member has the ultimate right to choose his/her own sponsor. If two members claim to be the sponsor of the same new member or customer, the new member has the right to choose between the two within the first thirty (30) days. After that time, Young Living will regard the first application received by Young Living as binding.

When sponsoring a new member, you must provide the most current version of these Policies and Procedures and the Compensation Plan before he/she signs a Member Agreement or ensure that such individual has online access to these materials.

4.2 Sponsoring Online

When sponsoring a new member through the online enrolment process, you may assist the new applicant in filling out the enrolment materials. The applicant must personally review and agree to the online Member Agreement, these Policies and Procedures and the Compensation Plan. You may not fill out the online application and Agreement on behalf of the applicant.

4.3 Member and Sponsor Responsibilities

As a sponsor you are expected to train, supervise and communicate with your downline through letters, newsletters, meetings, telephone contacts, voice mail, email, trainings, and by accompanying enrollees to Young Living's training meetings.

If you feel you are not getting the necessary level of support from your sponsor, you are encouraged to consult with your next upline leader or call Member Services at 1300 AU YLEO / 1300 28 9536 to determine further upline leadership to whom you could go for help. As a sponsor, you also agree to make your contact information (telephone number/email address) available to your downline for training and support purposes.

You should monitor the members in your downline to ensure they do not make improper product or business claims or engage in any illegal or inappropriate conduct that violates the agreement.

As you progress through the various levels of leadership, you will become more experienced in sales techniques, product knowledge and understanding of the Young Living program. In that event, you may be called upon to share this knowledge with lesser experienced members within your downline.

4.4 Non-Disparagement

Young Living members shall not disparage, slander or defame other Young Living members, Young Living products, the Compensation Plan, Young Living employees or Young Living founders. Such disparagement constitutes a material breach of these Policies and Procedures and may result in termination of your Young Living business.

4.5 Privacy

You must take appropriate steps to safeguard and protect all private information provided to you by members in the operation of your sales organisation and comply with the provisions and intent of the Young Living Privacy Policy outlined at YoungLiving.com.au

5: ADVERTISING

5.1 Use of Young Living Materials

To prevent inadvertent errors or illegal claims, you should strive to use the current Young Living marketing materials, literature and official claims and text when advertising and describing Young Living's products or programs. The materials should be used in context so as not to be misleading.

All Young Living materials, whether printed, on video or DVD, produced by sound recording, digital or any other electronic formats are copyright. You may reproduce these materials for use in developing your own advertising materials that you use in connection with the development of your Young Living business and that of your downline. You may not, however, use these materials in connection with any business activity outside of the scope of your membership.

There is no recording permitted during any Young Living convention or meeting. Anyone found recording the Young Living convention or any other Young Living meeting will be removed and subject to disciplinary action, and the recording will be confiscated. Reproduction or distribution of a member's notes from any Young Living event is prohibited.

5.2 Member-Developed Advertising Materials and Products

If you choose to produce or use advertising materials that were not developed by Young Living, you must clearly identify that the material is from an "Independent Member" or "Independent Distributor" and not Young Living.

Any use of advertising materials not produced by Young Living must be compliant with all applicable laws and these Policies and Procedures - particularly Section 5.3. Such material must be

produced in a professional and tasteful manner. Material must not be used that reflects poorly upon Young Living. Violations may subject a member to disciplinary actions as outlined in Section 13.4.

You and any company that you have an ownership interest in are not permitted to use Young Living trademarks, copyrights or other intellectual property on marketing materials (including physical or electronic), essential oil accessories, software, branded merchandise or other products that you sell to others (including other Young Living members), unless you first acquire a license from Young Living. Violation of this policy may result in legal liability and disciplinary action, as outlined in Section 13.4.

Without approval, members must not be part of any advertised story or article to promote their Young Living business, whether print or digital, nor may any member conduct Public Relations activities. All Public Relations activities must be referred to the Young Living Marketing Manager via Member Services by emailing custserv@YoungLiving.com.au

5.3 Advertising Claims and Representation

5.3.1 Product Claims

You are prohibited from making unauthorised claims about any Young Living products. In particular, you must not make any claim that Young Living products are intended for use in the diagnosis, cure, mitigation, treatment or prevention of disease. You must also avoid making any statements and claims that are false or misleading concerning Young Living products. You must comply with all laws, both state and federal, regarding any statements made.

You also must not diagnose any disease or disease condition or prescribe any Young Living product unless you are a licensed medical professional authorised to do so. Anyone improperly diagnosing or prescribing Young Living products may jeopardize the future of Young Living and all of its members and may therefore have his/her sales membership terminated.

5.3.2 Income Claims

You are prohibited from making any income projections to prospective members that may create false or misleading expectations. Members must not represent hypothetical income figures based upon the inherent power of network marketing as actual income projections. This is counterproductive since new members may be disappointed if their results do not meet their expectations. The earning potential of a Young Living member is enough to be attractive in reality without resorting to artificial and unrealistic projections.

Young Living has prepared an Income Disclosure Statement (IDS) designed to convey truthful, timely and comprehensive information about the income that its members have earned. A copy of the IDS is available online at YoungLiving.com.au > **Member Benefits** > **Compensation Plan**.

Any time that you present or discuss the Compensation Plan or make any type of income or earning representation about the Compensation Plan, you must provide any prospective members with a copy of the IDS. Income and earning representations include:

- Claims of actual, average or projected earnings under the Compensation Plan
- Income testimonials
- Claims about achieving an improved lifestyle (e.g., claims about affording large homes, luxury cars and exotic vacations)
- Hypothetical examples of earnings under the Compensation Plan.

Young Living's primary mission is not about creating luxury and riches, but helping people achieve wellness, purpose and an abundant life. As such, you should not claim (expressly or impliedly, with words or images) that operating the Young Living business will lead to a luxurious lifestyle (large homes, luxury cars,

exotic vacations, or the like) or to riches. Nor should you disclose your commission cheque to promote the Young Living business opportunity.

In any non-public meeting (e.g., a home meeting, one-on-one regardless of venue) with a prospective member(s) in which the Compensation Plan is discussed or any type of income claim is made, you must provide the prospect(s) with a copy of the IDS. In any meeting that is open to the public in which the Compensation Plan is discussed or any type of income claim is made, you must provide every prospective member with a copy of the IDS. You must also display at least one 90 x 150 cm poster board in the front of the room in reasonably close proximity to the presenter(s) and/or continuously display a slide of the IDS throughout the duration of the Compensation Plan discussion or while making an income claim in any meeting in which any type of video display is utilised (e.g., monitor, television, projector, etc.).

5.3.3 Compensation Plan Claims

When presenting or discussing the Compensation Plan, you must make it clear to prospective members that financial success with Young Living requires commitment, effort, and sales skill. Conversely, you must never represent that individuals can be successful without diligently applying themselves.

Examples of misrepresentations in this area include:

- It's a turnkey system.
- The system will do the work for you.
- Just get in and your downline will build through spillover.
- Just join and I will build your downline for you.
- The company does all the work for you.
- You don't have to sell anything.
- All you have to do is buy your products every month.

The above are just examples of improper representations about the Compensation Plan. It is important that you do not make these or any other representations that could lead a prospective member to believe that he or she can be successful as a Young Living member without commitment of time and work effort.

5.3.4 Governmental Approval or Endorsement

State and federal regulatory agencies and officials do not approve or endorse any direct selling or network marketing companies or programs. Therefore, you may not represent or imply that Young Living or its Compensation Plan have been "approved," "endorsed," or otherwise sanctioned by any government agency.

