

# policies + procedures

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 Young Living Essential Oils (Australasia) Pty Ltd ABN 94 085 543 979 is also referred to within these policies as  
 Young Living Essential Oils, Young Living, YLEO, YL and YL Australia.

## Welcome

Welcome to Young Living Essential Oils ! We are pleased that you have chosen to join our Company as an Independent Distributor. Young Living is dedicated to providing you with the best products and business opportunity that you can find anywhere.

Leading financial experts and business gurus all agree that the home-based business sector is the wave of the business future. The time that you invest in becoming familiar with our Company, including the Policies & Procedures, will make a significant difference in your business experience. It will also be helpful to keep in touch with your upline support team on a regular basis to stay informed of the latest information regarding Young Living's products, business, support programmes and events. Be proactive and seek the needed support from your upline sponsor or other upline leader. If you are unable to obtain the support you need, please call customer service with your enquiry.

## Purpose

The purpose of the Independent Distributor Policies & Procedures is:

- o To set standards of acceptable business behaviour.
- o To define the relationship between you and Young Living.
- o To assist you in building and protecting your business.

## Policies Incorporated in the Distributor Agreement

Throughout these Policies & Procedures, whenever the term "agreement" is used, it refers collectively to the Young Living Distributor Application, Agreement, Order Form, Policies, Compensation Plan (comp plan) and sales receipt. These documents are incorporated by reference into the distributor agreement (in their current form and as amended by YL). It is the responsibility of each distributor to read, understand, adhere to, and ensure that he/she is operating under the most current version of the Policies & Procedures (also available to distributors in Virtual Office).

## Code of Ethics

You are required to become familiar with and abide by this code as a condition of extending your Independent Distributorship relationship.

- o I will follow the highest standards of honesty and integrity in the development and operation of my Young Living business.
- o I will give prompt & efficient service to anyone to whom I have introduced Young Living Products.
- o I will make no claims for, or representations about, any Young Living products other than those found in current Australian company literature.

- o I will not make negative or disparaging remarks about anyone who may be in competition with Young Living, or with their people, products or organisations.
- o I will not engage in activities that may cause losses to Young Living or to any other independent Young Living Member.
- o I will not use any Young Living Essential Oils trademark, trade name, logo, information, Member lists, literature, meetings, gatherings, or Young Living resources to further other business interests.
- o I will perform all duties of a sponsor & a leader as I build my Young Living business.
- o I will respect the privacy of my upline & downline Members.
- o I will present the Young Living Compensation Plan accurately & honestly, clearly portraying the level of effort required to achieve success without exaggeration of the financial possibilities.

**I will abide by all rules, regulations, laws & ordinances that are applicable to the operation of my Young Living business and distributorship.**

## Amendments/Acceptance

Young Living reserves the right to alter or amend the distributor agreement, prices, Policies & Procedures, product availability, rewards/incentives & the compensation plan. Young Living will notify active Members of changes through e-news, the website &/or newsletters. Any continued business, ordering, acceptance of commission/bonus or any other benefit by a distributor constitutes acceptance of this agreement in whole, with any and all amendments.

## Section 1

### Membership Types & Joining

Each individual who joins Young Living is assigned a member number. Only one membership is allowed per person. You may change the type of membership you have by fulfilling the requirements of that member type.

#### Member

The generic term to identify a YL distributor or customer.

#### Retail Customer

Retail Customers purchase for their own use & pay Retail Price. They do not retail products or enroll others. Retail Customer purchases apply toward the sponsor's PV, so count to qualify you in the comp plan as if you had placed the order personally.

The order form or online joining is required for enrolment as a Retail Customer. Joining by phone is

possible when the person is using their own credit card for their first order & has their enroller's member# ready. Young Living reserves the right to accept or reject new Retail Customers.

#### **Preferred Customer**

Preferred Customers are Retail Customers who enroll in the monthly Autoship Programme & save 12% off Retail. Preferred Customer purchases apply toward the sponsor's PV, so count to qualify you in the comp plan as if you had placed the order personally.

The order form is required for becoming a Preferred Customer, indicating the autoship details. Young Living reserves the right to accept or reject new Preferred Customers.

#### **Distributor**

Distributors participate in the YL business opportunity & save 24% off Retail.

The original, signed Application & Agreement Form is required for enrolment as a Distributor, together with a joining order for one Start Living Kit (containing product samples plus a comprehensive collection of business materials) + products of your choice. This enrollment/order can be done online, with submission of the application form to follow within thirty (30) days or the distributorship will go on hold. Young Living reserves the right to accept or reject new Distributors.

Distributors are independent & not to be considered purchasers of a franchise or a membership. The agreement between Young Living & its Distributors does not create an employer/employee relationship, agency, partnership or joint venture. You have no authority (expressed or implied) to bind the Company 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 & conditions of the agreement.

#### **Maintaining an Active Account**

##### **Inactivity**

**CUSTOMERS:** If you fail to place an order of at least 50PV in a month every twelve months, your membership will become inactive.

**DISTRIBUTORS:** If you do not meet the 50PV requirement in any particular month, you will be deemed inactive for that month & will not receive commissions or bonuses for the sales generated through the downline organisation.

If you remain inactive for a period of twelve (12) months, you will be effectively dropped from the Young Living Sales Organisation & your Distributor Agreement cancelled. Any existing sales organisation or downline will "roll-up" to your first active upline Member.

To maintain contact with dropped Members, your name will be added to a list of inactive Members that may be accessed by your first upline Silver or above. A monthly autoship order will prevent you from accidentally becoming inactive by ensuring that you achieve at least 50PV every month. Please read the autoship section.

