

Young Living Hong Kong Policies and Procedures

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Table of Contents

1: INTRODUCTION

- 1.1 Welcome
- 1.2 Interpretations
- 1.3 Purpose
- 1.4 Policies and Procedures and Compensation Plan Incorporated into the Brand Partner Agreement
- 1.5 Ethics
- 1.6 Amendments/Acceptance
- 1.7 Inclusion and Anti-Discrimination

2: BECOMING A BRAND PARTNER

- 2.1 Requirements to Become a Brand Partner
- 2.2 Brand Partner Agreement
- 2.3 Web Applications

3: OPERATING YOUR SALES ORGANIZATION

- 3.1 Independent Contractor Status
- 3.2 Retail Customers and Brand Partners
 - 3.2.1 Retail Customers
 - 3.2.2 Brand Partners
- 3.3 Beneficial Interest in More than One Brand Partner Account and Duplicate Brand Partner Accounts
- 3.4 Actions of Household Brand Partners or Affiliated Parties
- 3.5 Actions of Support Team Brand Partners
- 3.6 Corporations, Partnerships, Limited Liability Companies and Trusts
- 3.7 Sale, Transfer or Assignment
 - 3.7.1 Inheritance & Succession
- 3.8 Separation of a Brand Partner Business
- 3.9 Roll Up of Marketing Organization
- 3.10 Taxes
- 3.11 Restrictions/Unauthorized Practices
 - 3.11.1 Unauthorized Recruiting
 - 3.11.2 Restrictive Covenants
 - 3.11.3 Non-competition
 - 3.11.4 Targeting Other Direct Sellers
 - 3.11.5 Cross Team Recruiting
 - 3.11.6 Bonus Buying and Stacking
- 3.12 International
 - 3.12.1 Not For Sale (NFR) Products & Location Where Services are Performed
 - 3.12.2 Anti-Bribery
- 3.13 Repackaging and Relabeling
- 3.14 Confidentiality
- 3.15 Reporting Violations of Policies and Procedures
- 3.16 Personal Data
- 3.17 Authorization to Take and Use your Photo or Video
- 3.18 Rank Recognition
- 3.19 Non-Exclusivity
- 3.20 Non-Disparagement, Anti-Harassment, and Employee Privacy

4: SPONSOR'S RESPONSIBILITIES

- 4.1 Sponsoring
- 4.2 Sponsoring Online
- 4.3 Brand Partner and Sponsor Responsibilities
- 4.4 Privacy

5: ADVERTISING

- 5.1 Use of Young Living's Materials
- 5.2 Brand Partner-Developed Advertising Materials and Products
- 5.3 Advertising Claims and Representation
 - 5.3.1 Product Claims
 - 5.3.2 Income Claims
 - 5.3.3 Compensation Plan Claims
 - 5.3.4 Governmental Approval or Endorsement
 - 5.3.5 Indemnification for Unlawful Advertising Statements
- 5.4 Testimonials and Meetings
- 5.5 Trademarks and Copyrights
- 5.6 Domain Names and Email Addresses
- 5.7 Internet Policy
- 5.8 Internet Classified Ad Sites, Auction Sites, Shopping Sites or Order Fulfillment Stores Restricted
- 5.9 Telephone and Email Solicitation
- 5.10 Young Living Personal Websites
- 5.11 Commercial Outlets
- 5.12 Recommended Advertised Price

6: SALES REQUIREMENTS

- 6.1 Product Sales and Sales Receipts
- 6.2 Non-Brand Partners
- 6.3 Customers and Sales Requirements
- 6.4 Excessive Purchases of Inventory and Front-End Loading Prohibited

7: COMMISSIONS AND BONUSES

- 7.1 Commissions and Bonus Checks
- 7.2 Recap Statements
- 7.3 Adjustments
- 7.4 Deductions/Maintenance Fees
- 7.5 Errors or Questions

8: ORDERING

- 8.1 Ordering Methods
 - 8.1.1 Phone
 - 8.1.2 Mail
 - 8.1.3 Young Living's Website
- 8.2 Essential Rewards Autoship Program
- 8.3 General Ordering Policies
 - 8.3.1 Back Order
 - 8.3.2 Month-End Order Processing Cutoff

