

## COMPANSATION PLAN TERMS & DEFINATION

**Brand Partners:** An individual or business who has entered into a Brand Partner Agreement with Young Living. Brand Partners have the right to build businesses by purchasing and reselling Young Living products and enrolling other Brand Partners/Customers and, thereby, receive sales compensation on the sales of Young Living product under this Sales Compensation Plan.

**Business organization:** A Brand Partner's collectively sponsored Brand Partners and/or Customers.

**Commission period:** Young Living considers each commission period to run from 12 midnight, HKT, the first day of a calendar month to 11:59 p.m., HKT, the last day of a calendar month. The beginning of each month marks a new commission period. Only orders that are received within the commission period (or calendar month) will be considered for rank qualifications and compensation for the period's commission check. All bonuses, commissions, and rank qualifications are based on a calendar-month-to-calendar-month basis. Each commission period resets PV, OGV, and PGV, as well as leg status from the previous commission period. The required qualifications need to be achieved on a monthly basis for rank status. If a member enrolled and/or ordered in the previous month and their sponsor and/or enroller is changed during the first 5 business days of the month, it can affect the previous months rank, qualification, and payout.

**Compression – Unilevel Commissions:** The Unilevel Commissions are paid on up to five levels below a Brand Partner. Each level is determined by a Customer or Brand Partner with 100 or more PV. Any Customers or Brand Partner volume less than 100 PV is combined with and paid at the next level down.

**Compression – Fast Start Bonus:** All Enrolling Brand Partners in good standing will receive the 50% Fast Start Bonus commission on the PV purchased by new Brand Partners in their Enrollment Month. Fast Start Bonus commissions generated in the second and third month of the Fast Start Bonus period will compress up the enrollment tree to pay the first Qualified Brand Partner Enroller 25% and to pay the second Qualified Brand Partner Enroller 10%.

**Customer:** A Customer is an individual or business registered with a Customer account on Young Living's website who is entitled to purchase products only for personal use at the published retail price. Customers are not authorized to earn commissions by reselling Young Living's products. A Customer may choose to become a Brand Partner by submitting a Brand Partner Agreement.

**Enroller:** The person who enrolls and places a new Young Living Brand Partner in a Business Organization. Enrolling Brand Partners may be eligible to earn Fast Start Bonuses. Enrollers may also be the Sponsor.

**Enrollment Month:** The calendar month in which a Brand Partner or Customer enrolls, regardless of which day of the month the enrollment occurs.

**Generation:** A Silver or higher-ranked Brand Partner and their entire Business organization down to another Silver or higher-ranked Brand Partner.

**Leg:** A Brand Partner or Customer who is sponsored by a Brand Partner and placed in the Brand Partner's first Level forms a Leg.

**Leg Organizational Group Volume:** The collective PV of all Customers and Brand Partners in a Leg.

**Level:** The position within a Business Organization of a Customer and/or Brand Partner. Customers and Brand Partners sponsored by a Brand Partner are in that Brand Partner's first Level. Customers and Brand Partners sponsored by a Brand Partner's first Level Brand Partners are in that Brand Partner's second Level, and so on.

**Organization group volume (OGV):** The collective PV of Customers and Brand Partners in a particular Brand Partner's Business Organization.

**Personal Group Volume (PGV):** The sum of PV outside of the Brand Partner's Qualifying Legs or any Brand Partner Leg ranked as Silver or higher..

**Personal Volume (PV):** The total Product Value or Point Value attributed to a Brand Partner's personal purchases.

**Qualified Brand Partner:** A Brand Partner who meets the applicable PV and /or OGV qualifications required to earn commissions for certain bonuses or at their rank during the application Commission Period.

**Qualifying Leg:** Any sponsored first level Leg with the required volume below it is a Qualifying Leg.

**Sponsor:** The Brand Partner one Level above a Customer or Brand Partner. A sponsoring Brand Partner may also be the Enroller for any new Customer or Brand Partner.

**Support Team:** Any Brand Partner in a direct sponsorship line above another Brand Partner .

**Unilevel Commissions:** Qualified Brand Partners earn a percentage of the PV ordered by their Business Organization at certain Levels in the applicable Commission Period.

**Inactive account:** Brand Partners who fail to accrue 50 PV in a calendar month are considered inactive for the month and will not qualify to receive certain payouts from their business organization. 100 PV is required for all commissions except the Fast Start Bonus and Starter Kit Bonus.