##### **Reactivation**

Re-enrolling Members keep their original number but are treated like a new member & may reactivate with the same or a different upline from before. Please specify when reactivating or the previous upline will be used. If the upline is inactive, the membership will be reactivated under the first active upline Member unless otherwise requested. ALL reactivating members need to fulfill the joining requirements of their member type to reactivate.

Reactivating Distributors have no claim to downline that was lost when they were dropped for inactivity.

#### **Roll-Up of Marketing Organisation**

When a vacancy occurs in a marketing organisation due to the termination of a YL business, each distributor in the first level immediately below the terminated distributor on the date of the cancellation will be moved to the first level or the terminated distributor's sponsor. Enroller is changed to Null.

#### **Membership Policies**

##### **Legal Age**

A person must be at least 18 years of age to be a Distributor &/or distribute Young Living products.

##### **Same Household Members**

Husbands & wives may not sponsor each other or have separate memberships. A spouse may be a Co-applicant. If children are 18 years of age or older, but live in the same household, they may have a separate membership.

If one spouse is already a Member, the non-participating spouse may become a Co-applicant on the same membership as his/her spouse.

If two Distributors marry, they may combine their Distributor organizations (if one has sponsored the other), sell one of them, terminate one of them, or they may choose to maintain separate Young Living Distributorships. Contact Member Services (07 3715 7333) for help working through the legalities & gathering of any information that is necessary.

##### **Separation of a Young Living Distributor Business**

At such time as a marriage may end in divorce or a business entity may dissolve, arrangements must 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 other business up or downline of sponsorship. If the separating parties fail to provide for the best interests of other distributors and the Company, it is a violation of this agreement and YL may involuntarily terminate the agreement pursuant to the Policies & Procedures.

During the proceedings of a divorce or entity dissolution, the parties 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 a notarised assignment in writing whereby the relinquishing party(ies) authorise(s) YL to deal directly & solely with the other party(ies).
- The parties may continue to operate the YL business jointly on a "business as usual" basis, wherein all compensation paid by YL will be paid to the usual name of the membership.
- Pursuant to a court order involving parties.
- If one of these requirements is not met, YL will maintain the status quo as to how commissions are paid.

Under no circumstances will the downline organisation be divided, nor will YL split commission/bonuses between parties. If a former spouse/entity affiliate has completely relinquished all rights in his/her original YL business, he/she is thereafter free to enroll under any sponsor of his/her choosing. However, in such case, the former spouse/partner shall have no rights to any distributors or customers in their former organization.

### **Business or Company Names**

A person may join & have a business or company name included on their membership. In this case, all cheques are issued in the business/company name, no exceptions possible. If supplying a business name, you should also supply the ABN/GST details that apply to the business/company. See Taxes & Registration for more information. No individual may participate in more than one membership in any form, even if they have more than one business/company name. Individuals listed on the membership in a business/company name are ultimately jointly and severally liable for any indebtedness or other obligation of the business entity to YL.

Your business/company name may be removed from your membership at your signed request in writing.

Young Living reserves the right to approve or disapprove any Member's use of business name. In addition, by including a business/company name on your membership, you certify that no person with an interest in the new business entity has had an interest in another membership within six months of the submission of the certificate (unless it is the continuation of an existing membership that is changing its form of doing business).

### **Sale, Transfer or Assignment**

A Distributor may not sell, assign, or otherwise transfer his/her Membership, position, or other Member rights without prior written application & approval by Young Living. No changes in line of sponsorship can result. A Distributor who sells his/her Membership shall not be eligible to re-enrol as a Member for a period of at least six calendar months after the sale. Young Living reserves the right to review the sale agreement. An administration fee of \$50 will be charged by Young Living make the necessary changes within the YL system.

### **Succession**

Upon death or incapacitation, your rights to commissions, bonuses and downline organisation, together with all distributor responsibilities, will pass to your successor(s). The successor(s) must present YL with proof of death or incapacitation, along with appropriate legal documentation and a properly completed Distributor Application & Agreement. The beneficiary acquires the right to collect all commissions and bonuses of your sales organisation provided that he and/or she meets all of the qualifications necessary for the Comp Plan and this transfer is completed.

### **Purchases & Fees**

There is no joining nor membership fee. All Distributors & Professional Customers agree to fulfill the joining order requirements when they join.

Young Living charges research/administration fees if you request copies of Tax Invoices, previous transaction details & account histories. These fees vary depending on the nature of the work required. A research fee of \$40 per hour will be charged if a commission is queried & the company is not at fault. Monthly maintenance fees are not levied at this time for Australian distributors but this is subject to change.

### **Confidentiality Agreement & Privacy Policy**

Young Living Distributors may view their downline information through their secure Virtual Office area, solely to provide support to their team members. The Distributor agrees that such information is proprietary & confidential to Young Living & is transmitted in confidence. The Distributor agrees that he/she will not disclose such information to any third party directly or indirectly, nor use the information to compete with Young Living directly or indirectly. This includes using this list to promote any non-Young Living

business/products, whether or not they would appear to complement Young Living. See Cross-Sponsoring & ANTI-SPAM for more information.

As a Young Living member, your upline distributors are available to assist you with ordering, product knowledge & business/marketing support. Only your uplines may obtain your contact information, & solely in the interests & goodwill of providing support to you related to Young Living matters. Young Living respects the privacy of its members at all times, & your contact information is NOT disclosed outside of this, unless with your permission or disclosure is required by law.

### **Product Claims**

No claims as to therapeutic or curative properties about the products may be made. In particular, no Member may make any claim that Young Living products are useful in the prevention, treatment or cure of any disease or condition.

Anyone diagnosing or prescribing Young Living products may jeopardise the future of Young Living & all of its Members & therefore will be subject to termination.