9: SHIPPING

- 9.1 Shipping Methods and Charges
- 9.2 Shipping Discrepancies

10: PAYMENT

- 10.1 Credit Card
- 10.2 Commission and Bonus Release Form

11: PRODUCT RETURNS

- 11.1 Return Policy
 - 11.1.1 Return Guidelines
 - 11.1.2 Returns of Inventory by Brand Partners
 - 11.1.3 Product Kits and Collections
 - 11.1.4 Return of Promotional Product(s)
- 11.2 Procedures for Returns

12: BRAND PARTNER ACCOUNT MANAGEMENT

- 12.1 Changes to a Brand Partner Account
 - 12.1.1 Sponsor Changes
 - 12.1.2 Waiver of Claims
 - 12.1.3 Sponsor Placement Program
- 12.2 Team Genealogy Reports

12.3 The D. Gary Young Foundation: Young Living Outreach

13: DISPUTE RESOLUTION AND DISCIPLINARY ACTION

- 13.1 Disputes with Other Brand Partners
- 13.2 Disputes with Young Living
 - 13.2.1 Mediation
 - 13.2.2 Governing Law
 - 13.2.3 Governing Law for Compensation Plan
- 13.3 Disciplinary Actions
- 13.4 Review of Disciplinary Action

14: INACTIVITY, REACTIVATION, AND CANCELLATION

- 14.1 Inactivity
- 14.2 Reactivation
- 14.3 Involuntary Cancellation or Termination
- 14.4 Voluntary Cancellation
- 14.5 Effects of Cancellation or Termination

15. MISCELLANEOUS

- 15.1 Delays
- 15.2 Partial Validity
- 15.3 Waiver
- 15.4 Titles Not Substantive
- 15.5 Independent Legal Advice
- 15.6 Third Party Rights
- 15.7 Notice

1: INTRODUCTION

1.1 Welcome

Welcome to Young Living Hong Kong Limited (“Young Living”)! We are pleased that you have chosen to become a Brand Partner of Young Living.

1.2 Interpretations

References herein to statutory provisions shall be construed as references to those provisions as amended or reenacted or as their application is modified by other provisions (whether before or after the date hereof) from time to time and shall include any provisions of which they are reenactments (whether with or without modification).

The headings herein are inserted for convenience only and shall not affect the construction of the Agreement.

Unless the context requires otherwise, (a) words importing the singular include the plural and vice versa and words importing a gender include every gender; and (b) references to Sections are to Sections of these Policies and Procedures.

References herein to persons include references to individuals, firms, limited liability companies, corporations and unincorporated bodies of persons and vice versa (where the context requires).

1.3 Purpose

The purposes of these Policies and Procedures are:

- to set standards of acceptable business behavior expected of you;
- to define your relationship with Young Living, your Retail Customers and other Brand Partners; and
- to assist you in building and protecting your business with Young Living.

1.4 Policies and Procedures and Compensation Plan Incorporated into the Brand Partner Agreement

Throughout these Policies and Procedures, whenever the term “**Agreement**” is used, it refers collectively to the Brand Partner Agreement (pursuant to which you became a Brand Partner), these Policies and Procedures, the Privacy Policy Statement and the Compensation Plan. These Policies and Procedures, the Privacy Policy Statement and the Compensation Plan are incorporated by reference into the Brand Partner 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 all these documents, as found online at

https://www.youngliving.com/en_HK.

1.5 Ethics

You are required to abide by the following Code of Ethics in the operation of your sales organization and your opportunity to participate in the Young Living’s business. Violations of the Code of Ethics may, without prejudice to

other rights of Young Living, 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 organization.
- You will give prompt and efficient service to anyone to whom you have introduced Young Living's products, as well as to your team Brand Partners.
- You will not make negative or disparaging remarks about Young Living, Young Living's founders, any Young Living's competitor(s) or their people, products, or organizations.
- You will not engage in activities that may cause losses to Young Living or another Brand Partner.
- You will perform all duties of a Sponsor and a leader as you build your business with Young Living, including providing the necessary training and support.
- You will respect the privacy of both your support team and team Brand Partners and Retail Customers.
- You will not recruit any Brand Partner to other business opportunities.
- You will abide by all rules, regulations, laws, and ordinances that are applicable to the operation of your sales organization as a Brand Partner.

1.6 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's publications distributed to all active Brand Partners (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 Brand Partner Agreement, you agree to abide by all amendments or modifications that Young Living elects to make. If a Brand Partner is not willing to accept these changes, Young Living must be notified in writing within the 30 days period prior to the change being effective. Any continued business, ordering, acceptance of a commission or bonus payout, or any other benefit by a Brand Partner pursuant to the Agreement constitutes acceptance of the Agreement in whole with any and all amendments.