**Dropped account:** All Brand Partners are required to make a purchase every 12 months in order to avoid having their account dropped, and any agreements will be void (Essential Rewards Autoship Agreement, Distributor Agreement, etc.).

Brand Partners who allow their accounts to be dropped for inactivity will lose all rights to, claims on, and privileges from their previous business organization. Upon losing Brand Partner status due to consecutive inactivity, the Brand Partner's business organization will "roll up" to the next qualified Brand Partner directly above the dropped Brand Partners.

Reactivating Brand Partners have no claim to any business organization that was lost when they were dropped for inactivity. Upon reactivating an account, all customers and Brand Partners must meet current Young Living enrollment requirements.

**PV minimum:** To qualify for retail earnings and to be considered "active," a Brand Partner must maintain a monthly order of at least 50 PV. In order to qualify for Unilevel commissions and all other bonuses, a Brand Partner must maintain a monthly order of at least 100 PV.

## Rank Qualification Definitions

**Associate rank** is achieved during a Commission Period when the Brand Partner becomes a Qualified Brand Partner by achieving at least 50 personal PV from their own individual product purchases. Qualified Brand Partners with 50–99 personal PV during a Commission Period may qualify for the Fast Start Bonus. Qualified Brand Partners with 100+ personal PV during a Commission Period may qualify for the Fast Start Bonus and all other applicable commissions available at Associate rank.

**Star rank** is achieved during a Commission Period when the Brand Partner becomes a Qualified Brand Partner by achieving at least 100 personal PV from their own individual product purchases and at least 500 Organizational Group Volume (OGV) points.

**Senior Star rank** is achieved during a Commission Period when the Brand Partner becomes a Qualified Brand Partner by achieving at least 100 personal PV from their own individual product purchases and at least 2,000 Organizational Group Volume (OGV) points.

**Executive rank** is achieved during a Commission Period when the Brand Partner becomes a Qualified Brand Partner by achieving at least 100 personal PV from their own individual product purchases; at least 4,000 Organizational Group Volume (OGV) points and two (2) Qualifying Legs with 1,000 OGV in each Qualifying Leg.

**Silver rank** is achieved during a Commission Period when the Brand Partner becomes a Qualified Brand Partner by achieving at least 100 personal PV from their own individual product purchases; at least 1,000 Personal Group Volume (PGV) points; at least 10,000 Organizational Group Volume (OGV) points and two (2) Qualifying Legs with 4,000 OGV in each Qualifying Leg.

**Gold rank** is achieved during a Commission Period when the Brand Partner becomes a Qualified Brand Partner by achieving at least 100 personal PV from their own individual product purchases; at least 1,000 Personal Group Volume (PGV) points; at least 35,000 Organizational Group Volume (OGV) points and three (3) Qualifying Legs with 6,000 OGV in each Qualifying Leg.

**Platinum rank** is achieved during a Commission Period when the Brand Partner becomes a Qualified Brand Partner by achieving at least 100 personal PV from their own individual product purchases; at least 1,000 Personal Group Volume (PGV) points; at least 100,000 Organizational Group Volume (OGV) points and four (4) Qualifying Legs with 8,000 OGV in each Qualifying Leg.

**Diamond rank** is achieved during a Commission Period when the Brand Partner becomes a Qualified Brand Partner by achieving at least 100 personal PV from their own individual product purchases; at least 1,000 Personal Group Volume (PGV) points; at least 250,000 Organizational Group Volume (OGV) points and five (5) Qualifying Legs with 15,000 OGV in each Qualifying Leg.

**Crown Diamond rank** is achieved during a Commission Period when the Brand Partner becomes a Qualified Brand Partner by achieving at least 100 personal PV from their own individual product purchases; at least 1,000 Personal Group Volume (PGV) points; at least 750,000 Organizational Group Volume (OGV) points and six (6) Qualifying Legs with 20,000 OGV in each Qualifying Leg.

**Royal Crown Diamond rank** is achieved during a Commission Period when the Brand Partner becomes a Qualified Brand Partner by achieving at least 100 personal PV from their own individual product purchases; at least 1,000 Personal Group Volume (PGV) points; at least 1,500,000 Organizational Group Volume (OGV) points and six (6) Qualifying Legs with 35,000 OGV in each Qualifying Leg.