### **Income Claims**

No false or misleading income projections may be made to prospective Members. The ACCC has laws that regulate & prohibit certain types of income claims & testimonials. When presenting or discussing the YL opportunity or comp plan, a distributor may not make income projections, income claims or disclose his/her YL income.

### **Indemnity Agreement**

Young Living Members have no authority to bind Young Living to any obligation. You are fully responsible for all verbal & written statements you make regarding YL's products, services & comp plan which are not expressly contained in official YL Australian materials. You agree to indemnify YL and YL's directors, officers, employees & agents, & hold them harmless from any & all liability including judgments, civil penalties, refunds, legal fees, court costs &/or lost business incurred by YL as a result of the distributor's unauthorised representations or actions. This provision shall survive the termination of the distributor agreement.

### **Taxes & Registrations**

#### **ABN Registration**

Retail & Preferred Customers are not required to provide ABN details because they are not entitled to develop a YLEO business.

Professional Customers are required by YLEO to hold current ABN & supply verification. However, YLEO does not issue any commissions/bonuses to Professional Customers.

Distributors are not required by YLEO initially to register for an ABN (however, any requirement by the ATO to do so must be fulfilled). Until 30 June 2008 at least (as shown on the most current Change of Dealings Form) YLEO has an arrangement that until your income from YLEO reaches \$6,000 during a financial year, YLEO is not required to deduct withholding tax from payments to you even if you do not hold an ABN. We do require that you obtain an ABN once the \$6000 threshold has been reached as compliance with our Policies, so please monitor your earnings closely. Prior to reaching the cumulative total of \$6,000, please register for an ABN/GST & advise YLEO of those details on a Change of Dealings Form. The arrangement will be

reviewed by the 30th June 2008 & any changes to the arrangement will be advised to active Members.

#### **GST Registration**

Please discuss whether you are required to register for GST with your accountant. If your business turnover is at least \$75,000 for the financial year, you are required to register. Even if you are not required to register, it may be beneficial for you to do so. Your accountant will be able to assess your situation & advise you. Please notify YLEO of your GST Registration details on the Change of Dealings Form immediately that you receive them so that YLEO can treat your commissions correctly.

#### **Tax Invoices**

YLEO issues a Tax Invoice as standard procedure with every order.

#### **Income Tax**

Each Distributor is responsible for paying local, state, & federal income taxes on any earnings generated through his/her Young Living Essential Oils membership. All income derived from YLEO will form part of your assessable income, irrespective of whether it is more or less than \$6,000. Because all income derived will form part of your assessable income, you should discuss with your accountant the tax-deductibility of expenses related to the earning of your YLEO income.

#### **Commissions for GST Registered Distributors**

If you have advised that you are GST registered, YLEO is required to add GST to the net commissions due to you & remit to you the total commission due plus GST.

If you are GST Registered, you will be required to complete & sign Young Living's Recipient Created Tax Invoice Agreement to receive commissions from YLEO. This RCTI Agreement (incorporated in the Application form) allows Young Living to issue your tax invoice for commissions on your behalf, given that such calculations are made by Young Living. By issuing RCTI to GST Registered Distributors, Young Living is able to issue payment at the same time so that GST Registered Distributors do not experience untimely delays in receipt of their commissions.

If the completed & signed RCTI Agreement is not received by the YLEO office within one month of its issue date, any commission in the system for that Distributor at that time will be forfeited by the Distributor.

If the completed Application & Agreement Form incorporates the RCTI Agreement & has been fully completed & signed by the Distributor, a separate RCTI Agreement is not necessary.

## **Section 2 Enrolling/Sponsoring Policies**

#### **Sponsor**

A sponsor is the immediate upline, or individual directly above the person in the sales organisation.

#### **Enroller**

An enroller is a Distributor who introduced the new Member into Young Living.

#### **Sponsor Responsibilities**

Each prospective member has the ultimate right to choose his/her own sponsor. If two distributors claim to be the sponsor, YL shall regard the first application received by YL as binding.

As a sponsor, you are expected to train, supervise and communicate with your sales organisations through letters, newsletters, meetings, phone contact, email, trainings and use of company materials. You should also ensure that products are delivered to customers & that your members understand ordering/autoship policies, business tools & the comp plan.

You must not disparage, slander or defame other YL distributors, YL products, comp plan or company employees. Such disparagement constitutes a material breach of these Policies & Procedures & may result in termination of your distributorship.

You should report any observed policy violations to our compliance department.

#### **Changing Enrollment & Sponsorship**

Network marketing businesses are built on mutual trust & solid sponsorship relationships between the company & its Members. Upline changes sever these ties & can affect the income of many people. For this reason, once a new membership has been processed, enroller &/or sponsor changes are not allowed.

If the new Member feels an error in assigning his/her requested enroller or sponsor has occurred, the new Member has 30 days to inform Young Living. A change of mind does not constitute an error. If the error is ours, the error will be fixed & there will be no charge for making the adjustments. If the error was on the part of the Member & the commission processing has not taken place, a \$20 research fee may be charged at Young Living's discretion & the change will only be made at Young Living's discretion, subject to the kind of error the Member has made. If a commission recalculation is requested, a minimum of \$50 per hour required to make the changes will be charged.

A change may be considered in the case of proven illegal or unethical sponsoring activities by the enroller or sponsor. Any request must be made in writing with documentation to support all allegations. In such cases, Young Living is the final authority. Because of the time & research involved, \$200 will be charged for all transactions. Changes to past commissions will not be made.

Once an individual has been enrolled & placed in an organisation, changing or repositioning for qualification purposes is not allowed. Problems of attitude, non-support personality conflicts or social preferences are also not acceptable reasons for a change.