1.7 Inclusion and Anti-Discrimination

You are required to abide by the Young Living Inclusion and Anti-Discrimination Policy (IAP) Brand Partners and, which policy is available at www.youngliving.com/iap/. Violations of that policy are material breaches of the Agreement.

2: BECOMING A BRAND PARTNER

2.1 Requirements to Become a Brand Partner

To become a Brand Partner, you must meet the following requirements:

- If you are an individual, be at least 18 years old and provide a Hong Kong Identity Card number.
- If you are a business entity, provide copy of the articles of incorporation, tax number/ business registration number.
- Read and agree to these Policies and Procedures, the Privacy Policy Statement, and the Compensation Plan.
- Apply to become a Brand Partner by completing, signing, and submitting a Brand Partner Agreement to Young Living within 30 days of your enrollment.
- Purchase a Starter Bundle.

Young Living reserves the right, in its sole discretion, to reject your application to become a Brand Partner or otherwise the Brand Partner Agreement submitted by you for any reason whatsoever. All documents and statements submitted to Young Living must be complete, truthful, and submitted in a timely manner.

2.2 Brand Partner Agreement

You can submit your completed and signed Brand Partner Agreement or Young Living's website (https://www.youngliving.com/en_HK). Your application must be received within 30 days of your enrollment for you to receive benefits as a Brand Partner. If the Brand Partner Agreement is not received within the said 30 days, your application to become a Brand Partner will be placed on hold until the Brand Partner Agreement is received.

2.3 Web Applications

If you enroll on Young Living's website or on any Young Living-sponsored replicated website, you are not required to submit a paper application but shall agree to the Brand Partner Agreement, these Policies and Procedures and the Compensation Plan as shown in the said website. While your Sponsor or customer service representative may assist you in completing the online enrollment as a Brand Partner, you must personally review and agree to the Brand Partner Agreement, these Policies

and Procedures and the Compensation Plan as aforesaid.

3: OPERATING YOUR SALES ORGANIZATION

3.1 Independent Contractor Status

As a Brand Partner, 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 for any purpose whatsoever. You are responsible for your own taxes due from all compensation earned as a Brand Partner. 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 Brand Partners

Individuals may join Young Living as Retail Customers or as Brand Partners.

3.2.1 Retail Customers

Retail Customers, who are not Brand Partners, can purchase products directly from Young Living for personal consumption but do not participate in Brand Partner's sales organization or Compensation Plan. Retail Customers are not required to sign a Brand Partner Agreement. Retail Customers purchase products at the published retail price. Retail Customers' purchases apply toward their Sponsor's OGV. Thus, orders placed by any Retail Customers of a Brand Partner will be included in the total sales volume for their Sponsor's sales organization. A Retail Customer may become a Brand Partner at any time by satisfying the requirements outlined in Section 2.1.

3.2.2 Brand Partners

Brand Partners purchase products 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.

In these Policies and Procedures, a Brand Partner's Brand Partner account is referred to as being "active" if such Brand Partner

enrolled as a new Brand Partner and purchased products of a minimum of 50 PV within the previous 12 months and is referred to as being "inactive" if he/she has not. If any Brand Partner does not order a minimum of 50 PV for 12 consecutive months, such Brand Partner is considered inactive.

3.3 Beneficial Interest in More than One Brand Partner Account and Duplicate Brand Partner Accounts

Unless as specified in the other parts of this Section 3.3, a Brand Partner may operate or have an interest, legal or equitable, in only one Brand Partner account. If Young Living finds that you have an interest in multiple Brand Partner accounts, it will terminate the duplicate Brand Partner account(s), leaving only the Brand Partner account created first. You are specifically prohibited from creating duplicate Brand Partner accounts in an attempt to change lines of Sponsorship, manipulate the Compensation Plan, or circumvent the Agreement in any way.

You may have a beneficial interest in more than one Brand Partner account if you receive an interest in another Brand Partner account as an inheritance (either through a direct inheritance or as a beneficiary of a trust) from another Brand Partner, you notify Young Living of the inheritance in writing (as specified in Sections 3.7 and 3.7.1), and Young Living approves of the transfer in writing. Young Living reserves the right, in its sole and absolute discretion and with or without reason and at any time, to (1) deny you the option of owning an interest in your original Brand Partner account and an inherited Brand Partner account or (2) to deny you the right to earn the Generation and Diamond Leadership Bonuses on the inherited Brand Partner account, such as, without limiting any right of Young Living as aforesaid, if Young Living determines you have not demonstrated the ability to operate two sales organizations by failing to engage in leadership activities such as contacting and training your team, participation in meetings, increasing enrollments, and/or increasing PV and OGV within the payment levels of your team in the recent past. If Young Living denies you the right to have a beneficial interest in a second Brand Partner account that you received through inheritance, it may allow you up to a four-month grace period to sell your interest in one of your Brand Partner accounts. After that grace period, the inherited Brand Partner account will be placed on hold or terminated.

