The purpose of these Policies and Procedures is:

1. To define your relationship with Young Living, your customers and other members.
2. To 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 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 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 30 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.
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 old and provide a valid identification document or Individual Tax File No. (TFN).
- If you are a business entity, provide a Australian Business No. (ABN)
- Read and agree to these Policies and Procedures and the Compensation Plan.
- Complete, sign and submit a Member Agreement to Young Living within 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, fax or the Young Living website (youngliving.com.au). This application must be received within 30 days of your enrolment for you to receive member benefits. If the Member Agreement is not received within 30 days, your member account will be placed on hold until the agreement is received.

2.3 Telephone Enrolment
You may enrol as a member over the phone. However, you must submit a completed Member Agreement that is received at the Young Living headquarters within 30 days of your telephone registration, as outlined in Section 2.2. If you are a retail customer, you may enrol over the telephone or via contract as required by local regulation.

2.4 Web Applications
If you enrol on the Young Living website or on any Young Living-sponsored replicated website, 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 Federal or State tax purposes. You are responsible for paying local, state and federal taxes due from all 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 the Agreement.

3.2 Retail Customers and Members
Individuals may join Young Living as retail customers and members.

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 member at any time by completing the requirements outlined in Section 2.1.

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.

3.3 Same Household Sales Organisations and Duplicate Accounts
A member may operate or have an interest, legal or equitable, in only one member account. If Young Living finds that a member has an 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.

If you have a spouse (under either state or common law), your spouse may become a co-applicant on your account but may not have a separate member account unless you were both members before you were married, in which case you may do one of the following: combine your accounts and sales organisation (this option is available only if one spouse has sponsored the other), sell one of your sales organisations, terminate one of your sales organisations or maintain separate Young Living sales organisations. If you choose to maintain separate accounts and your account later goes inactive, you will not be able to reactivate it if your spouse’s account is still active. The 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 the 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, LLC, 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 enrols 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 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.
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
You may sell, transfer or assign (collectively “Transfer”) your entire downline organisation by submitting a request to Young Living along with a $50 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.
- If the receiving party has an existing downline, he/she must first transfer 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.

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 preexisting 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 13.3 may carry over to you.

3.7.1 Succession
Upon your death or your incapacity, 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 incapacity, 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 fulfill the member responsibilities and continue to grow the member organisation. If the beneficiary already has an existing sales organisation, he/she will be given 90 days to transfer or sell one of the organisations, following the procedure set forth in Section 3.7. 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 dissolves, 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 other business upline or downline of sponsorship. 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 the 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 witness by a Justice of the Peace in writing, whereby the relinquishing party(ies) authorise(s) 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 involving 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 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 sell the sales organisation that has been canceled or terminated for inappropriate behaviour.
3.10 Taxes

3.10.1 Income Taxes
You are responsible for complying with the tax 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 is required to collect and remit sales taxes on your behalf based on the published retail price of the product and according to tax rates of the state in the “ship to” address on any given order. Moreover, Young Living may be required by other countries to collect value added taxes, customs fees or duties. You will be required to cover these additional fees.

3.11 Deceptive 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 noncompeting 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.

The term “solicit” means the actual or attempted sponsorship, solicitation, enrolment, encouragement, inducement of or effort to influence in any other way, either directly, indirectly or through a third party, another Young Living member to enrol or participate in another multilevel marketing, network marketing or direct sales company, network, business or opportunity.

3.11.1.2 Non-Solicitation
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 solicit, directly or indirectly, other Young Living members; to sell, offer to sell, promote or market other products, services or business opportunities, investments, securities or loans not offered or marketed by or affiliated with, Young Living; or take any action that would cause the termination or curtailment of the business relationship between Young Living and such a Young Living member.

You agree that Young Living has a protectable interest in its goodwill, confidential information and trade secret information. You further acknowledge that any breach of your obligations under Sections 3.11.1.2, 3.11.2 and 3.14 of the Agreement would 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 3.11.1.2, 3.11.2 and 3.14 of the Agreement are reasonable and restrict your conduct only to the extent necessary to protect, maintain and preserve Young Living’s business interests. You further warrant that you understand the legal and other consequences of entering into the covenants and agreements contained in Sections 3.11.1.2, 3.11.2 and 3.14 of the Agreement and that the enforcement of these provisions will cause no undue hardship to you. If any restriction contained in Sections 3.11.1.2, 3.11.2 and 3.14 of the Agreement are deemed to be unenforceable by a court of competent jurisdiction, you agree that such court may modify and enforce such restrictions to the extent it believes to be reasonable under the circumstances existing at that time.