#### **Unauthorised Recruiting**

You are free to participate in other business ventures. However, during the term of your YL agreement, you may not recruit other YL members into any other venture. "Recruit" means actual or attempted solicitation, enrollment, encouragement or effort to influence in any other way, either directly or indirectly or through a 3<sup>rd</sup> party, another YL distributor to participate in another multilevel, network marketing or direct sales opportunity. This conduct constitutes recruiting even if the distributor's actions are in response to an enquiry made by another YL member.

#### **Cross-Line Recruiting**

Actual or attempted cross-line sponsoring is strictly prohibited. "Cross-line sponsoring" is defined as the sponsoring or attempted sponsoring of an individual or entity that already has a current Distributor Agreement on file with YL within a different line of sponsorship or with a different sponsor.

The use of a spouse's name, trade names, assumed names etc to circumvent this policy is prohibited.

You shall not demean, discredit or defame any YL distributor, especially in an attempt to entice another distributor to become part of your marketing organisation.

### **Bonus Buying & Stacking**

“Bonus Buying” includes the fraudulent enrollment of an individual or entity as a member, the enrollment or attempted enrollment of non-existent individual or entities as members, &/or use of a credit card for or on behalf of a member when the member is not the account holder of such credit card.

“Stacking” includes the placement or manipulation of distributor agreements for the purpose of maximising compensation pursuant to the comp plan, providing financial assistance to new members for the purpose of maximising compensation pursuant to the comp plan, &/or buying products or dropshipping through another’s account to increase the payout of your distributorship.

Bonus Buying & Stacking are material breaches of these Policies & Procedures & are strictly prohibited.

### **International Sales & Sponsoring**

As YL develops an increasingly international presence, careful attention must be given to country-specific legal & tax considerations if your developed downline is in other countries. Compliance with foreign laws regarding intellectual property, customs, taxation, literature content & other direct selling guidelines is critical to successful international expansion.

You are authorised to market & sell YL products & services and to sponsor other distributors only in countries in which YL is authorised to conduct business, as listed in official literature. Unauthorised pre-market opening activity may jeopardise the Company’s ability to enter a new market, & those who engage in such activity are subject to disciplinary measures. You are not authorised to register product, trade names, IP addresses in any country for or on behalf of Young Living.

Any violator agrees to indemnify YL for any such activity that damages the Company including, but not limited to, loss of profit, loss of goodwill, any damages, & reasonable legal fees.

If a distributor desires to sponsor internationally in a country officially recognised as open, certain requirements must be met. The distributor must:

- Be in good standing in country of residence;
- Read & understand the Policies & Procedures in place for the country into which they are sponsoring;
- Agree to follow all company Policies & Procedures for this country;
- Agree to follow any & all applicable laws of such country;
- Agree to any tax withholdings that may be required for that country; and
- Agree to a foreign currency exchange fee that will be set from time to time by the company.

Distributors will not import or sell product into any country that is not legally importable or saleable. Distributors will follow all laws in any country into which they sponsor, including but not limited to, all direct selling, solicitation laws, advertising, claims, tax and other laws that apply to operating a distributorship in a foreign country.

In some countries, customers may purchase YL products on a not-for-resale basis as customers.

## **Section 3 How to Order & Ordering Policies**

### **Office hours**

Our business hours are 9:00am to 5:00pm Brisbane time Monday to Friday, except QLD public holidays or other advised days when the office is closed.

### **Month-End Order Processing Cutoff**

All times shown are Brisbane, QLD times. Even when the end of the month falls on a weekend, holiday or a day that the Young Living office is closed, the deadline will not be extended. If a different month-end cut-off is required by YLEO for a particular month, active members will be notified by email, web &/or post at the current address held on file. It is your responsibility to ensure that you advise YLEO of any address changes in writing so that proper notifications may be made. We strongly encourage members to order well ahead of the end of month cut-off times.

**ORDERS BY PHONE:** These must be completed by 5.00pm on YLEO’s last business day of the month.

**ORDERS BY POST:** Mail orders must be received by the last business day of the month. Mailed-in orders will be credited to the month in which they are received, no exceptions. YLEO cannot be responsible for any postal delays.

**ORDERS BY FAX:** These must be received by midnight of the last calendar day of the month & clearly marked with the volume month. YLEO cannot be responsible for faxes that do not arrive.

**ORDERS ONLINE:** These must be successfully processed and completed before midnight Brisbane (AEST) time of the last calendar day of the month. If you do not receive an email confirmation of the order, please check your Recent Orders in your virtual office. If your order was successful, it will appear there. YLEO cannot be responsible if your web order does not successfully complete in time.

**ORDERS BY EMAIL:** For security purposes, we do not accept orders by email. Please use your online virtual office instead.

### **‘Ship to’ Addresses**

It is preferable that first orders be shipped to the new member’s own address. Subsequent orders can be drop shipped to a different address. NOTE: A \$2.00 (incl.GST) 3rd Party Fee applies to all orders sent to someone other than the ordering Member. For such orders placed by phone/fax/post, Invoices are not packed with such orders, & will be posted to the Member.

### **Order Delays & Queries**

Please phone the office if you have not received your order within three to five working days of placing the order. Any orders that have not been filled in or paid correctly cannot be processed & will wait in Query. We will telephone as soon as possible to discuss an application/order in Query, but due to the high volume of orders, this could take a few days. If you phone us before that time & the query is resolved satisfactorily, the order will go into the next batch for processing.

### **Phone Orders ~ Using Own Visa/MasterCard Credit Card or Onfile Direct Debit**

Phone 07 3715 7333 during our regular office hours. If using someone else’s credit card, the order cannot be accepted by phone. Instead, please fax or post the order form with fully completed & signed Methods of Payment section.