5.3.5 Indemnification for Unlawful Advertising Statements

You are fully responsible for all verbal and written statements you make regarding Young Living products, services and the Compensation Plan that are not expressly contained in official Young Living materials. You agree to indemnify Young Living and Young Living's directors, officers, members, shareholders, managers, employees and agents, and hold them harmless from any and all liability, including judgments, civil penalties, refunds, attorneys' fees, court costs or lost business incurred by Young Living from any liability arising from or related to your actions in the promotion and operation of your sales organisation. This provision will survive the termination of the Agreement.

5.4 Testimonials and Meetings

At member-sponsored meetings, members should not arrange for a disease-cure, disease-prevention or disease-treatment testimonial, as described in Section 5.3.1. Nor should any disease-cure, disease-prevention, or disease-treatment testimonial be given at any such meeting. If there is an impromptu disease-cure, disease-prevention or disease-treatment testimonial from someone, the leading member should redirect the discussion by saying something to the effect of, "Young Living supplements are designed to improve nutrition; they are not intended to diagnose, treat, cure or prevent any disease. However, scientific research has established a connection between nutrition and many disease conditions."

This also includes testimonials shared one on one, through digital media or through any printed materials or third party literature. Third-party scientific literature that is compliant with local, state and federal law may be distributed at a meeting but must be placed separate and apart from promotional material.

5.5 Trademarks and Copyrights

The name Young Living, Young Living Essential Oils, YL, YLEO and all other names that may be adopted by Young Living or its subsidiary or affiliate companies or used by those entities as trade names, product brand names, trademarks, logos, slogans, hashtags, web addresses or URLs are herein referred to as "Young Living Trademarks" and are owned by Young Living.

During the term of your Young Living membership, and only during that term, you are authorised to (i) copy and use the photographs made readily accessible on Young Living's Flickr® page (or other future-used free websites or services), the text of product and service descriptions provided by Young Living, and the videos posted to Young Living's online video sites (e.g., Young Living's Vimeo® and YouTube® pages) and (ii) use, except as prohibited herein, Young Living's Trademarks (excluding Young Living's company logos) solely in connection with the development of online and printed materials for use in building and managing your Young Living sales organisation. You may not, however, use these copyrighted materials or the Young Living Trademarks in connection with any activity outside of the scope of your membership without Young Living's written authorisation, nor may you sell materials containing these properties (e.g. marketing materials (including physical or electronic), essential oil accessories, swag, software or mobile apps, branded merchandise, books, brochures, movies or other products that you sell to others (including other Young Living members), directly or indirectly. Upon termination or cancellation of your membership, this license will automatically terminate, and you must immediately cease all use of Young Living Trademarks, text, photographs and video.

You are prohibited from applying for, owning or registering any Young Living Trademark, in whole or in part, or any confusingly similar mark as a trademark in any jurisdiction in the world. In the event you do so or have done so, you hereby agree to assign, at no cost, the trademark registration or application to Young Living within **ten (10) days** of Young Living's written request.

You are prohibited from using any Young Living Trademark (or confusingly similar terms) in connection with any online paid marketing program or effort, including, pay-per-click online advertising, Google AdWords, paid social ads, video content, content syndication and display marketing.

5.6 Domain Names and Email Addresses

You may not use, register or own any Internet domain name either in Australia or abroad that includes any of Young Living's trade names, trademarks, service names, service marks, product names, company names or any derivative thereof. Nor may you incorporate or attempt to incorporate any of Young Living's trade names, trademarks, service names, service marks, product names, the company names or any derivative thereof into any email address. In accordance with this policy, all existing member-owned domain names that violate this provision will be expected to be brought into conformance within three months of notification of a violation by Young Living. In limited circumstances, an infringing domain name or email address registration may be allowed to exist upon the signing of an annual trademark license agreement with Young Living, which will also carry a license fee. Such license agreements may be offered, withdrawn or modified by Young Living at its own discretion at any time, and those members with nonconforming domain name registrations who do not make such an agreement with Young Living will be expected to transfer those registrations to Young Living within the three-month time period noted above.

5.7 Internet Policy

Many members will use the Internet to further their businesses using websites, blogs, social media, etc. (collectively "Member Sites"). Member Sites used to promote Young Living, Young Living products or Young Living events must display a current Young Living Independent Member logo (as described in Section 5.2)

in a prominent location. Member Sites must further include the member's member number.

Member Sites may include current product descriptions, photographs, videos and other media made available to members by Young Living (e.g., through the official Young Living website, the Virtual Office, or the Young Living Flickr® account). These sites may not (a) use Young Living's trade address; (b) make any improper product, income or Compensation Plan claims, as outlined in Section 5.3; (c) promote the products or business of any other company; or (d) contain false or misleading information. Members are responsible to ensure that all users of their Member Sites comply with these requirements.

Member Sites may, at Young Living's sole discretion, be monitored by Young Living. Failure to monitor Member Sites for any period of time does not waive Young Living's rights to enforce the provisions of this section.

You agree by signing a Young Living Member Agreement that you will give the Young Living Compliance Team access to all social media sites for review at any time.

When using social media, members may not use as their user name, account name or other identifier (collectively "Username"), any of Young Living's trade names or company names, or any other name that may be confused with Young Living Essential Oils or suggest Young Living's sponsorship thereof. Usernames may, however, include the name "Young Living," if they also include "Independent Member" or a similar identifier that effectively distinguishes it from a Young Living corporate account.

5.8 Internet Classified Ad Sites, Auction Sites, Shopping Sites or Order Fulfilment Stores Restricted

Members may not sell or display Young Living products on any Internet classified ad site (e.g., Gumtree, etc.), marketplace (e.g. Facebook® marketplace, Walmart® marketplace, etc.), auction site, shopping site, or order fulfilment store (e.g., eBay®, Amazon®, TradeMe, OrderDog™.com, Overstock®.com, etc.). Further, members may not (1) enlist or knowingly allow a third party to sell Young Living products on any Internet classified ad site, auction site, shopping site, or order fulfilment store or (2) sell products to a third party that the member has reason to believe will sell such products on any Internet classified ad site, auction site, shopping site or order fulfilment store. Members may continue to sell Young Living products on their individual URLs and independent members' retail sites provided they register their URL with Young Living and prominently display the independent distributor logo and their member number on the URL.

Young Living reserves the right to strictly prohibit, monitor, charge a fee and take all enforcement efforts necessary, including, but not limited to, termination of an online seller's member account if the member is in violation of any laws, regulations, and these Policies and Procedures. Young Living shall be entitled to all and reasonable attorneys' fees and related costs incurred in enforcing its rights in any action in which it is found that you violated the terms of this provision.

5.9 Telephone and Email Solicitation

You may not use Young Living's name or copyrighted materials with automatic calling devices or cold calling telephone operators to solicit potential members. In addition, any email messages distributed to solicit for your business must conform to the Spam Act 2003 and contain appropriate opt-out provisions for the recipient. Failure to opt respondents out of your email may subject you to the disciplinary action outlined in Section 13.4. You may not opt out for another member in your organisation.

You may not engage in telemarketing to promote Young Living products or the Young Living opportunity or to solicit potential members. For purposes of this Section, telemarketing refers to placing of one or more outbound telephone calls to an individual without that individual's express prior permission or invitation to call. If you violate this Policy, you agree that you will indemnify Young Living and Young Living's directors, officers, members, shareholders, managers, employees and agents and hold them harmless from any and all liability, including judgments, civil penalties, refunds,

attorneys' fees, court costs or lost business incurred by Young Living as a result of your telemarketing activities.