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

3.4 Actions of Household Brand Partners or Affiliated Parties

If any individual of your same 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, without prejudice to other rights of Young Living, take disciplinary action against you pursuant to these Policies and Procedures. Similarly, if any individual associated in any way with a corporation, partnership, limited liability company, trust or other entity (collectively “entity”) violates the Agreement, such action(s) will be deemed a violation by the entity; and Young Living may, without prejudice to other rights of Young Living, take disciplinary action against the entity. Likewise, if a Brand Partner enrolls in Young Living as an entity, each affiliated party of the entity will be personally and individually bound to, and must comply with, the terms and conditions of the Agreement.

3.5 Actions of Support Team Brand Partners

If any support team Brand Partner encourages, aids, or supports a team Brand Partner in any activity which, if performed by the support team Brand Partner, would violate any provision of the Agreement (e.g., creating duplicate Brand Partner accounts or crossline recruiting), such activity will be deemed to be a violation by the support team Brand Partner; and Young Living may, without prejudice to other rights of Young Living, take disciplinary action against that support team Brand Partner pursuant to these Policies and Procedures. If such violations continue, Young Living reserves the right to terminate the support team Brand Partner’s Brand Partner account.

3.6 Corporations, Partnerships, Limited Liability Companies and Trusts

A partnership, corporation, limited liability company, or trust may become a Brand Partner by submitting to Young Living a partnership agreement, trust agreement, certificate of incorporation, articles and memorandum of association and latest annual return of such limited liability company and other documents of such partnership, corporation, limited liability company or trust (whether filed with the Companies Registry in Hong Kong or not) indicating the names of all of the shareholders, directors, Brand Partners, managers, partners, or trustees of the entity, as the case may be (“affiliated parties”). The entity must demonstrate that no part or participant within the entity has participation in another sales organization because no individual may participate in more than one sales organization in any form. A Brand Partner 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 Brand Partner’s change of business names, formation of partnerships, and corporations, and trusts for tax, estate planning, and limited liability purposes. In addition, by submitting a copy of the certificate of 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 organization within 6 months of the submission of the certificate (unless it is the continuation of an existing sales organization that is changing its form of doing business).

3.7 Sale, Transfer or Assignment

You may sell, transfer, or assign (collectively “Transfer”) your entire team organization by submitting a request to Young Living along with the Hong Kong Dollar equivalent of USD\$50.00 as a processing fee. Young Living will receive the request and then transfer them to the corporate office in the United States. For your request to be granted, the following criteria must be met:

- You and the receiving party must notify Young Living in writing of your intent to Transfer your sales organization. This request must be duly signed by you and the receiving party.
- Young Living must approve the receiving party before you may Transfer your sales organization.
- After you Transfer your sales organization, the transferring party must not retain any copies, digital or otherwise, of personal data belonging to his/her team organization Brand Partners.
- The receiving party must be (or must become) a Brand Partner in good standing.
- If the receiving party has an existing team, he/she must first Transfer that sales organization, or has already obtained approval by Young Living to Transfer that sales organization before accepting the new sales organization. Alternatively, the receiving party may choose to cancel his/her existing sales organization and allow that team to roll-up to his/her Sponsor as provided in Section 3.9.
- No changes in your line of Sponsorship or your team can result after you Transfer your sales organization.
- Before you Transfer your sales organization, all debt obligations that you and the receiving party may have with Young Living must be satisfied. The individual, to whom the sales organization is sold and/or transferred, will be expected to meet leadership qualification in order to be eligible for leadership commission payouts.

- Before you Transfer your sales organization, you and the receiving party must each be in compliance with all the terms of the Agreement.
- You shall not Transfer any sales organization with OGV 50,000 or higher unless it is approved by Young Living in writing.

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

Young Living shall not waive any violation of the Agreement even though such violation may have occurred by a previous owner of your sales organization. As a new owner of a pre-existing sales organization, you shall be responsible for violations of the Agreement made by the previous owner in connection with your sales organization. Any action that may be taken on a sales organization with the previous owner under Section 13.3 will carry over to you.