## **SALES COMPENSATION PLAN DETAILED EXPLANATION**

### **1. RETAIL SALES EARNINGS**

Brand Partners may buy Young Living products and directly retail the products to their personal retail customers to earn their chosen retail earnings. The difference between the price the Brand Partner paid and the amount the Brand Partner receives from their personal retail customer is their retail sales earnings.

For example: A Brand Partner who purchases essential oil X from Young Living for \$40 USD and sells this essential oil to their personal retail customer for \$60 USD achieves a \$20 USD gross retail sales earnings. (Because the Brand Partner elected to make the retail sale to their personal retail customer from their personally purchased product inventory, the Brand Partner is not entitled to further sales commissions from Young Living in this situation.)

### **2. FAST START BONUS**

Brand Partners are eligible to earn a Fast Start Bonus on the PV of the product purchases made by their newly enrolled Brand Partners during the newly enrolled Brand Partners' first three months.

The first month of the Fast Start Bonus period pays 50% of the PV of the products purchased by the newly enrolled

Brand Partners to the Enrolling Brand Partner, regardless of rank or qualification.

The second and third months of the Fast Start Bonus period utilize Fast Start Bonus Compression to pay a Level one bonus of 25% of the PV of the products purchased by the Brand Partners in months two and three to the first Qualified Brand Partner Enroller and a Level two bonus of 10% of the same PV to the second Qualified Brand Partner Enroller.

Brand Partner Enroller	Fast Start Bonus Percentages First Calendar Month	Fast Start Bonus Percentages Second and Third Calendar Month  (Paid to the first and second Qualified Brand Partner Enrollers, see Compression – Fast Start Bonus)
Level 1 Enroller	50%	25%
Level 2 Enroller	0%	10%

Please note: When the Fast Start Bonus is paid at any level, the PV used to calculate the bonus will be reduced for all other commissionable payouts on the same PV. When the 50% payout occurs, the PV used to calculate the bonus will be reduced by 100%. When the 25% or the 10% payout occurs, the PV used to calculate the bonus will be reduced by 70%. For example, if a new Brand Partner purchases products totaling 100 PV in their first calendar month and the 50% Fast Start Bonus is paid out, the Brand Partner's 100 PV will be reduced to 0 PV for the calculation of all other applicable commissions, bonuses or payouts, such as Unilevel Commissions. If the same new Brand Partner purchases products totaling 100 PV in their second calendar month and the 25% Fast Start Bonus is paid out, the Brand Partner's 100 PV will be reduced to 30 PV for the calculation of all other applicable commissions, bonuses or payouts, such as Unilevel Commissions.

### 3. UNILEVEL COMMISSIONS

All Qualified Brand Partners may participate in this leveraged income opportunity to earn commissions based on product sales to Customers and Brand Partners within their Business Organization based on sponsorship down five Levels within their Business Organization.

BRAND PARTNER RANKS	ASSOCIATE	STAR	SENIOR STAR	EXECUTIVE	SILVER	GOLD	PLATINUM	DIAMOND	CROWN DIAMOND	ROYAL CROWN DIAMOND
QUALIFICATIONS	100 PV	100 PV 500 OGV	100 PV 2,000 OGV	100 PV 4,000 OGV	100 PV 10,000 OGV 1,000 PGV	100 PV 35,000 OGV 1,000 PGV	100 PV 100,000 OGV 1,000 PGV	100 PV 250,000 OGV 1,000 PGV	100 PV 750,000 OGV 1,000 PGV	100 PV 1,500,000 OGV 1,000 PGV
LEG (VOLUME PER LEG) OGV RANK REQUIREMENTS				2 @ 1,000	2 @ 4,000	3 @ 6,000	4 @ 8,000	5 @ 15,000	6 @ 20,000	6 @ 35,000
<b>UNILEVEL COMMISSION PERCENTAGES PAID PER LEVEL</b>										
Level 1	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%
Level 2	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Level 3		4%	4%	4%	4%	4%	4%	4%	4%	4%
Level 4			4%	4%	4%	4%	4%	4%	4%	4%
Level 5				4%	4%	4%	4%	4%	4%	4%

#### 4. GENERATION COMMISSIONS

Qualified Brand Partners who qualify at the sales leadership ranks of Silver or higher in the Commission Period are eligible to earn commissions on certain Generations within their Business Organization. Generation commissions are calculated as a percentage of the collective PV from product sales to all Customers and Brand Partners within a Qualified Brand Partner's Business Organization down to eight defined Generations within their Business Organization.