5.10 Young Living Personal Websites

Young Living offers a personalised website to assist in your marketing efforts. You should contact Member Services on 1300 AU YLEO / 1300 28 9536 for more details or log in to your Young Living Virtual Office (YoungLiving.com.au) for more information. You should be advised that by using a Young Living website, your contact information will become available to the public so that they may contact you with questions. Young Living will not be held responsible for any unintended or adverse consequences of this service.

5.11 Commercial Outlets

You may display Young Living products in commercial outlets that, in Young Living's sole discretion, are not large enough to be considered regional or national chains. Approval must be obtained through the Young Living Australia Compliance Manager by emailing conduct.au@YoungLiving.com.au

5.12 Minimum Advertised Price

You may establish the price at which you resell Young Living products, as long as such sales are within the Policies outlined in this Agreement. However, certain advertisements can threaten healthy competition of essential oils and wellness products, can reduce sales of Young Living products and can cheapen the image that Young Living has worked hard to develop. Advertising with such potential effects is not acceptable to Young Living.

Notwithstanding the Policies in this Section 5.12 and Section 3.11.6 of this Agreement, members may offer up to only \$40 AUD in enrolment incentives (e.g. Young Living product credit, gift cards or a gift), plus additional reference materials as desired as incentives to new enrollees or reactivated members. No other discount, promotion or monetary incentive can be associated with new enrollees and reactivated members.

Violations of this Policy constitute a material breach of the Agreement and will result in disciplinary action under Section 13.4.

5.13 Trade Shows, Markets and Expositions

Subject to the requirements in this Agreement, and with written permission from Young Living Australia, you may display and sell Young Living products at trade shows, markets and expositions. All literature displayed at the event must be official Young Living literature or Young Living approved member developed advertising materials as per Section 5.2, and you must clearly identify yourself as an Independent Distributor or Independent Member. Approval will be given on a first in basis and the numbers of members participating will be limited to each event. You must obtain written permission before using Young Living logos (other than the Independent Member logo) or trademark.

5.14 Media Inquiries

Young Living members must refer all media inquiries regarding Young Living, its products or services, or their sales organisation to the Young Living Australia Compliance Manager by emailing conduct.au@YoungLiving.com.au to ensure that accurate and consistent information reaches the general public.

6: SALES REQUIREMENTS

6.1 Product Sales and Sales Receipts

The Compensation Plan is based upon the sale of Young Living's products and services to end consumers. You must fulfil specified personal and downline sales requirements (as well as meet other responsibilities set forth in these Policies and Procedures) in order to be eligible for bonuses, commissions and advancement to higher levels of achievement. The following sales requirements must be satisfied in order for you to be eligible for commissions:

- You agree not to stock excessive inventory. A minimum of 70% of you and your personally enrolled customers' orders must be sold before you purchase additional products. The sales volume of your personally enrolled customers will be included with the sales determining compliance with the 70% requirement. By

ordering product, you certify that you have sold or used at least 70% of all prior orders.

- You are required to furnish your customers with an official Young Living sales receipt, which specifies the date of sale, the amount of sale and the items purchased. These receipts set forth the Customer Satisfaction Guarantee, as well as any consumer protection rights required by federal or state law. In accordance with such laws, you must inform your customers of their cancellation rights. Additionally, if you sell product inventory to other members, you must provide the purchaser with a sales receipt. The member should maintain copies of all sales receipts for a period of two years and furnish them to Young Living upon request. Young Living will maintain records documenting the purchases of members' customers and direct purchase customers.

6.2 Non-members

You may personally sell Young Living products to non-members. Online sales, however, are governed by Section 5.8.

6.3 Customers and Sales Requirements

Non-member and customer orders satisfy customer sales requirements.

6.4 Excessive Purchases of Inventory Prohibited

Members will not encourage their downline or any other member to make unnecessary product purchases that could result in a large stagnant inventory. This is called "front-end loading" or "inventory loading" and refers to the purchase of products that are stored, destroyed or otherwise disposed of without being consumed, not merely purchased and warehoused. Members and leaders must consume their products or sell their products to people who will consume them. If any member is found to be buying to meet qualifications within the Compensation Plan with no provable business building, Young Living reserves the right to put the member account on hold until it can fully investigate the qualification buying.

6.5 Used Product

All product sold must be new, unused and unopened. Where a product has a stamped expiry date or use by date it must not be sold past this date. If any member stocks product for sale to customers they must be conscious of the expiry, best before or use by dates on their stock.

6.6 DSA Code of Practice

As a member of Direct Selling Australia ("DSA"), Young Living must comply, and must ensure that its members comply, with the DSA Code of Practice (copy available from www.directselling.org.au).

As at the date of the Agreement, under the DSA Code of Practice, you must offer a **ten (10) day**, money-back guarantee to customers. This **ten (10) day** money-back guarantee is in addition to any money-back guarantee offered on Young Living products to customers. This **ten (10) day** money-back guarantee means that a customer may, for any reason, request that the customer's agreement to purchase products from you ("Purchase") is cancelled and that the customer be given a full refund of the purchase price. The only conditions are that the customer must request the refund within **ten (10) days** of Purchase and must return the unused portion of product. You must make the refund within **ten (10) days** of the customer's request. If the customer prefers, you may make a product exchange instead of a refund.

6.6.1 Unsolicited Consumer Agreements

The Unsolicited Consumer Agreements provisions in the Fair Trading Act relevant to your state and Australian Consumer Law set out requirements that must be complied with by you when making unsolicited sales, in addition to the DSA requirements set out above. You must ensure that any unsolicited sales of Young Living products you make comply with the Unsolicited Consumer Agreements provisions. A brief overview of the Unsolicited Consumer Agreements provisions and compliance requirements for the Unsolicited Consumer Agreements provisions are set out below.

You must consider whether contact with a consumer may result in an "unsolicited direct sales agreement". An "unsolicited direct sales agreement" means an agreement for selling Young Living products (see further below) in circumstances where the agreement was negotiated at the customer's workplace, home or by telephone, and the customer did not invite you to that place, or make that phone call, for the purposes of entering into negotiations for the sale of the Young Living product(s) that the sale agreement covers.

The price to be paid or payable by the customer under the agreement must also be more than \$100, (or unascertained at the time of sale) in order for the Unsolicited Consumer Agreements provisions to apply. Only the Young Living products that are of a "kind" ordinarily acquired for personal, domestic or household use or consumption are relevant. The Unsolicited Consumer Agreements provisions do not apply to any Young Living products that are of a "kind" ordinarily acquired for business purposes. Unsolicited Consumer Agreements provisions also limit unsolicited direct sales activities with regard to time of day and location.

6.6.2 Situations Where Unsolicited Consumer Agreements Provisions May Not Apply

Based on the above requirements, the Unsolicited Consumer Agreements provisions are NOT likely to apply to the following selling arrangements between you and a customer:

- The sale is made to your customer for the purpose of resale;
- All discussions preceding the sale take place wholly at your business or trade premises, or online;
- Your approach to the customer resulted from an invitation from that customer (excluding where the customer has provided their contact details to you for another purpose, or for the sale of another product);
- The value of the single sale transaction is less than \$100; or
- You have previously entered into an "unsolicited sales agreement" with the customer and the customer is simply renewing the agreement for the same products.