Please have the following information ready:

- Your member number;
- Post To address for delivery of the order;
- Credit card details;
- Item codes & descriptions.

### **Online Ordering ~ Using Visa/MasterCard Credit Card**

- Log into your secure virtual office at [www.youngliving.com.au](http://www.youngliving.com.au). Phone 07 3715 7333 during our regular office hours to activate yours. Click on Place a Product Order and follow the prompts.

### **Fax Orders ~ Visa/MasterCard Credit Cards, Direct Debit or Cash Direct Deposit**

Fax 07 3715 7933. If your Direct Debit agreement is not already in place, please fax that form together with your order form. Be sure to complete all sections on the order form in full, including item codes AND item descriptions. If you paid by cash direct deposit to YLEO's bank account, the official stamped bank receipt or internet receipt must accompany your order & clearly show name and member#. Notification of the receipt number is insufficient. Please print clearly to avoid delays. Please do not mail an order once you have faxed it. Young Living cannot be responsible for faxes that do not arrive. You are welcome to phone to check that your fax arrived, or check View my Recent Orders in your virtual office next business day to see that your order has been processed.

### **Mail Orders ~ Cheques & Money Orders**

You can mail your orders to Young Living Essential Oils (or YLEO), PO Box 548 Sumner Park BC Qld 4074. Be sure to complete all sections on the order form in full, including item codes AND item descriptions. YLEO cannot be responsible for orders lost or delayed in the mail.

### **WillCall Orders**

This is a service that allows Member to collect their pre-processed order directly from our office. Please place your order with cleared funds the day before you intend to collect your order.

The same Methods of Payment apply for WillCalls as for regular orders. No Cash please.

Your WillCall will be ready from noon the day after your order request & payment have been received. WillCall closes at 4.30pm business days. Invoices will always be packed with WillCalls, no exceptions.

In an emergency, special consideration will be given where possible.

### **Autoship Orders Insure Commission Qualification**

Autoship orders are automatically sent to you every month. The more regularly & consistently you use the products, the more optimal your results.

### **AUTOSHIP ADVANTAGES**

- Free Products through the Autoship Rewards Programme.
- Free training CD included with autoship order.
- Automatic monthly qualification for commissions. You have no risk of forgetting to place an order in the month.
- The more people you sponsor who enroll for autoship benefits, the easier it is for you & for them to be sure they are qualifying each month.
- Autoship enrollment partially qualifies distributors towards particular generous bonuses (refer to the Compensation Plan for further details).
- Retail Customers who enroll in autoship become Preferred Customers & order at 12% off Retail.

### **AUTOSHIP REQUIREMENTS**

**Autoship Enrollment in Writing:** Complete our order form, including the necessary autoship details. Fax or post it to us & you will be enrolled into autoship once we receive the form. The form is necessary so that we have your

authorisation to charge your chosen payment method each month.

**Payment Options:** Autoships are automatic orders so automatic payment methods are required. Accepted are Visa & MasterCard credit cards or Direct Debit from your bank account. If you choose Direct Debit, the Direct Debit Agreement form also needs to be completed & sent with the order form. NOTE: Only ONE payment method is retained on file at a time. Please maintain one stable payment method for your autoship. If you change your payment method, the previous method will be removed altogether & the new payment method entered instead.

**Making Changes:** Once your autoship is established, you may make changes online through your virtual office at [www.youngliving.com.au](http://www.youngliving.com.au) (click on Update my Autoship) up until your autoship date. Changes by email are not permitted. Please update via your online virtual office instead. Changes by phone/fax are required at least 4 days prior to your autoship date. If phoning/faxing your changes, PLEASE make it clear that you are changing your autoship or your order will be treated as a standard order & your unchanged autoship will still be processed. All changes become permanent until otherwise changed. Any changes of autoship payment method are required in writing for everyone's security.

### **ADDITIONAL AUTOSHIP POLICIES**

- Autoship orders are a minimum 50PV & are automatically sent to you every month.
- Choose your preferred autoship date anywhere between the 1st & 28th of the month. We will allocate the next available date along if your preferred date is already fully booked. Once established, you may change your autoship date with sufficient notice within our usual business hours.
- Autoships are processed very early on the day after the autoship date & despatched within a couple of business days.
- If an autoship order is cancelled or returned, or autoship participation stops, any unused reward points will be forfeit & the consecutive months of participation in the programme will be reset to zero.
- Admin fee of 10% applies to autoships that are unwanted "as is" after processing. Reward Points are affected. This also applies to autoships that have been processed but not yet despatched. Return of unwanted autoships is only possible in exchange for items of at least the same points as the return, not a refund. All P&P charges are borne by the member.
- Funds for the correct amount are required when your autoship processes. If funds are not available at the time of processing, the autoship may be cancelled. See point 4.
- Abuse of the Autoship system will result in permanent exclusion from Autoship & loss of all associated Autoship benefits.
- The Autoship Programme & Autoship Rewards Programme may be subject to change without notice.

### **AUTOSHIP REWARDS PROGRAMME**

Because the autoship rewards programme is an incentive driven programme designed to help regulate & stimulate sales, it is subject to change at any time. Contact customer service or view [www.youngliving.com.au](http://www.youngliving.com.au) to check current details.

### **Cancellation Policy.**

If an autoship order is cancelled or returned, or autoship participation stops, any unused autoship rewards

points will be forfeit & the consecutive months of participation in the programme will be reset to zero.

#### **Back Orders**

Because some of our products are dependent on uncertain international supplies beyond our control, Young Living does not usually offer back orders. If an item is out of stock, it will be omitted from the order. It is the Distributor's responsibility to check that the order PV is still sufficient for commission qualification needs & order more items if necessary.