3.7.1 Inheritance & Succession

Upon a Brand Partner's death or incapacitation, their business organization will pass to the Brand Partner's legal heir(s) or legal representative(s) who provide (to accountupdates@youngliving.com) Young Living with proof of the Brand Partner's death or incapacitation, appropriate legal documentation, and a signed Agreement. Young Living reserves the right, in its sole and absolute discretion and for any reason and at any time, to deny you the option of owning an interest in your original account and an inherited account if Young Living determines you have not demonstrated the ability to operate two sales organizations. If Young Living denies you the right to have a beneficial interest in a second account that you received through inheritance, it may allow you a four-month grace period to sell your interest in one of your accounts. After that grace period, the inherited account will be placed on hold or terminated.

3.8 Separation of a Brand Partner Business

You may, with others, operate a single sales organization as a husband-wife partnership, regular partnership, corporation, limited liability company or trust (the latter four entities are collectively referred to herein as "**business entities**" and each a "**business entity**"). If your marriage ends in divorce or your business 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 support team or team of Sponsorship. If divorcing spouses or a dissolving business entity fail to provide for the best interests of other Brand Partners 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 a divorce or business entity dissolution, the divorcing spouses or a dissolving business entity must adopt one of the following methods of operation:

- One of the parties may, with consent of the other(s), operate the business pursuant to an assignment in writing whereby the relinquishing party(ies) authorize(s) Young Living to deal directly and solely with the other party(ies).¹² A request duly signed by the person being removed is required. A new Brand Partner Agreement is required from the person remaining on the Brand Partner account.
- The parties may continue to operate the sales organization jointly on a "business-as-usual" basis, whereupon all compensation paid by Young Living will be paid in the joint names of the Brand Partners or in the name of the business entity to be divided as the parties may independently agree among themselves.
- The parties may operate the business pursuant to a court order involving such 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 organization with a divorcing spouse or with affiliate parties of a dissolving business entity. Similarly, Young Living will not split your commission or bonus between you and a divorcing spouse or affiliate parties of a dissolving business entity. Young Living will recognize only one sales organization and will issue only one commission deposit per sales organization per commission cycle. Commission deposits will always be deposited to the same individual or business entity, unless all parties to a sales organization 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 organization, you are free to enroll as a new Brand Partner under any Sponsor of your choice. However, in such case you will have no rights to any Brand Partners or Retail Customers from your former sales organization. In that instance, you must develop the new business in the same manner as would any other new Brand Partner.

3.9 Roll Up of Marketing Organization

When a vacancy occurs in any sales organization of Young Living due to the cancellation or termination of the Brand Partner account of a Brand Partner, each Brand Partner in the first level immediately below the terminated Brand Partner on the

date of the cancellation will “roll up”, which means to move to the first level of the terminated Brand Partner’s Sponsor. For example, if 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 to sell the sales organization that has been canceled or terminated for inappropriate behavior.

3.10 Taxes

You acknowledge that you are a self-employed person and not employed as an employee of Young Living. In Hong Kong, as a self-employed person, you are chargeable to profits tax on the earnings generated through your sales organization. You acknowledge that you are required to:

- keep sufficient business records for at least 7 years;
- prepare accounts based on your accounting records;
- complete and submit a tax return to the Inland Revenue Department every year for reporting business profits or losses;
- notify the Inland Revenue Department in writing about your liability to profits tax after the end of the basis period for the year of assessment concerned, unless you have already received the tax return from the Inland Revenue Department;
- notify the Inland Revenue Department about the cessation of your business within 1 month of cessation;
- notify the Inland Revenue Department about your change of address within 1 month of the change; and
- pay the profits tax.

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. If you have any questions concerning your tax obligations, you should consult your tax advisor. Retail customers are not required to provide any tax information.

3.11 Restrictions/Unauthorized Practices

3.11.1 Unauthorized Recruiting

You may engage in other non-competing business ventures. However, you may not take advantage of your knowledge of, or association with, other Brand Partners, including your knowledge resulting from or relating to your support team and team, which you agree are confidential information, in order to promote and expand such other business ventures. Such conduct constitutes an unwarranted and unreasonable interference with the business of other Brand Partners and Young Living and will entitle Young Living to terminate the Agreement.