6.6.3 Compliance Requirements For Unsolicited Consumer Agreements

If your approach, sale or presentation does NOT fall within any of the situations described above in section 6.6.2, then the selling arrangement is likely to constitute an "unsolicited direct sales agreement" and is subject to the Unsolicited Consumer Agreements provision requirements. These include:

- The purchase agreement must include certain information, such as: clear description of the goods; summary of the customer's right of cancellation; the personal details of the customer as well as your personal details; and the total price to be paid under the agreement (or the method by which the total price will be calculated).
- You must provide the customer with a completed copy of the purchase agreement (which has been signed by the customer) at the time of signing and keep an identical copy for your records. If you make the agreement over the telephone then you must ensure that the customer receives a hard copy of the agreement within **five (5) working days** of the agreement being signed.
- You must verbally disclose to the customer before executing a purchase agreement that there is a cooling off period of **five (5) working days** during which the customer may cancel the agreement (note that these details must also be included on the purchase agreement).
- If the customer does cancel the agreement, you must immediately repay all money that the customer has already paid under the agreement and arrange to collect any goods that you have already supplied to the customer (at the customer's own expense). Remember that this is a brief summary of the Unsolicited Consumer Agreements provisions. For more specific information and to read the Unsolicited Consumer Agreements provisions in full, please visit the following website: www.ConsumerLaw.gov.

au and see the relevant sections of Australian Consumer Laws, or seek legal advice.

7: COMMISSIONS AND BONUSES

7.1 Commissions and Bonus Payments

To qualify for commission compensation under the Compensation Plan, you must have purchased product within the last 12 months and be in compliance with the Agreement with no holds on your member account. Commissions will be paid in accordance with the Compensation Plan, the current version of which is available through the Virtual Office (YoungLiving.com.au). As long as you comply with the terms of the Agreement, Young Living will pay commissions on approximately the 20th of each month for the prior month's sales. Commissions will be paid via direct deposit to a bank account subject to the same rules as above. Direct deposit will be permitted based on policies determined by Young Living. Contact Member Services for more information at 1300 AU YLEO / 1300 28 9536.

Leaders will be required to actively meet leadership requirements defined by Young Living to qualify for their commission bonuses. For more information see the Compensation Plan.

7.2 Recap Statements

You may access detailed commission reports from the Virtual Office at YoungLiving.com.au. If you do not have Internet access, you may request that the report be faxed or mailed to you for a small fee.

7.3 Adjustments

You agree that adjustments will be made to your commission payment for any processing fees, unpaid balances or debts owed for other services. When a product is returned to Young Living for a refund or is repurchased by Young Living, the bonuses and commissions attributable to the returned or repurchased product(s) will be deducted from any future commission cheques, including that of the upline. Any other debt may be offset against commission payments.

In the event that you fail to properly provide your Tax File Number (TFN) or Australian Business Number (ABN) to Young Living, Young Living may be required deduct the necessary withholdings from your commission payments.

7.4 Deductions/Maintenance Fees

A monthly maintenance fee is assessed each month and is used to cover accounting, processing, account maintenance and other costs. The fee may be tax deductible, so consult your personal tax advisor for details. A current maintenance fee schedule is posted on the Virtual Office.

7.5 Errors or Questions

You should review your Commission and Bonus Recap statements and report any errors or discrepancies to Young Living within **forty-five (45) days** from the date of the payment. Errors or discrepancies that are not brought to Young Living's attention within **forty-five (45) days** will be deemed waived.

7.6 Recipient Created Tax Invoices

This section applies to Recipient Created Tax Invoices, where:

- "Supplier" is the Member;
- "Supplies" is the provision of services for which bonuses or commissions are paid;
- "Recipient" is Young Living Australia Pty Ltd (Young Living);
- "RCTI" is Recipient Created Tax Invoice;
- "Tax Invoice" includes an adjustment notice.

7.6.1.1: The Supplier warrants that the Supplies are Taxable Supplies for GST purposes and will advise the Recipient should any Supplies be GST-free, input taxed or outside the scope of GST.

7.6.1.2: The Recipient and Supplier agree that:

- a. The Recipient can issue RCTI in respect of the Supplies;
- b. The Supplier will not issue tax invoices in respect of the Supplies;

- c. The Supplier acknowledges that it is registered when it enters into the agreement and that it will notify the Recipient if it ceases to be registered;
- d. The Recipient acknowledges that it is registered when it enters into the agreement and that it will notify the Supplier if it ceases to be registered or if it ceases to satisfy any of the requirements of any Australian Taxation Office (ATO) ruling required for the issuance of an RCTI.
- e. The Supplier indemnifies the Recipient for any liability to tax, over claimed credits and penalties as a result of an error by the Recipient on any supply for which it issues a RCTI that might arise due to the failure of the Supplier to notify cessation of registration, or other ATO requirements;
- f. The above terms are modified in accordance with current GST law and ATO Rulings as required for the issuance of a RCTI from time to time; and
- g. The Supplier will inform the recipient if he/she considers that relief from GST should be afforded under the transitional provisions of the GST law. The Recipient will then examine the legal position to determine availability of relief.

7.6.2 PAYG Withholding Tax

I/We acknowledge that until I am/we are advised by Young Living that I/we have achieved the 'in business' criteria for the ATO purposes, I/we will not be conducting an enterprise for taxation purposes and consequently will not be required to quote an Australian Business Number (ABN) to Young Living; OR I/We am/are carrying on a business under general law and will immediately provide the ABN for my/our enterprise to avoid the requirement for Young Living to deduct PAYG withholding from bonuses payable to my/our enterprise.

8: ORDERING

8.1 Ordering Methods

All members may place orders by telephone, fax, mail, email, website or through the Essential Rewards Subscription program.

8.1.1 Phone

When ordering, modifying account information or accessing your account by phone, be prepared to present all information requested on the Young Living order form, including member number and PIN.

8.1.2 Mail, Email and Fax

When ordering by fax, mail or email, print information legibly on the order form. You must include your member number on the order form along with your contact information and PIN.

8.1.3 Young Living Website

The Young Living website makes ordering and accessing information online quick and easy. Available 24 hours a day, 7 days a week, the website allows you to place online orders. You will need your member number and password (which should be kept confidential) at YoungLiving.com.au. You must keep your password secure and order only on your own account.

8.2 Essential Rewards Subscription Program

The Young Living Essential Rewards Subscription Program enables you to have Young Living products automatically shipped to you each month. Through this program you can earn bonus products, qualify for members-only specials and qualify for compensation under the Compensation Plan. You may learn more and sign up for the Essential Rewards Subscription Program in the Virtual Office (YoungLiving.com.au) or by contacting Member Services at 1300 AU YLEO / 1300 28 9536).

It is advised that the Subscription order is set up to be processed between the 1st and 20th of each month. Subscription orders can be processed after the 24th, but these dates have limited availability. The earlier the order, the easier it is to solve any disputes with the payment and out-of-stock products. Young Living cannot be held responsible for orders that are not processed due to member payment obligation and reserves the right to cancel a member's Essential Rewards Subscription if the 50 PV minimum

order requirement is not being met which forfeits all Essential Rewards points and rewards. If certain products are out-of-stock, Young Living reserves the right to send an alternate product to the member. If the member is not satisfied with the alternative product; the member may return the product pursuant to Young Living's return policy or exchange the product for an item of equal value.

Once the order has been processed it cannot be changed or cancelled. There is a 25% restocking/handling fee (due to member's failure to update or cancel his or her ER template before the processing date) for any returns if your order has been processed. Therefore, we encourage you to update your ER template at least **two (2) days** before the processing date.

Return of any Essential Rewards order forfeits all Essential Rewards points earned from that order. Please refer to the Essential Rewards information pages on the Virtual Office.