3.11.3 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. Should you engage in such activity, you bear the risk of being sued by the other direct sales company. If 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 defense costs or legal fees, nor will Young Living indemnify you for any judgment, award or settlement.

3.11.4 Cross-Line Recruiting
Actual or attempted cross-line recruiting or sponsoring is strictly prohibited. “Cross-line recruiting” is defined as 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. You agree that such court may modify and enforce such restrictions to the extent it believes to be reasonable under the circumstances existing at that time.

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 (related to another direct selling program or its products) 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 or owner of or with another multilevel marketing, network marketing or direct sales company, network, business or opportunity that promotes, sells, markets or distributes Essential Oil as a wellness, health, beauty, nutritional or life-style product or that engages in any business competitive to Young Living in any city, state, region, country or other recognised geographic area where Young Living does business. The term “Essential Oil” will mean an extract, distillation or derivative, in any amount, of any herb or plant grown, harvested, processed, promoted, identified as a future Young Living product, marketed or sold by Young Living during the term of the Agreement.

You further acknowledge that any breach of your obligations under Sections 3.11.1.2, 3.11.2 and 3.14 of the Agreement would 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 3.11.1.2, 3.11.2 and 3.14 of the Agreement are reasonable and restrict your conduct only to the extent necessary to protect, maintain and preserve Young Living’s business interests. You further warrant that you understand the legal and other consequences of entering into the covenants and agreements contained in Sections 3.11.1.2, 3.11.2 and 3.14 of the Agreement and that the enforcement of these provisions will cause no undue hardship to you. If any restriction contained in Sections 3.11.1.2, 3.11.2 and 3.14 of the Agreement are deemed to be unenforceable by a court of competent jurisdiction, you agree that such court may modify and enforce such restrictions to the extent it believes to be reasonable under the circumstances existing at that time.

3.11.3 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. Should you engage in such activity, you bear the risk of being sued by the other direct sales company. If 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 defense costs or legal fees, nor will Young Living indemnify you for any judgment, award or settlement.

3.11.4 Cross-Line Recruiting
Actual or attempted cross-line recruiting or sponsoring is strictly prohibited. “Cross-line recruiting” is defined as 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. The use of a spouse’s or relative’s name, trade names, DBAs (Doing Business As), assumed names, corporations, trusts, Federal Tax Identification Numbers 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.

3.11.5 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 and absolutely 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 the 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 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 jeopardise 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 termination. 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 do 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.

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

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 resell them.

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 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.

3.13 Repackaging and Relabeling

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 relabeling or repackaging could result in severe criminal penalties. Violation of this section may subject a member to disciplinary actions as outlined in Section 13.3. Additionally, you agree to indemnify Young Living against any harm resulting from use of Young Living products as an ingredient and the repackaging or relabeling of any of its products.

3.14 Confidentiality Agreement

As a member of Young Living, you may be supplied with confidential information such as genealogical 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 Young Living business purposes only. 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 3.14, Young Living may further require a signed nondisclosure 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 all 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 Manager by emailing custserv@youngliving.com.au or calling Member Services at 1300 28 9536 (1300 AU YLEO).

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 ensure proper upline support to you and your sales organisation and to applicable government agencies or regulatory bodies if required by law. You also authorise Young Living to disclose your personal contact information to members of your downline.

You further authorise Young Living to 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.

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 twenty (20) 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 ensures 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. However, 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.

4.3 Ongoing Supervision, Training and Sales
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 28 9536. 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 that 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 less experienced members within your downline.

Regardless of your level of achievement, you have an ongoing obligation to continue to personally promote sales through the generation of new customers and through servicing your existing customers. To qualify for full and complete leadership bonuses, all ranked members are required to communicate with everyone in their downline at least every three (3) months through email or social media or some other form of regular communication.

4.4 Non-Disparagement
In setting the proper example for your downline, you must 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 sales organisation.

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.

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 literature for advertising and describing Young Living’s products or programs. The materials must be used in context so as not to be misleading.

All Young Living materials—whether printed, on video or DVD, produced by sound recording or any other electronic format—are copyrighted. 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. Additionally, production 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. You should not use Young Living logos or trademarks without written authorisation, with the exception of any logos provided specifically for members on the Virtual Office.

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 13.3.

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 13.3.

5.3 Advertising Claims and Representation

5.3.1 Product Claims
You are prohibited from making inaccurate and impermissible 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’s 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 jeopardise the future of Young Living and all of its members and may therefore have his/her sales organisation terminated.

5.3.2 Income Claims
You are prohibited from making any income projections to prospective members that may create false or misleading expectations. In their enthusiasm, some members are occasionally tempted to 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 income potential of a Young Living member is greater enough to be highly 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 http://www.youngliving.com/en_AU/opportunity/Income_Disclosure_Statement/. 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.