3.11.2 Restrictive Covenants

To qualify for compensation under the Compensation Plan, you have the ongoing responsibility to help, educate, train, motivate, and assist the Brand Partners in your sales organization. You also have the responsibility to promote Young Living’s products and the Young Living income opportunity. Young Living and its Brand Partners have made a great investment in the establishment of organizations consisting of the Retail Customers and the Brand Partners, of which you will benefit. This constitutes one of Young Living’s most valuable assets. Young Living reserves the right to cease paying compensation to any Brand Partner, including you, who recruits any Retail Customers or Brand Partners to participate in a Competing Business Venture.

To protect the efforts of all Brand Partners in building and maintaining their sales organizations and customer bases, and in order to protect Young Living’s interest and investment in the overall customer base, you hereby undertake and covenant with Young Living that except with the consent in writing of Young Living, there shall be Non-Solicitation of Retail Customers and Brand Partners as follows :-

(a) During the term of the Agreement, you shall not, and shall procure your Associate not to, in Hong Kong, either alone or jointly with or as manager, agent, consultant or employee of any person, firm or company, or through a third party, directly or indirectly, carry on or be engaged in or be interested in a Competing Business Venture.

(b) During the 6 months period from the date of termination of the Agreement for whatever reasons, you shall not, and shall procure your Associate not to, in Hong Kong, either alone or jointly with or as manager, agent, consultant or employee of any person, firm or company, or through a third party, directly or indirectly, carry on or be engaged in or be interested in a Competing Business Venture.

(c) During the term of the Agreement, you shall not, and shall procure your Associates not to, in Hong Kong, either alone or jointly with or as manager, agent, consultant or employee of any person, firm or company, or through a third party, directly or indirectly, entice away any of the Brand Partners or Retail Customers within your sales organization for the purpose of procuring or engaging such Brand Partner or Retail Customer for other businesses which are in competition with the Business.

(d) During the 6 months period from the date of termination of the Agreement for whatever reasons, you shall not, and shall procure your Associates not to, in Hong Kong, either alone or jointly with or as manager, agent, consultant or employee of any person, firm or company, or through a third party, directly or indirectly, entice away any of the Brand Partners or Retail Customers within your sales organization for the purpose of procuring or engaging such Brand Partner or Retail Customer for other businesses which are in competition with the Business.

(e) During the term of the Agreement, you shall not, and shall procure your Associates not to, in Hong Kong, either alone or jointly with or as manager, agent, consultant or employee of any person, firm or company, or through a third party, directly or indirectly, entice away any officers, consultants, employees of the Young Living Group.

(f) During the 6 months period from the date of termination of the Agreement for whatever reasons, you shall not, and shall procure your Associates not to, in Hong Kong, either alone or jointly with or as manager, agent, consultant or employee of any person, firm or company, or through a third party, directly or indirectly, entice away any officers, consultants, employees of the Young Living Group whom you have dealt with while you were a Brand Partner.

(g) During the term of the Agreement, you shall not, and shall procure your Associates not to, solicit, directly or indirectly, other Brand Partners that you did not personally enroll or Sponsor 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 such other Brand Partners as mentioned and Young Living. The term "solicit" means the actual or attempted sponsorship, solicitation, enrollment, encouragement, inducement of, or effort to influence in any other way, either directly, indirectly, or through a third party, another Brand Partner to enroll or participate in another multilevel marketing, network marketing, or direct sales company, network, business, or opportunity.

(h) During the 6 months period from the date of termination of the Agreement for whatever reasons, you shall not, and shall procure your Associates not to, solicit, directly or indirectly, other Brand Partners that you did not personally enroll or Sponsor 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 such other Brand Partners as mentioned and Young Living. The term "solicit" means the actual or attempted sponsorship, solicitation, enrollment, encouragement, inducement of, or effort to influence in any other way, either directly, indirectly, or through a third party, another Brand Partner to enroll or participate in another multilevel marketing, network marketing, or direct sales company, network, business, or opportunity.

(i) During the term of the Agreement and after the termination of the Agreement for whatever reasons, you shall not, and shall procure your Associates not to, either alone or in conjunction with or on behalf of any other person use any materials, trade or business name or distinctive mark or style or logo the same as or similar to those used by the Young Living Group or in the Business or anything intended or likely to be confused with those of the Young Living Group and/or the Business.

(j) During term of the Agreement, you shall not, and shall procure all Brand Partners of your immediate household not to, either alone or jointly with or as manager, agent, consultant or employee of any person, firm or company, or through a third party, directly or indirectly, recruiting any Retail Customer or Brand Partner to participate in a Competing Business Venture, regardless of who initiates the contact.