#### **Payment Options**

Please check your prices & additions carefully, including correct post & pack rates. Orders received without full payment will not be processed. If a credit card or direct debit is used, the correct amount due for the order will be charged.

**REQUIRED METHODS FOR AUTOSHIPS:** Visa & MasterCard credit cards or Direct Debit from your nominated bank account.

**OTHER OPTIONS FOR NON -AUTOSHIP ORDERS:** Cheque, money order or cash direct deposit to Young Living's bank account.

**CREDIT CARDS:** Please use your own credit card to pay for your orders. This is for your protection & enables YLEO, the credit card companies & the banks to prevent fraudulent use of your accounts. If you are using someone else's credit card, the order cannot be taken by phone. An order form with the person's complete credit card details & signature is to be faxed or posted to us.

**DIRECT DEBIT:** To establish Direct Debit as your on-file payment method, please complete & return the entire Direct Debit Agreement form. Once this has been processed, you may phone or fax your orders. The DDA contains the requirements & policies of this payment method.

#### **CHEQUES & AUST POST MONEY ORDERS:**

- o Make payable to Young Living Essential Oils for the full amount of your order, including post & pack.
- o Please print your name, member#, address & phone number on the reverse, otherwise your order could be delayed.
- o Please do not direct deposit a cheque to our bank account. If you do, your order may be delayed by up to 10 working days.

If a cheque is dishonoured, any fees & administration costs incurred by Young Living will be charged to the Member. In addition, the Member will be required to pay by an alternate method for one year. Any uncollected amount may be deducted from commissions due.

#### **CASH DIRECT DEPOSIT:**

- o Go to a Westpac bank & complete a deposit slip, using the type that has a perforated receipt section.
- o Account name: Young Living Essential Oils
- o BSB: 034 072 Account number: 129 271
- o If you have internet banking, you may make a cash deposit from your account to Young Living's account using the above details. You need to print the internet receipt.
- o Forward the stamped bank deposit receipt or official internet banking receipt of the completed transaction with your order. Clearly show your name & member#

on the receipt. For our verification of the deposit, the official receipt by fax or post is required with the order form. Notifying us of the receipt number is insufficient.

#### **Insufficient Funds**

Please ensure there are sufficient, cleared funds available in your credit card or bank account to cover your order. Young Living will try to contact you in some way if your payment is declined. If it is close to the end of the month, we might not reach you before the end of month cutoff time. Please contact the office & check that your payment cleared if you want to be certain that your order was completed in the current volume month. YLEO does not accept responsibility if your order cannot be successfully processed in the current volume month.

If we receive no response from you or your payment still does not clear within five (5) business days of the date your order was received, your order will be cancelled without further notice. If cleared funds are not received for an autoship order by the autoship date, the autoship may be cancelled by us.

#### **Delivery Methods & Charges**

Orders are usually sent within 2 business days of our receipt of your order request. A Tax Invoice is included in each package, showing your member name & number, & details of the order. Members should keep these Tax Invoices for their accounting records & in case of queries.

Post & Pack rates are found on the current order form & price list. Orders are generally sent by standard post. Due to the nature of our products, no overnight or express options are available, so please allow sufficient delivery time to avoid disappointment.

A reliable street address with current phone number is necessary to ensure prompt delivery. If you have a post office box, we recommend you use it for orders. Young Living makes every effort to ensure prompt dispatch, but can neither guarantee that orders will reach a destination by a particular date nor be held responsible for orders delayed or lost. For delivery inquiries, contact Customer Service on 07 3715 7333. If a parcel is returned to us Unclaimed & the member would like it sent out again, Young Living reserves the right to charge another P&P fee for re-sending the parcel.

#### **Checking Your Order**

When you receive your order, please check the products promptly against the Tax Invoice to make certain there is no discrepancy or damage. To correct any challenge with your order, promptly contact Customer Service on 07 3715 7333 & steps to rectify the situation will be discussed. You need to report any such instance within seven (7) days of the invoice date or claims will not be recognised. YLEO will pay for the return & replacement postage costs for products that are damaged or that result from an error on our part.

#### **Returns**

We generally offer Members a 90 days exchange if you are not satisfied with a product, provided you have your original invoice. NonPV items may not be returned unless faulty. Items are accepted for return on the basis of exchange only, for item/s of at least the same PV. Returns can affect commissions.

A Return Authorisation Number must be obtained by phone before returning any items or your return will not be accepted. This RAN is to be clearly marked on the outside of the parcel or it can be refused. A copy of the invoice must also be enclosed. YL is not liable for items lost in transit. Please phone Customer Service on 07 3715 7333 during office hours & have your invoice ready.



YLEO will only authorise returns from the Member who originally purchased the product from the company.

Young Living reserves the right to review each requested return on a case by case basis. Repeated attempts to return may not be accepted.

The Member pays for postage charges to return the item. If an item is returned with COD postage, it will be refused. The Member also pays standard P&P charges on exchange items. You will be asked to indicate your method of payment for the difference between your return & the exchange order.

If a member decides to cancel his/her membership within 30 days, he/she may return any unopened product & business tools within that time for refund (less P&P). The member is responsible for return postage.

#### **Available Product Lines**

The current price list shows the products that are available in Australia at any given time. Attempts to obtain product outside this can cause difficulties for the company & other Members & could result in termination of the membership.

## **Section 4 Advertising & Promotional Policies**

Members must not make illegal, false or fraudulent claims about Young Living products, the Compensation Plan or its income potential.

To prevent inadvertent errors or illegal claims, a Member should use the language contained in the most current Australian Young Living marketing materials in advertising & describing Young Living products or programmes. The materials must be used in context so as not to be misleading.