BRAND PARTNER RANKS	SILVER	GOLD	PLATINUM	DIAMOND	CROWN DIAMOND	ROYAL CROWN DIAMOND
QUALIFICATIONS	100 PV 10,000 OGV 1,000 PGV	100 PV 35,000 OGV 1,000 PGV	100 PV 100,000 OGV 1,000 PGV	100 PV 250,000 OGV 1,000 PGV	100 PV 750,000 OGV 1,000 PGV	100 PV 1,500,000 OGV 1,000 PGV
LEG (VOLUME PER LEG) OGV RANK REQUIREMENTS	2 @ 4,000	3 @ 6,000	4 @ 8,000	5 @ 15,000	6 @ 20,000	6 @ 35,000
<b>GENERATION COMMISSION LEVELS PAID PER GENERATION</b>						
Personal Generation	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Generation 2	3%	3%	3%	3%	3%	3%
Generation 3	3%	3%	3%	3%	3%	3%
Generation 4		3%	3%	3%	3%	3%
Generation 5			3%	3%	3%	3%
Generation 6				3%	3%	3%
Generation 7					3%	3%
Generation 8						1%

#### 5. GENERATION LEADERSHIP BONUS (GLB)

All Qualified Brand Partners who qualify at the sales leadership ranks of Silver or higher in the Commission Period are eligible to earn shares in the Generation Leadership Bonus pool, which is 6.25% of Young Living's total global Commissionable Volume, excluding the Commissionable Volume reductions of Fast Start Bonus, for that Commission Period.

Each share is calculated by dividing the GLB pool by the total number of qualified shares earned by each Qualified Brand Partner in the applicable Commission Period. Shares are allocated as follows:

- Silver rank earns one share for themselves and an additional one share for each Silver or higher-ranked Brand Partner in their Generations 2-3.

- Gold rank earns two shares for themselves; two additional shares for each Gold or higher-ranked Brand Partner in their Generations 2–4; and one share for each Silver-ranked Brand Partner in their Generations 2–4.
- Platinum rank earns three shares for themselves; three additional shares for each Platinum or higher-ranked Brand Partner in their Generations 2–5; two shares for each Gold-ranked Brand Partner in their Generations 2–5; and one share for each Silver-ranked Brand Partner in their Generations 2–5.
- Diamond rank earns four shares for themselves; four additional shares for each Diamond or higher-ranked Brand Partner in their Generations 2–6; three shares for each Platinum-ranked Brand Partner in their Generations 2–6; two shares for each Gold-ranked Brand Partner in their Generations 2–6; and one share for each Silver-ranked Brand Partner in their Generations 2–6.
- Crown Diamond rank earns five shares for themselves; five additional shares for each Crown Diamond or higher-ranked Brand Partner in their Generations 2–7; four shares for each Diamond-ranked Brand Partner in their Generations 2–7; three shares for each Platinum-ranked Brand Partner in their Generations 2–7; two shares for each Gold-ranked Brand Partner in their Generations 2–7; and one share for each Silver-ranked Brand Partner in their Generations 2–7.
- Royal Crown Diamond rank earns six shares for themselves; six additional shares for each Royal Crown Diamond-ranked Brand Partner in their Generations 2–8; five shares for each Crown Diamond-ranked Brand Partner in their Generations 2–8; four shares for each Diamond-ranked Brand Partner in their Generations 2–8; three shares for each Platinum-ranked Brand Partner in their Generations 2–8; two shares for each Gold-ranked Brand Partner in their Generations 2–8; and one share for each Silver-ranked Brand Partner in their Generations 2–8.