In any nonpublic 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 3-foot x 5-foot 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. 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.”

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 of Young Living, Young Living Essential Oils, Young Living Lavender Farms or any other names that may be adopted by Young Living, such as trade names, trademarks, logos, slogans of Young Living and the web address or URL (or any names that are confusingly similar) are proprietary to Young Living and of great value. You must obtain written permission before using any Young Living logo (other than the Independent Member logo) or trademark.

5.6 Domain Names and Email Addresses
You may not use, register or own any Internet domain name either in the U.S. 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.

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 Fulfillment Stores Restricted
As a general rule, members may not sell or display Young Living products on any Internet classified ad site (e.g., Craigslist, etc.), auction site, shopping site or order fulfillment store (e.g., eBay®, Amazon®, OrderDog™.com, Overstock®.com, DeRemate.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 fulfillment 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 fulfillment store. Young Living reserves the right to grant specific permission at Young Living’s sole discretion to allow exceptions to this section provided the member has registered the online seller name and member number with Young Living. Members may continue to sell Young Living products on their individual URLs and independent member retail sites provided they register their URL with Young Living. Member Sites may, at Young Living’s sole discretion, be monitored if the member is in violation of any laws, regulations and these policies and procedures.

5.9 Telephone and Email Solicitation
You may not use Young Living’s name or copyrighted materials with automatic calling devices or “boiler room” operations 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 13.3. 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 personalized website to assist in your marketing efforts. You should contact Member Services 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
Subject to the provisions of Section 5.12, 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 Young Living Australia Compliance Manager.

5.13 Trade Shows 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 and expositions. All literature displayed at the event must be official Young Living literature 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.

5.14 Media Inquiries
Do not attempt to respond to media inquiries regarding Young Living, its products or services or your sales organisation. All inquiries by any type of media must be immediately referred to the Young Living Australia Compliance Manager. This will 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 fulfill 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 and to abide by the 70% rule, which is that 70% of your inventory intended
You are required to furnish your customers with two copies of 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 verbally 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 member’s customers and direct purchase customers.

6.2 Nonmembers
You may personally sell Young Living products to nonmembers. Online sales, however, are governed by Section 5.8.

6.3 Customers and Sales Requirements
Nonmember 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.

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 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 checks, including that of the upline. Any other debt may be offset against commission payments.

In addition, if you fail to properly provide your Tax File Number (TFN) or ABN to Young Living, Young Living will deduct the necessary withholdings from your commission payments as required by law.

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 45 days from the date of the payment. Errors or discrepancies that are not brought to Young Living’s attention within 45 days will be deemed waived.

7.6 Recipient Created Tax Invoices
1. This Clause 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.

1.1 The Supplier warrants that the Supplies are Taxable Supplies for GST purposes and will advise the Recipient should any Supplies by GST-free or input taxed or outside the scope of GST.
1.2 The Recipient and Supplier agree that:
1.2(a) The Recipient can issue RCTI in respect of the Supplies;
1.2(b) The Supplier will not issue tax invoices in respect of the Supplies;
1.2(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;
1.2(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.
1.2(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;
1.2(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
1.2(g) The Supplier will inform the recipient if he 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.
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, website or through the Essential Rewards autoship 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 password.

8.1.2 Fax
When ordering by fax, print information legibly on the order form. You must include your member number on the order form along with your contact information.

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 Autoship Program
The Young Living Essential Rewards Autoship 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 Autoship Program in the Virtual Office (YoungLiving.com.au) or by contacting Member Services at 1300 28 9536.

It is advised that the Autoship order be set up to be processed between the 1st and 20th of each month. No Autoship ordered will be processed after the 24th of the month. 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. 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.

8.3 General Ordering Policies
On mail 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 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 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 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
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 p.m., Australian EST. Faxed orders must be received by the last day of the month. Faxed orders must be post marked by the last day of the month and received within the next three business days of the following month. If not received within the following three business days, the orders will be credited to the following month. The fax line and the website are 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-day business exception.

9: SHIPPING

9.1 Shipping Methods and Charges
Domestic orders are generally shipped within two 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, product name, price and the amount and method of payment. 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 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. The RAN is included in each order when packaged for shipping.

To correct any problems you may have encountered with your shipments, please contact Customer Service. A Customer Service 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 sales organisation as well as possible legal action.
- Direct debit and Cash Direct Deposit
- Personal Cheques and money order. (mail-in orders only).