8.3 General Ordering Policies

On orders with invalid or incorrect payment types, or anything else that may prevent Young Living from placing the order, Young Living will attempt to contact you by phone or email to correct the order. Young Living will make two attempts to correct the order. If these attempts are unsuccessful after **five (5) business days**, the order will be cancelled.

For orders to be counted in a given month, they must be received and accepted on or before the last day of the month. Changes made to pending orders that have not yet shipped will keep the original date the order was entered. This may affect commission qualification.

If an item ordered is out-of-stock or discontinued, Young Living will attempt to contact you by phone or email so that you may select an alternative item, if qualifications are negatively affected. If we are unable to contact you or do not receive a response from you within **two (2) business days**, Young Living will remove the item and process the order. It is your responsibility to verify that the products in your order are available when shipped.

No cash-on-delivery (COD) orders will be accepted.

Payment plans are not allowed when purchasing product. The balance may be paid with different credit cards but must be paid in full before the order will be shipped.

8.3.1 Back Orders

At our discretion, Young Living may offer back orders. Back ordered products will be shipped with your next order after the product becomes available. Shipping is charged on all back orders.

8.3.2 Month-End Order Processing Cutoff

The month-end order processing cutoff is the last calendar day of the month at 11:59 PM, Australian EST. Faxed orders must be received by the last day of the month. All mailed-in orders must be post marked by the last day of the month and received within the next **three (3) business days** of the following month. If not received within the following **three (3) business days**, the orders will be credited to the following month. The website is available 7 days a week, 24 hours a day, making it possible to place all orders by the end of the month. Only mail-in orders fall under the **three (3) business day** exception.

9: SHIPPING

9.1 Shipping Methods and Charges

Domestic orders are generally shipped within **two (2) business days** (excluding weekends and holidays). A packing slip is included in each shipment. It contains the order number, member number and name, product code and product name. Members should keep these packing slips for personal accounting records.

9.2 Shipping Discrepancies

When you receive an order, you should check the products against the packing slip to make certain there is no discrepancy or damage. Please notify Young Living of any shipping discrepancies or damage as soon as possible. Failure to notify Young Living of any shipping

discrepancy or damage within **five (5) business days** of receipt of shipment will forfeit your right to request a correction.

The Return Authorisation Number (RAN) is required for the processing of all shipping discrepancies or damage claims. If the RAN number is not included, Young Living will not process shipping discrepancies, issue credits or replace damaged products. Please call Member Services on 1300 AU YLEO / 1300 28 9536 for a RAN if a return is required.

To correct any problems you may have encountered with your shipments, please contact Member Services. A Member Services representative will discuss the steps to rectify the situation and issue a Return Authorisation Number.

10: PAYMENT

10.1 Methods of Payment

Young Living accepts the following payment methods:

- Credit Cards - VISA®, MasterCard®. Using someone else's credit card without his/her written permission is illegal and may be grounds for termination of your Young Living business as well as possible legal action.
- PayPal®
- Personal Cheques, Cash Direct Deposit and money orders (standard orders only).

Each member is financially responsible for their own account. If you grant another member permission to order on your account or to use their payment method on your account, written approval must be sent to Young Living stating that permission is granted. A regular audit will be conducted on member accounts where this permission has been granted.

10.2 Returned Cheques and Insufficient Funds

You are responsible to ensure that sufficient funds are available in your account to cover regular orders and Essential Rewards Subscription orders. If a personal cheque is returned for non-sufficient funds (NSF), you will not be able to place orders using personal cheques until the balance is paid with a credit card or a money order. An NSF cheque will be sent to a collection service, appropriate processing fees will be charged and your account will be placed on suspension. Failure to promptly resolve an NSF cheque may result in legal action and possible termination of your Young Living business. Any uncollected amount may be deducted from commissions.

11: PRODUCT RETURNS

11.1 Return Policy

Young Living reserves the right to review each return or exchange on a case-by-case basis. Returns will cause promotions, credits, commissions and bonuses to be adjusted or reversed, both for the person making the return and for any upline members who received compensation on such purchases.

11.1.1 Return Guidelines

If you are dissatisfied with any Young Living product, you may return:

- Any unopened product within **thirty (30) days** after shipment for a full refund in the same method of payment of the purchase price and GST (inc. reasonable shipping charges).
- Any opened product within **thirty (30) days** after shipment for a credit on your Young Living account of the purchase price and GST (inc. reasonable shipping charges).
- Any opened or unopened product up to **ninety (90) days** after shipment for a credit on your Young Living account of the purchase price and GST (less shipping charges and a 25% handling fee). The credit applied for opened product will be based on the percentage of the product returned. For example, if you return 50% of a product, then a credit of 50% (less shipping charges and a 25% handling fee) will be applied to your Young Living account.

If you, as a member sell product to non-members, you are required to provide the same return policy to the non-member as outlined in this Section 11.1. You are also responsible for returning the product to Young Living within **ten (10) days** of receiving the return

from the non-member. Young Living will not provide refunds on or accept returns directly from non-members. Excessive returns may be deemed an abuse of Young Living's return policy and may result in suspension of your return privileges and/or sales organisation. Damaged or incorrect shipments of products will not be subject to fees.

11.1.2 Returns of Inventory by Members

If you choose to terminate the Agreement, you may return any product inventory or sales aids purchased in the preceding 12 months for a refund if you are unable to sell or use the merchandise. You may return only products and sales aids that are in resalable condition, unless otherwise required by law. Resalable condition is defined as the same unopened condition as it was purchased new.

You must return the products to Young Living, prepay the shipping charges and include a letter explaining that you wish to terminate the Agreement and receive a refund. Upon receipt of the products, you will be reimbursed 90% of the net cost of original purchase price, less shipping charges. Young Living will deduct from the reimbursement any commissions, bonuses or other incentives received by you as a result of the product you are returning. If your account is terminated, you have **ninety (90) days** from the date of termination to make arrangements with Young Living regarding the repurchase of all returnable products. You acknowledge that you will be unable to return products more than **ninety (90) days** from the date of termination.

11.1.3 Product Kits and Collections

All Young Living product kits and product collections must be sold as a whole unit. Members are prohibited from selling individual items from product kits and product collections separately and promoting such activity within the member's business organisation.

Any product kit and/or collection returned to Young Living must be complete; otherwise, the kit and/or collection will not be eligible for an exchange or refund. No individual items from a kit and/or collection will be eligible for a refund.

11.1.4 Return of Promotional Product(s)

For any complimentary item(s) received by the purchaser via a qualifying purchase or through the buy-one-get-one-free promotion or other promotion, returns will be handled as follows:

- If a qualifying purchase is returned in whole or in part and negates your qualification to receive the complimentary promotional item(s), the complimentary item(s) must also be returned, or you will be charged for the free product(s).
- If one of the promotional products is returned, Young Living will not credit the member, as Young Living will assume the returned item(s) is the promotional product(s). If all promotional products are returned, Young Living will credit the member for the product purchased.

11.2 Procedures for Returns

The following procedures apply to all returns for refund, repurchase or exchange:

- The customer or member who purchased it directly from Young Living must return the products.
- The product(s) must be returned in its original container.
- The return must have a Return Authorisation Number (RAN) that may be obtained by calling Member Services at 1300 AU YLEO / 1300 28 9536, by emailing custserv@youngliving.com.au. The RAN must be written on the outside of each package, or the shipment will be returned to the sender.
- All returns must be shipped prepaid to Young Living. Young Living does not accept cash-on-delivery (COD) packages.
- If returned product is not received by Young Living's distribution centre, it is the responsibility of the member to trace the shipment. Young Living is not liable for items lost or damaged in transit.
- Volume for exchanges will be counted in the month the exchange transaction was made.