#### GENERATION LEADERSHIP BONUS SHARES GRAPHIC

BRAND PARTNER RANKS	SILVER	GOLD	PLATINUM	DIAMOND	CROWN DIAMOND	ROYAL CROWN DIAMOND
QUALIFICATIONS	100 PV 10,000 OGV 1,000 PGV	100 PV 35,000 OGV 1,000 PGV	100 PV 100,000 OGV 1,000 PGV	100 PV 250,000 OGV 1,000 PGV	100 PV 750,000 OGV 1,000 PGV	100 PV 1,500,000 OGV 1,000 PGV
LEG (Volume per LEG) OGV RANK REQUIREMENTS	2 @ 4,000	3 @ 6,000	4 @ 8,000	5 @ 15,000	6 @ 20,000	6 @ 35,000

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GENERATION LEADERSHIP BONUS SHARES PER RANK IN EACH GENERATION

Personal Shares	1	2	3	4	5	6
Plus Generation 2	Silver-1	Gold-2 Silver-1	Platinum-3 Gold-2 Silver-1	Diamond-4 Platinum-3 Gold-2 Silver-1	Crown Diamond-5 Diamond-4 Platinum-3 Gold-2 Silver-1	Royal Crown Diamond-6 Crown Diamond-5 Diamond-4 Platinum-3 Gold-2 Silver-1
Plus Generation 3	Silver-1	Gold-2 Silver-1	Platinum-3 Gold-2 Silver-1	Diamond-4 Platinum-3 Gold-2 Silver-1	Crown Diamond-5 Diamond-4 Platinum-3 Gold-2 Silver-1	Royal Crown Diamond-6 Crown Diamond-5 Diamond-4 Platinum-3 Gold-2 Silver-1
Plus Generation 4		Gold-2 Silver-1	Platinum-3 Gold-2 Silver-1	Diamond-4 Platinum-3 Gold-2 Silver-1	Crown Diamond-5 Diamond-4 Platinum-3 Gold-2 Silver-1	Royal Crown Diamond-6 Crown Diamond-5 Diamond-4 Platinum-3 Gold-2 Silver-1
Plus Generation 5			Platinum-3 Gold-2 Silver-1	Diamond-4 Platinum-3 Gold-2 Silver-1	Crown Diamond-5 Diamond-4 Platinum-3 Gold-2 Silver-1	Royal Crown Diamond-6 Crown Diamond-5 Diamond-4 Platinum-3 Gold-2 Silver-1
Plus Generation 6				Diamond-4 Platinum-3 Gold-2 Silver-1	Crown Diamond-5 Diamond-4 Platinum-3 Gold-2 Silver-1	Royal Crown Diamond-6 Crown Diamond-5 Diamond-4 Platinum-3 Gold-2 Silver-1
Plus Generation 7					Crown Diamond-5 Diamond-4 Platinum-3 Gold-2 Silver-1	Royal Crown Diamond-6 Crown Diamond-5 Diamond-4 Platinum-3 Gold-2 Silver-1
Plus Generation 8						Royal Crown Diamond-6 Crown Diamond-5 Diamond-4 Platinum-3 Gold-2 Silver-1



## 6. DIAMOND LEADERSHIP BONUS (DLB)

All Qualified Brand Partners who qualify at the sales leadership ranks of Diamond or higher in the Commission Period per these qualifications are eligible to earn shares in the Diamond Leadership Bonus pool, which is 0.5% of Young Living's total global Commissionable Volume, excluding the Commissionable Volume reductions of Fast Start Bonus, for that Commission Period. Each share is calculated by dividing the DLB pool by the total number of qualified shares earned by each Qualified Brand Partner in the applicable Commission Period.

Each Diamond or higher rank may earn the DLB in each of the first 12 months following their calendar month of rank qualification in which month they qualify as a Diamond or higher rank.

Those Diamond or higher rank Brand Partners who continue to qualify at their Diamond or higher ranks after their initial 12-month DLB period may additionally qualify for DLB shares each Commission Period by completing one of the following sales leadership activities on an annual basis:

- Attend at least one complete session of the annual convention, OR
  - Attend a full week at one of our annual winter or spring harvests AND the full Diamond Retreat Earned DLB Shares are allocated as follows:
    - Diamond rank earns: one share
    - Crown Diamond rank earns: two shares
    - Royal Crown Diamond rank earns: three shares

BRAND PARTNER RANKS	DIAMOND	CROWN DIAMOND	ROYAL CROWN DIAMOND
QUALIFICATIONS	100 PV 250,000 OGV 1,000 PGV	100 PV 750,000 OGV 1,000 PGV	100 PV 1,500,000 OGV 1,000 PGV
LEG (VOLUME PER LEG) OGV RANK REQUIREMENTS	5 @ 15,000	6 @ 20,000	6 @ 35,000
DIAMOND LEADERSHIP BONUS SHARES	1	2	3