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 Autoship orders. If a personal cheque or 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 30 days after shipment for a full refund in the same method of payment of the purchase price and GST (less shipping charges).
- Any opened product within 30 days after shipment for a credit on your Young Living account of the purchase price and GST (less shipping charges).
- Any opened or unopened product up to 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 sell product to nonmembers, you are required to provide the same return policy to the nonmember as outlined in this Section 11.1. You are also responsible for returning the product to Young Living within 10 days of receiving the return from the nonmember. Young Living will not provide refunds on or accept returns directly from nonmembers. 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 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 90 days from the date of termination.

If you sell product to nonmembers, you are required to provide the same return policy to the nonmember as outlined in this Section 11.1. You are also responsible for returning the product to Young Living within 10 days of receiving the return from the nonmember. Young Living will not provide refunds on or accept returns directly from nonmembers. 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.

11.1.3 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 28 9536, by emailing custserv@youngliving.com.au. The RAN number 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 COD packages.
- If returned product is not received by Young Living’s distribution center, 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 written request 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 enrolers 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/enroler change request can be made within the first twenty (20) calendar days of enrolment with the approval of the member OR current enroler. Sponsor/ enroler change requests may be made directly over the phone if within the first five (5) business days of registration. After 5 business days, but within 20 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) 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 enroler 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 20 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 twenty (20) days. If within the twenty (20) days both the enroler and the downline member submit a request for a sponsor/enroler change, the downline member’s request will always take precedence. The member or enroler can contact Customer Service to submit the sponsor change request during the twenty (20)-day period.

- Under exceptional extenuating conditions, a member may request a sponsor change after the twenty (20) days of enrolment by completing a Three Active Upline Approved Sponsor Change Request Form and submitting a nonrefundable $35 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 nonrefundable $35 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 request 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 nonresponsive 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 enroler changes will be allowed after twenty (20) days of the initial enrolment. Young Living reserves the right to approve and/or deny all sponsor change requests in its sole discretion.

- 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, building information, etc. The member must submit the grievance to conduct@youngliving.com. 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 nonrefundable $35 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 enroler. 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.

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
Members who enrol without selecting a sponsor or enroler will be added to Young Living’s Placement Program. Through this program, the new member will be assigned a sponsor and an enroler. If a member is placed through this program, the member or his/her assigned enroler may change the new member’s sponsor within 20 days, 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 each. Members who do not have a Young Living-sponsored personal website will pay $5 for each email Report requested. Members who wish to have the Report faxed or mailed will pay $5 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 3.11.1.2 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 Young Living Foundation: Young Living Outreach
By enrolling as a Young Living member, you are automatically enrolled as a nonvoting member of The Young Living Foundation: Young Living Outreach. 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 Member Conduct and Education Department in writing via mail, fax or email at conduct@youngliving.com. 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 firsthand knowledge of the improper conduct.

Upon receipt of a written complaint, the Young Living Member Conduct and Education Department will investigate the matter, review the applicable policies and render a decision on how the dispute will be resolved. The Member Conduct and Education Department may impose disciplinary sanctions as provided in Section 13.3.

13.2 Disputes with Young Living

13.2.1 Mediation
Prior to instituting an arbitration with Young Living, as provided in Section 13.2.2 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 nonbinding mediation. One individual who is mutually acceptable to the parties will be appointed as mediator. The mediation will occur within 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 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 Young Living Australian Office and will last no more than two business days.

13.2.2 – Resolution of Disputes
In the event of a dispute occurring between a Young Living member and Young Living or a Young Living member and an Approved Provider, 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.

13.2.3 Any dispute, controversy or claim arising out of the relationship between an Approved Provider and a Young Living member or the placing of a Young Living member on probation, shall be resolved. The Member Conduct and Education Department may be addressed to the attention of the General Counsel.

13.3 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; nonpayment 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 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.

13.4 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 15 days from the date of the disciplinary action. If the appeal is not received within the 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 100 PV in product or by purchasing a Starter Kit or other enrolment 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 canceled 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 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 12 calendar months from the date of termination. To reapply, you must submit a letter to the Young Living Member Conduct and Education Department (conduct@younliving.com) 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 and must include your signature, printed name, member number, address, password and telephone number.

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, labor 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.
Notes:

Contact Us:

Phone 1300 28 9536 (1300 AU YLEO)
Fax +61 2 9680 4128
E-mail custserv@youngliving.com.au
Website www.youngliving.com.au
Facebook www.facebook.com/YoungLivingAustralia
Address Building B, Level 3, 3 Columbia Court
Baulkham Hills, NSW 2153
Postal Young Living Essential Oils
PO Box 7707, Baulkham Hills BC, NSW 2153
Hours Monday - Friday, 8am to 6pm (Sydney time).