- No refund will be made for subsequent returns of the same product, except when the product is damaged or defective.
- Credits will be issued when Young Living has processed the return.

12: MEMBER ACCOUNT MANAGEMENT

12.1 Changes to a Member Account

You must immediately notify Young Living of all changes to the information contained on your Member Agreement. You may update your existing information by submitting a Change of Dealings form indicating the changes by email to custserv@YoungLiving.com.au or by making such changes in the Virtual Office (YoungLiving.com.au).

The modifications permitted within the scope of this paragraph do not include a change of sponsor or tax information. Sponsors and enrollers are not allowed to request account changes or relay such requests.

12.1.1 Sponsor Changes

To protect the integrity of all marketing organisations and to safeguard the hard work of all members, Young Living strongly discourages changes in sponsorship. Young Living recognises, however, that there may exist extenuating circumstances that necessitate a change in sponsorship. Therefore, a request for sponsorship change will be considered only under the following circumstances:

- Only one (1) free sponsor/enroller change request can be made within the first **thirty (30) calendar days** of enrolment with the approval of the member OR current enroller. Sponsor/enroller change requests may be made directly over the phone if within the first **five (5) calendar days** of registration. After **five (5) calendar days**, but within **thirty (30) days**, the request must be submitted in writing via mail, email, fax or other method or form required by Young Living. Requests after the initial **five (5) calendar days** must be submitted via email or other method prescribed by Young Living to resolutions@YoungLiving.com and copied to custserv@YoungLiving.com.au. The email and/or form must come directly from the new member or the new member's enroller, and must be sent from the email address on file with Young Living. Requests cannot be submitted by another member, even in the form of a forwarded email.

Sponsor changes must be made prior to the end of each calendar month to be recognised in that month. If the sponsor change is submitted on or after the end of each calendar month but within the **thirty (30) days** of enrolment, the sponsor change will not be recognised until the following month. Young Living shall not be responsible for a delay in sponsor change due to the timeliness of the submission of a sponsor change request as outlined herein and within the **thirty (30) days**. If within the **thirty (30) days** both the enroller and the downline member submit a request for a sponsor/enroller change, the downline member's request will always take precedence.

The member or enroller can contact Member Services to submit the sponsor change request during the **thirty (30) day** period.

Only newly enrolled members and reactivating members are authorised to request any sponsor change for their individual accounts within **thirty (30) days** of the enrolment or reactivation. Such changes cannot be made at the request of upline or family members.

Under exceptional extenuating conditions, a member may request a sponsor change after the **thirty (30) days** of enrolment by completing a Three Active Upline Approved Sponsor Change Request Form and submitting a non-refundable \$35 USD processing fee to Young Living. "Three Active Upline" is defined as the three (3) members in the member's upline that have generated 100 PV actively for six (6) consecutive months. The non-refundable \$35 USD processing fee must be paid either by credit card or direct deposit and will not be refunded upon a denial of a sponsor change request. Young Living will not consider a sponsor change until it receives all documentation with the required signatures. If one of the upline

members does not respond within a period of **sixty (60) days**, the member may request to be moved under the sponsor of his/her choice.

The member must demonstrate that he/she has made a good faith effort to contact all three upline sponsors. The good faith effort will require the member to provide sufficient evidence to prove they have tried for a period of **sixty (60) days** to contact the upline member via email, certified mail, etc., and the upline member has ignored or has been non-responsive to the request. If the member cannot provide evidence of a good faith effort, Young Living may deny the request at its sole discretion. If a sponsor change is successful through the Three Active Upline the member's original organisation downline will roll up to the next upline and remain in the original genealogy. If there is a dispute concerning a signature of one or more of the Three Active Upline approval, the Conduct and Education team will investigate the approvals, and Young Living may reject the sponsor change request and restore the member to the original sponsor. No enroller changes will be allowed after **thirty (30) days** of the initial member enrolment. Young Living reserves the right to approve and/or deny all sponsor change requests in its sole discretion.

If a member is unable to get approval from his/her Three Active Upline, the member may choose to go "inactive" by not placing an order for six (6) months to effect a change to a new sponsor. "Inactive" means no orders are placed and no business activity is undertaken, including attending meetings, until the completion of the six (6) month period.

At the end of six (6) months the member may request a sponsor change by emailing resolutions@YoungLiving.com and paying a \$35 USD fee. The new sponsor cannot become the enroller. When a member moves from the original downline to a new downline, the enroller status/bonus becomes null and void.

- A member may request a sponsor change if the member's sponsor has not provided support to the member for over a period of **two (2) years** and the member has filed a grievance with Young Living that includes the following: (1) The sponsor/upline member does not contact the member over the period of **two (2) years**; (2) the sponsor/upline member does not respond to requests for help; (3) the sponsor/upline member does not offer support, mentoring, business building information, etc. The member must submit the grievance to conduct.au@YoungLiving.com.au. Young Living will conduct a full investigation into the grievance; and if the grievance appears substantiated, Young Living may allow the sponsor change. The member requesting the change must pay the non-refundable \$35 USD processing fee.
- If the member has not placed an order or generated at least 50 cumulative PV for **twelve (12) consecutive months**, the member account will be dropped for inactivity around the middle of the following month after **twelve (12) months** of inactivity. The existing downline will roll up to the next upline and remain in the original genealogy. Upon reactivation of an account terminated for inactivity, the member may sign up under a new sponsor and enroller.

Requests cannot be submitted by another member. Young Living will not approve sponsor change requests that it deems to be intended to manipulate payment under the Compensation Plan and reserves the right to make sponsor changes for any reason at any time and at its sole discretion.

If a member enrolled in Young Living or ordered products in the previous month and his or her sponsor or enroller changes during the first **five (5) business days** of the month, that change may affect the previous month's rank, qualification and payout.

12.1.2 Waiver of Claims

If you have changed sponsors but did not follow the appropriate procedures, as outlined in Section 12.1.1, and you have developed a downline organisation in a sales organisation under a new sponsor,

Young Living reserves the sole and exclusive right to determine the final placement of your new downline organisation. You waive any and all claims against Young Living, its officers, directors, owners, employees and agents that relate to or arise from Young Living's decision regarding the disposition of any downline organisation that develops below an organisation that has improperly changed lines of sponsorship.

12.1.3 Sponsor Placement Program

When a new member enrolls without a designated sponsor or enroller they are deemed an orphan. The Young Living Placement Program generally assigns orphans a sponsor and an enroller who resides in or near the same area code or geographical area of the orphan and/or who speak the same language as the orphan. Eligible sponsors and enrollers generally include Executive, Silver, and Gold ranking members who actively support their downlines, have growing sales results, have grown their sales organisations in the month in which a new orphan becomes available, are active in participating in Young Living events and programs (e.g., Essential Rewards) and who actively work to support the mission of Young Living.

The Young Living Placement Program is directed by Young Living's executive management team, which reserves the right to assign any orphan as it sees fit in its sole discretion. The recipient should be enrolled in the Essential Rewards Subscription program and conscientiously engaged in the Young Living business.

The new member has **thirty (30) days** to change from the assigned new sponsor to another sponsor of his or her choice, as outlined in Section 12.1.1.

12.2 Downline Genealogy Reports

Downline Genealogy Reports ("Reports") are optional and may be ordered at any time. Members with a Young Living-sponsored personal website may receive two free emailed downline reports per month, upon request, with all additional email reports costing \$5 AUD each. Members who do not have a Young Living-sponsored personal website will pay \$5 AUD for each email report requested. Members who wish to have the report faxed or mailed will pay \$5 AUD for the first 10 pages and 10 cents for each additional page. Young Living reserves the right to modify the charges described in this Section 12.2.