#### **Use of Company Materials**

All Young Living materials whatsoever, regardless of media type, are copyrighted & may only be reproduced in whole or in part when authorised by Young Living. Anyone found copying YL materials or those produced by its personnel without written approval is subject to disciplinary action.

There is no recording permitted during any Young Living Convention or meeting. Anyone found recording the Young Living Convention or any Young Living meeting will be escorted out, subjected to disciplinary action and the recording media confiscated. Production or distribution of a distributor's notes from any YL event is prohibited.

#### **Trademarks & Copyrights**

The names of Young Living, Young Living Essential Oils, Young Living Farms, Young Living Family Farms, Young Living Herb Farms, Young Living Essential Oils (Australasia) Pty Ltd & any other names that may be adopted by Young Living, such as trade names, trademarks, logos & slogans of Young Living, web address or URL (or any names that are confusingly similar) are proprietary to Young Living & of great value. You may only advertise Young Living products using the Young Living logos or trademarks with written permission. All advertising must use the words "Independent Distributor" to clearly show you are not representing the company in an official capacity, but are operating as an Independent Distributor.

#### **Media Inquiries**

You may not attempt to respond to media enquiries regarding YL, its products or services, or your independent YL business. All enquiries by any type of media must immediately be referred to YL Compliance.

This will ensure that accurate and consistent information reaches the general public.

#### **Member-Developed Materials**

Compliance with regulatory bodies is a complex, costly & ongoing exercise. YL encourages its distributors to promote its products through use of materials obtained from YL Australia. This material is copyrighted and should not be reproduced without written permission.

Advertising through any medium at all must be done in accordance with all applicable laws. The Distributor is responsible for knowing and complying with all requirements of regulatory bodies. YL's "TGA Listed" products (indicated by AustL on the label) may not be advertised by distributors or shown in self-produced materials.

Should a distributor decide to produce &/or use materials other than those from YL Australia (including business cards &/or stationery), such distributors must clearly identify that the material is from an Independent Distributor and not Young Living. **Wording that appears in the current Australian product catalogue should be used to facilitate compliance.** It is the distributor's responsibility to maintain this according to the most current edition of the catalogue at any time. No therapeutic claims may be made. The distributor is responsible for knowing & complying with all requirements of regulatory bodies.

Such material must be produced in a professional & tasteful manner. Violations may subject a distributor to the sanctions allowed under these Policies & Procedures. Such material must prominently use the words "Independent Distributor", your member name & member number to clearly identify that the material is not produced by Young Living.

#### **Third Party Materials**

At all times, including displays and meetings, any 3<sup>rd</sup> party research or educational materials must be kept separate from YL products/materials otherwise such information could be considered a therapeutic claim.

#### **Trade Shows & Expos**

You may display &/or sell YL products at trade shows and expos. All literature displayed at the event must be official YL (Australia) literature and both your display signage & materials must clearly identify yourself as the Independent Distributor.

#### **Commercial Outlets**

You may display Young Living's products in commercial outlets where professional services are the primary source of revenue and product sales are secondary, such as approved service-oriented establishments, including, but not limited to, health spas, beauty shops, practitioners' offices.

#### **Meetings &/or Testimonials**

You must take every precaution to ensure that any testimonials given are not breaching any laws, including but not limited to:

- Testimonials must be factual.
- Testimonials may not claim to treat, cure, prevent or mitigate any disease or specific condition, whether express or implied.
- Testimonials should be representative of typical results.
- Testimonials about general wellbeing without reference to specific conditions are more likely to be considered typical.
- Testimonials must be in the first person.



- If someone attempts to give a testimonial that makes claims, redirect the discussion by saying that, "Our products may enhance nutrition and relaxation. They are not intended to treat specific conditions, however enhanced nutrition and improved lifestyle can contribute to overall wellbeing."

Meetings should be held using company produced materials to ensure compliance & consistency. It should be made clear that the meeting is being conducted by an independent distributor & is not an official company meeting. Meetings should be conducted in a professional & business-like manner.

#### **Repackaging & Relabeling**

You may not relabel, alter the labels of, repackage or refill any YL product. YL's products must be sold in their original containers only. Such relabeling or repackaging would violate governing laws, which could result in severe criminal penalties.

#### **Domain Names & E-Mail addresses**

Distributors may not use nor attempt to register any of YL's trade names, trademarks, service names, service marks, product names, the Company's name, or any derivative thereof for any Internet domain name &/or email address in whole or in part, either in Australia or abroad.

#### **Business Cards**

To order Young Living business cards, complete the authorised Young Living Business Card form. Download from the Joining & Ordering area of [www.youngliving.com.au](http://www.youngliving.com.au) or contact us.

#### **Telephone Solicitation**

The use of Young Living's name or copyrighted materials may not be made with automatic calling devices or "boiler room" operations to solicit Members.

#### **Mail, Radio, Newspaper or TV Solicitation**

Young Living's name, address, telephone number &/or web address may not be used to solicit Members. The Independent Distributor must publish his/her own information for receiving contacts from advertising.

#### **ANTI-SPAM**

Young Living complies strictly with the current Government's Spam Act & does not endorse spamming. All Young Living Members must also comply & ensure any emails they send cannot be mistaken for an official Young Living corporate email.

#### **Representation of Status**

In all cases, any reference Members make to themselves must clearly set forth the Member's independent status. No Member may list their phone number in any phone or internet directory using Young Living's name (nor any associated names).

## **Section 5 General Policies**

#### **Partial Validity**

If any provision of the distributor 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 shall be severed. The remaining terms and conditions shall remain in force and effect and shall be construed as if such invalid or unenforceable provision never comprised a part of the agreement. The continuation of a distributor's YL business or a distributor's acceptance of

bonuses &/or commissions constitutes acceptance of any and all amendments.