Downline Genealogy Reports constitute Confidential Information as set forth in and subject to Section 3.14 of the Agreement. Without limiting your obligations under Section 3.14 of the Agreement, you may not use reports for any purpose other than for developing and supporting your sales organisation. Specifically, during and after the expiration or termination by either party for any reason of the Agreement, you may not:

- Disclose any information contained in the reports to any third party;
- Use reports to compete with Young Living in violation of Section 3.11.2 of the Agreement;
- Use reports to solicit any member or customer listed on the reports or to engage in any conduct prohibited by Section 3.11 of the Agreement;
- Use or disclose to any person, partnership, association, corporation or other entity any information contained in any report. At the expiration or termination by either party for any reason of the Agreement, or upon demand by Young Living, you will return the original and all copies of reports (including electronic files) to Young Living or destroy all copies in hard-copy, electronic or other format of any report in your possession. This Section 12.2 of the Agreement will survive the expiration or termination by either party for any reason of the Agreement.

12.3 The D. Gary Young, Young Living Foundation

By enrolling as a Young Living member, you are automatically enrolled as a non-voting member of The D. Gary Young, Young Living Foundation. The privileges associated with this class of membership include the invitation to participate (at the member's own expense where applicable) in certain member-participation charitable activities, the right to receive periodic reports of the

charitable activities and accomplishments of the foundation, and the invitation to contribute to the foundation for the advancement of its charitable purposes.

13: DISPUTE RESOLUTION AND DISCIPLINARY ACTION

13.1 Disputes with Other Members

If you have a grievance or complaint with another member regarding any practice or conduct in relationship to your sales organisation, you should first discuss the problem with the other member. If this does not resolve the problem, report the problem to your upline leader who is a Silver or above to resolve the issue at a local level. If the matter cannot be resolved, it may be reported to the Young Living Australia Compliance Manager by emailing conduct.au@YoungLiving.com.au. The complaint should identify specific instances of alleged improper conduct and, to the extent possible, identify the relevant dates on which the event(s) complained of took place, the location(s) where they occurred, and all persons who have first-hand knowledge of the improper conduct.

Upon receipt of a written complaint, the Young Living Australia Compliance Manager will investigate the matter, review the applicable Policies and render a decision on how the dispute will be resolved. The Young Living Australia Compliance Manager in conjunction with Young Living Conduct Head Office may impose disciplinary sanctions as provided in Section 13.4.

13.2 Disputes with Young Living

13.2.1 Mediation

Prior to instituting an arbitration with Young Living, as provided in Section 13.3 below, you and Young Living (collectively referred to as "Parties") will meet in good faith and attempt to resolve any dispute arising from or relating to the Agreement through non-binding mediation. One individual who is mutually acceptable to the parties will be appointed as mediator. The mediation will 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, will be divided equally between the Parties. Each party will pay its portion of the anticipated shared fees and costs at least **ten (10) days** in advance of the mediation. Each party will pay its own attorney's fees, costs and individual expenses associated with conducting and attending the mediation. Mediation will be held in the Young Living Australian Office, and will last no more than **two (2) business days**.

13.3 Resolution of Disputes

In the event of a dispute occurring between a Young Living member and Young Living or between Young Living members, this section provides for the appointment of an independent mediator or arbitrator, under the auspices of the Australian Commercial Disputes Centre, to mediate or to hear and resolve contentious issues.

- **13.3.1** Any dispute, controversy or claim arising out of the relationship between an Approved Provider and a Young Living member or relating to the contract of which these Policies form a part or breach of these Policies, the termination of a Young Living members business, the de-sponsorship of a Young Living member or the placing of a Young Living member on probation, shall be settled by mediation administered by the Australian Commercial Disputes Centre Limited (ACDC) and the following provisions shall apply:
- **13.3.2** The mediation shall be conducted at Sydney, Australia;
- **13.3.3** The mediator shall be selected by Young Living and the Young Living member from a panel of mediators nominated by ACDC, and failing agreement within **fourteen (14) days** as to a mediator, by the Secretary-General for the time being of ACDC;
- **13.3.4** Each of the Parties shall be entitled to be represented by one duly qualified legal practitioner or other representative in addition to the party himself/herself, or in the case of a corporation an executive of the corporation, whether legally qualified or not.
- **13.3.5** In the event that the dispute, controversy or claim is not resolved by mediation within **twenty-one (21) days** of the appointment of the mediator (or such longer period as is agreed between Young Living and the Young Living member

or an Approved Provider and the Young Living member) either party may refer the dispute, controversy or claim to arbitration administered by ACDC and the following provisions shall apply:

- **13.3.6** The arbitration shall be conducted at Sydney, Australia;
- **13.3.7** The arbitration shall be conducted in accordance with the current Rules for the Conduct of Commercial Arbitrations issued by the Institute of Arbitrators Australia;
- **13.3.8** The arbitrator shall be selected by Young Living and the Young Living member from a panel of arbitrators nominated by ACDC, and failing agreement within **fourteen (14) days** as to an arbitrator, by the Secretary-General for the time being of ACDC. The arbitrator shall be a person other than the mediator who has conducted the mediation pursuant to Section 13.2.1;
- **13.3.9** The arbitrator shall have the powers of a Court of relevant jurisdiction only;
- **13.3.10** Each of the parties shall be entitled to be represented by one duly qualified legal practitioner or other representative in addition to the party himself/herself or in the case of a corporation, an executive of the corporation, whether legally qualified or not;
- **13.3.11** Examination of witnesses by the parties and by the arbitrator shall be permitted, but compliance with the rules of evidence shall not be required.
- **13.3.12** The costs of any mediation shall be borne equally by the Young Living member and Young Living. A Young Living member proposing to exercise his/her rights under Section 13.2 shall promptly notify Young Living Australia at its head office by post, email (conduct.au@YoungLiving.com.au) or facsimile to the Compliance Manager within **twenty-eight (28) days** of receiving notice of Young Living's or an Approved Provider's determination. Correspondence should be addressed to the attention of the Compliance Manager, Young Living Australia.

13.4 Disciplinary Actions

At Young Living's discretion, violation of any of the terms and conditions of the Agreement may result in a hold on your account, which will result in an inability to place orders and earn or receive commission payments. These violations include, but are not limited to, any illegal, fraudulent, deceptive, unprofessional, or unethical business conduct; non-payment of your account with Young Living; or declination of credit card payments. After an investigation is confirmed, Young Living may impose any or all of the following sanctions:

- Written warning clarifying the meaning and application of a specific Policy or Procedure and advising that a continued breach will result in further sanctions;
- Probation, which may include requiring you to take remedial action and will include follow-up monitoring by Young Living to ensure compliance with the Agreement;
- Withdrawal or denial of an award or recognition or restricting participation in Young Living-sponsored events for a specified period of time or until you satisfy certain specified conditions;
- Suspension of certain privileges of a sales organisation, including, but not limited to, placing a product order, participating in Young Living programs, progressing in the Compensation Plan or participating as a member for a specified period of time or until you satisfy certain specified conditions;
- Suspension and/or termination of access to the Virtual Office;
- Withholding commissions or bonuses for a specified period of time or until the member satisfies certain specified conditions;
- Imposing fair and reasonable fines or other penalties in proportion to actual damages incurred by Young Living and as permitted by law;
- Termination of the Agreement and your status as a member;
- Reassign all or part of the member's organisation;

- Any other measure expressly allowed within any provision of the Agreement or which Young Living deems practicable to implement and appropriate to equitably resolve injuries caused partially or exclusively by a member's policy violation of contractual breach.

During the period that Young Living is investigating any conduct that violates the Agreement, Young Living may withhold all or part of your bonuses and commissions. If your sales organisation is involuntarily terminated, you will not be entitled to recover any commissions or bonuses withheld during the investigation period. In situations deemed appropriate by Young Living, the company may institute legal proceedings for monetary and/or equitable relief.

13.5 Appeals of Disciplinary Action

In the instance that you are subject to a sanction or disciplinary action (other than a suspension pending an investigation), you may appeal the sanction to Young Living. The appeal must be in writing and be received by Young Living within **fifteen (15) days** from the date of the disciplinary action. If the appeal is not received within the **fifteen (15) day** period, the sanction will be final. The appeal should be submitted with all supporting documentation. Young Living will review and reconsider the sanction or other disciplinary action, consider other appropriate action and notify you in writing of its decision.

14: INACTIVITY, REACTIVATION and CANCELLATION

14.1 Inactivity

If you do not meet the personal volume (PV) requirement in any particular month, you will not receive commissions or bonuses for the sales generated through the downline organisation. If you do not purchase a minimum of 50 accumulative PV for a period of 12 consecutive months, your account will be deemed inactive and your existing downline will roll up to your first active upline member.

14.2 Reactivation

If you are a member and your sales organisation is deemed inactive, you may reactivate your member account by contacting Member Services and purchasing 50 PV in product or by purchasing a Starter Kit.

When reactivating, you will be placed under your prior sponsor, unless you request a new sponsor. If your prior sponsor is inactive, you will be placed under the next active upline member. You will have no claim to downline that was lost when you were dropped for inactivity.

14.3 Involuntary Cancellation or Termination

If your account is involuntarily cancelled or terminated, you will immediately lose all rights to your downline and to any commissions or bonuses generated thereby, including those commissions or bonuses generated during the periods of activity investigated.

In this case, you will receive compensation for the last full calendar month in which you were in full compliance with these Policies and Procedures prior to investigation and/or termination of your sales organisation.

Young Living may, in its sole discretion, terminate, upon notice, the membership of any member who (a) breaches any provision of the Member Agreement, the Membership Application, or these Policies and Procedures; (b) engages in any conduct that may bring disrepute in any way to Young Living (or any of its officers, agents, or employees), the nutritional supplement and personal care products industry or the direct sales industry; or (c) violates government laws, regulations, ordinances or any Young Living guideline. Young Living may also, upon notice, terminate the membership of any member who, through his or her capacity as a member, files any legal action proceeding or induces or facilitates any government agency to file any action against Young Living, which Young Living considers, within its sole discretion, to be without legal foundation or basis in fact. Young Living may also terminate a sales organisation at any time and for any reason upon a **thirty (30) day** written notice.

If your sales organisation is terminated, you will be notified by mail, the email on record or other delivery method calculated to reach you at the address on file. Cancellation is effective on the date on which written notice is issued. Upon receipt of this notice, you must immediately cease representing yourself as a Young Living member and immediately return and delete all intellectual property of Young Living, including reports and other lists of downline and contact information.

If your sales organisation is terminated, you may reapply to become a member twelve (12) calendar months from the date of termination. To reapply, you must submit a letter to the Young Living Member Conduct and Education Department (to conduct.au@YoungLiving.com.au) setting forth the reasons why you believe you should be allowed to operate a sales organisation. It is within Young Living's sole discretion whether to permit your request. Young Living would not do so unreasonably to import an element of procedural fairness to the disciplinary process.

14.4 Voluntary Cancellation

You may cancel your Agreement at any time and for any reason. Written notice must be provided to Young Living through the completion of the termination form in the Virtual Office under Member Resources. Upon receipt of this notice, you must immediately cease representing yourself as a Young Living member and immediately return and delete all intellectual property of Young Living, including reports and other lists of downline and contact information.

If you voluntarily cancel the Agreement, you may become a retail customer or member under your original sponsor. Additionally, you may reapply to become a member under a new sponsor after six (6) months from your cancellation date.

14.5 Effects of Cancellation

Upon cancellation or termination, you release all rights to your member benefits, including the downline and all future commissions and bonuses resulting from the downline sales production. Upon termination, Young Living may at its sole discretion retain your sales organisation, sell it, roll it up to the next active upline member or dissolve and remove it from the sponsor's downline.

15. MISCELLANEOUS

15.1 Delays

Young Living is not responsible for delays and failures in performing its obligations due to circumstances beyond its reasonable control. This includes, without limitation, acts of God, strikes, labour difficulties, riots, wars, fire, flood, death, curtailment or interruption of a source of supply, government decrees or orders, etc.

15.2 Partial Validity

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(s) of the provision will be severed. The remaining terms and conditions will remain in full force and effect and will be construed as if such invalid or unenforceable provision never comprised a part of the Agreement. The Agreement will be interpreted by Young Living in the best furtherance of Young Living's business interests.

15.3 Waiver

Young Living never forfeits its right to require compliance with the Agreement or with applicable laws and regulations governing business conduct. While Young Living attempts to enforce the Agreement uniformly, failure to enforce any provision of the Agreement against you does not waive Young Living's right to enforce that or other provisions. Only in rare circumstances will a Policy be waived, and an authorised agent of Young Living will convey such waivers in writing. The waiver will apply only to that specific case.

15.4 Titles Not Substantive

The titles and headings to these Policies and Procedures are for reference only and do not constitute and will not be construed as substantive terms of the Agreement.

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NOTES

CONTACT US

PHONE 1300 AU YLEO (1300 28 9536)

FAX 02 9680 4128

EMAIL custserv@YoungLiving.com.au

WEB YoungLiving.com.au

POSTAL Young Living Essential Oils
PO Box 7707, Baulkham Hills BC
NSW 2153 Australia

FACEBOOK [Facebook.com/YoungLivingAustralia](https://www.facebook.com/YoungLivingAustralia) (Public)
[Facebook.com/YLMembers](https://www.facebook.com/YLMembers) (YL Members)

INSTAGRAM [Instagram.com/younglivingeoau](https://www.instagram.com/younglivingeoau)

TWITTER [Twitter.com/YLEOAustralia](https://twitter.com/YLEOAustralia)

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SYDNEY **Sydney Experience Centre & Product Pickup**

Address: Building B, Level 3, 3 Columbia Court,
Baulkham Hills NSW 2153

HOURS Monday - Friday: 10 AM - 6 PM AEST

Saturday: 9 AM - 3 PM AEST

Orders need to be picked up within 5 business days.

Member Services: Monday - Friday

8 AM - 6 PM AEST - Standard Time (Apr - Sept)

8 AM - 7 PM AEDT - Daylight Savings Time (Oct - Mar)

PERTH **Perth Experience Centre & Product Pickup**

Address: Unit 1, 30 Haydock Street, Forrestdale
Business Park, Forrestdale WA 6112

HOURS Monday - Friday: 10 AM - 6 PM AWST

Saturday: 9 AM - 3 PM AWST

Orders need to be picked up within 5 business days.

Member Services: Monday - Friday

6 AM - 4 PM AWST (Apr - Sept)

5 AM - 4 PM AWDST (Oct - Mar)

NEW ZEALAND **New Zealand Member Services: Monday - Friday**

9 AM - 8 PM NZST Standard Time (Apr - Sept)

HOURS 9 AM - 9 PM NZDT Daylight Savings Time (Oct - Mar)