#### **Waiver**

Young Living never forfeits its right to require compliance with this agreement or with applicable laws & regulations governing business conduct. Only in rare circumstances will a policy be waived, and an officer of the Company will convey such waiver in writing. The waiver will only apply to that specific case. While YL attempts to enforce the Agreement uniformly, failure to enforce any provision of this Agreement does not waive YL's right to enforce any provisions with that same distributor or any other distributor.

#### **Titles not Substantive**

The titles and heading to these Policies & Procedures are for reference only and do not constitute and shall not be construed as substantive terms of the agreement.

#### **Governing Law**

These rules are reasonably related to the laws of the State of Queensland & shall be governed in all respects thereby. The parties agree that jurisdiction & venue shall lie with the place of acceptance of the Application, the State of Queensland.

#### **Delays**

YL shall not be responsible for delays & 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.

#### **Government & Industry Standards**

The Young Living Compensation Plan is based on sales volumes & requires compliance with the following government & industry standards:

The 70% Rule, which requires Distributors to sell or utilise for personal or family use at least 70% of their previous order before reordering.

The Retail Sales Rule, which requires that the Distributor be responsible for ongoing retail sales of Young Living products. Young Living can ask for proof of retail sales. Retail & Preferred Customer volume is also considered as Retail Sales for the immediate upline.

#### **Stockpiling**

It is Young Living's policy to strictly prohibit the purchase of product in unreasonable amounts solely for the purpose of qualifying for commissions or advancement in the marketing programme. This is called inventory loading or stockpiling. Distributors may not load inventory or encourage others in the programme to load inventory.

## **Section 6 Resignation, Disciplinary & Termination Policies**

#### **Voluntary Resignation**

The Agreement may be cancelled at any time & for any reason by a Member by notifying Young Living in writing. At such time, you release all rights to your distributor benefits, including the downline organisation and all future commissions &/or bonuses resulting from the

downline sales production. Any downline will roll up to the next upline membership.

Should a member choose to rejoin Young Living, he/she may reactivate only after 6 months have passed. No previous downline will be restored. During those 6 months, no participation in Young Living may be undertaken in any way.

#### **Disciplinary Actions**

**At YL's discretion, violation of any terms & conditions of the agreement, these Policies & Procedures, or any illegal, fraudulent, deceptive or unethical business conduct may result in any one or more of the following sanctions:**

- Written warning clarifying the challenge & 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 YL to ensure compliance with the agreement;
- Withdrawal/denial of an award/recognition or restricting participation in YL events for a specified period of time or until you satisfy certain specified conditions;
- Suspension of any aspect of the distributorship whatsoever for a specified time or until you satisfy specified conditions;
- Cancellation of commissions/bonuses for a specified time or until certain conditions are met;
- Imposing fair and reasonable fines or other penalties in proportion to actual damages incurred by YL and as permitted by law; and/or
- Termination of the distributor agreement.

Following issuance of a sanction or disciplinary action (other than suspension pending investigation), you may appeal the sanction in writing, to be received by the Company within fifteen days of the date of disciplinary action, otherwise the sanction is final. Submit all supporting documentation with appeal correspondence. The Executive Committee will review and reconsider the sanction, consider other appropriate action and notify the distributor in writing of its decision.

#### **Involuntary Termination**

Young Living reserves the right to terminate any membership at any time for any cause when it is determined that the Member is not acting in the best interests of Young Living &/or its members &/or has violated Young Living's Policies & Procedures, including the provisions of applicable laws & standards of fair dealing. Such termination shall be made by Young Living at its discretion.

Upon an involuntary termination, Young Living shall notify the Member by Registered Mail, return receipt requested, to the address on file with Young Living. The terminated Member must immediately cease representing himself/herself as a YL member.

A distributor whose membership has been terminated for cause may reapply to become a distributor twelve (12) calendar months from the date of termination. Any such distributor must submit a letter to YL setting forth the reasons why he/she believes he/she should be allowed to operate a YL distributorship. It is within YL's sole discretion whether or not to permit such a request.

## **Section 7 Compensation Plan**

#### **Commission & Bonus Payments**

You must be active and in compliance with this Agreement to qualify for compensation. As long as

you comply with the terms of the Agreement, Young Living shall pay you commissions and bonuses in accordance with the current Compensation Plan in effect at any time. This is available in your virtual office.

Commission reports, RCTI & payments are processed & issued by the end of the following calendar month. For example, if you qualified to earn commissions for the month of January, you would receive the commission report & payment for January's volume at the end of February. Every effort will be made to maintain this time frame, however, Young Living is not responsible for any possible delays that might occur. Refer also to Taxes & Registrations in Section 1.

Please deposit commission/bonus cheques within ninety (90) days of issue. Any cheque unrepresented after 12 months from date of issue will be cancelled and forfeit.

There is a \$35 admin fee for reissuing a commission cheque. This charge will be deducted from the balance owed to the distributor.

Please review your commission statement & report any perceived discrepancies to YL within 45 days of the cheque date, together with specific details. Anything not reported within this 45 day period will be deemed waived.

#### **Retail & Preferred Customer Sales Programme**

The difference between Retail/Preferred Customer Price & Distributor price (excluding GST) goes to the sponsor in the form of Retail & Preferred Customer Earnings.

This programme helps Distributors earn additional retail profit & fulfill retail sales compliance within our industry. If the Distributor's customer would prefer to order directly from the Distributor instead of joining as a Member, the suggested retail is the same as the Retail price but is not binding. The Distributor needs to issue his/her own official receipt/invoice for any YL products sold.