(k) During the 12 months period from the date of termination of the Agreement for whatever reasons, you shall not, and shall procure all Brand Partners of your immediate household not to, either alone or jointly with or as manager, agent, consultant or employee of any person, firm or company, or through a third party, directly or indirectly, recruiting, regardless of who initiates the contact, any Retail Customer or Brand Partner who satisfies all the conditions below, to participate in a Competing Business Venture:

- (i) who was in your sales organization or support team at any time during the term of his or her association with Young Living;
- (ii) with whom you had contact during the term of your association with Young Living;
- (iii) whose contact information (name, address, phone number or email address, etc.) you or any Brand Partner of your immediate household obtained at any time during the term of your association with Young Living; or
- (iv) whose contact information (name, address, phone number or email address, etc.) you or any Brand Partner of your immediate household obtained at any time from another person who obtained the information because of any other person's association with Young Living.

(l) During the term of the Agreement, you shall not, and shall procure all Brand Partners of your immediate household not to:

- (i) produce any literature, tapes or promotional material of any nature (including but not limited to websites and

emails) which is used by you or any third person to recruit any Retail Customers or Brand Partner to participate in a Competing Business Venture;

(ii) offer any product or service which is not that of Young Living or that of any Competing Business Venture in conjunction with the offering of Young Living's products, services or income;

(m) During the 12 months period from the date of termination of the Agreement for whatever reasons, you shall not, and shall procure all Brand Partners of your immediate household not to:

(i) produce any literature, tapes or promotional material of any nature (including but not limited to websites and emails) which is used by you or any third person to recruit any Retail Customers or Brand Partner to participate in a Competing Business Venture;

(ii) offer any product or service which is not that of Young Living or that of any Competing Business Venture in conjunction with the offering of Young Living's products, services or income;

The prohibitions under Sections 3.11.2 (j) and (k) above include but are not limited to presenting or assisting in the presentation of any Competing Business Venture to any Retail Customer or Brand Partner, and implicitly or explicitly encouraging any Retail Customer or Brand Partner to join any Competing Business Venture that would detract from their relationship with Young Living (as determined by Young Living in its sole discretion). It is a violation of these Policies and Procedures to recruit any Retail Customer or Brand Partner to participate in a Competing Business Venture even if you do not know that the prospect is a Retail Customer or Brand Partner. It is your responsibility to first determine whether the prospect is a Retail Customer or Brand Partner before recruiting the prospect to participate in a Competing Business Venture. As used herein the term "recruit" or "recruiting" means: 1) to enroll, enlist, or solicit an individual or entity to join a business, program or organization, or attempt to do so; 2) to promote, influence or encourage an individual or entity to join a business, program or organization, or attempt to do so; or 3) to present, or participate or assist in the presentation of, a business, program, organization or its products to an individual or entity. Such recruitment constitutes a violation of Sections 3.11.2 (j) or (k) whether or not the individual or entity ultimately leaves their relationship with Young Living. To constitute recruiting, such efforts or attempts may be performed either directly through personal contact (including, but not limited to electronic and social media means) or indirectly through a third party.

Each and every obligation under the above provisions of this Section 3.11.2 shall be treated as a separate obligation and shall be severally enforceable as such and in the event of any obligation or obligations being or becoming unenforceable in whole or in part such part or parts as are unenforceable shall be deleted from this Section 3.11.2 and any such deletion shall not affect the enforceability of all such parts of this Section 3.11.2 as remain not so deleted.

You agree that Young Living has a protectable interest in its goodwill, customer-base, Brand Partner network, confidential information, and trade secret information. You further acknowledge that any breach of your obligations under this Section 3.11.2 will cause immediate and irreparable harm to Young Living for which monetary damages and other legal remedies could not adequately compensate. You further acknowledge that the restrictions set forth in this Section 3.11.2 are reasonable and necessary to protect, maintain and preserve the legitimate business interests of Young Living and other Brand Partners, and restrict your conduct only to the extent necessary to protect, maintain, and preserve such interests. You further warrant that you understand the legal and other consequences of entering into the covenants and agreements contained in this Section 3.11.2 and that the enforcement of its provisions will cause no undue hardship to you. You agree that such restrictions will not prevent you from working or otherwise earning a living. Without limiting the generality of the foregoing, while the restrictions contained in this Section 3.11.2 are considered by you to be reasonable in all the circumstances, it is recognized that restrictions of the nature in question may fail for technical reasons unforeseen, and accordingly, it is hereby agreed and declared that if any of such restrictions shall be adjudged to be void as going beyond what is reasonable in all the circumstances for the protection of the interests of the Business or the Young Living Group or the interest of the Brand Partners but would be valid if part of the wording thereof were deleted or the periods thereof reduced or the range of activities or area dealt with thereby reduced in scope, the said restriction shall apply with such modifications as may be necessary to make it valid and effective. Any violation of any provision of this Section 3.11.2 constitutes your voluntary cancellation of the Agreement, effective as of the date of the violation, and:

(i) The forfeiture by you of all commissions or bonuses payable to you for and after the calendar month in which the violation occurred.

(ii) If Young Living pays any bonuses or commissions to you after the date of the violation, all bonuses and commissions for and after the calendar month in which the violation occurred shall be refunded to Young Living.

(iii) Young Living may seek and obtain both injunctive relief and damages for violations of this Section 3.11.2.

(iv) In addition to being entitled to a refund of bonuses and commissions and to damages as described above, in the event you violate this Section 3.11.2, Young Living and any Brand Partner that experiences an adverse financial impact as a result of yours violation of this Section 3.11.2 shall be entitled to an accounting and repayment of all profits, compensation, commissions, remunerations or other benefits which you directly or indirectly receive and/or may receive as a result of, growing out of, or in connection with any violation of this Section. Such remedy shall be in addition to and not in limitation of any damages, or injunctive relief or other rights or remedies to which Young Living is or may be entitled at law or in equity.

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

Any violation of this Section 3.11.2 is especially detrimental to the growth and sales of other Brand Partners' Young Living businesses and to Young Living's business. Consequently, if you have knowledge that any other Brand Partner has violated this Section 3.11.2 must immediately report that information to Young Living's Conduct Success Team at hkconduct@youngliving.com. The failure of a Brand Partner to report such information to Young Living will also constitute a violation of these Policies and Procedures. The names of those reporting violations of this Section 3.11.2 will be held in confidence.

3.11.3 Non-competition

If, during the term of the Agreement, you engage in a non-Young Living direct selling program (the "**Non-Young Living Program**"), you will ensure that you operate your sales organization separately and apart from such Non-Young Living Program. To that end, except with the consent in writing of Young Living, you understand that you are prohibited from:

- displaying promotional materials, sales aids, products or services ("Promotional Materials") of Young Living with or at the same location as the Promotional Materials of such Non-Young Living Program (related to another direct selling program or its product), or in any manner or format that enables a viewer to contemporaneously view Young Living's Promotional Materials and Non-Young Living Program's Promotional Materials. For example, you may not present Young Living's Promotional Materials and Non-Young Living Program's Promotional Materials on or in the same website, blog, tweet, post, text, brochure or printed marketing material, signage, or electronic or other communication;
- offering Young Living's programs, opportunities, products or services to the prospective or existing Retail Customers or Brand Partners in conjunction with any Non-Young Living Program's programs, opportunities, products or services; and
- offering any Non-Young Living Program's products, 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 6 months after the cancellation, expiration or termination of the Agreement for whatever reasons, you shall not, and shall procure your Associates not to, directly or indirectly serve in any capacity as a Brand Partner, representative, consultant, employee, agent, officer, director, shareholder, partner, seller, distributor, or owner of or with doTERRA International, LLC or any parent or affiliate of this company. This restriction applies to any geographic market which you (or your sales organization) serviced or within which you (or your sales organization) physically worked during the term of this Agreement.

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

Each and every obligation under the above provisions of this Section 3.11.3 shall be treated as a separate obligation and shall be severally enforceable as such and in the event of any obligation or obligations being or becoming unenforceable in whole or in part such part or parts as are unenforceable shall be deleted from this Section 3.11.3 and any such deletion shall not affect the enforceability of all such parts of this Section 3.11.3 as remain not so deleted.

You agree that Young Living has a protectable interest in its goodwill, customer-base, Brand Partner network, confidential information, and trade secret information. You further acknowledge that any breach of your obligations under this Section 3.11.3 will cause immediate and irreparable harm to Young Living for which monetary damages and other legal remedies could not adequately compensate. You further acknowledge that the restrictions set forth in this Section 3.11.3 are reasonable and necessary to protect, maintain and preserve the legitimate business interests of Young Living and other Brand Partner, and restrict your conduct only to the extent necessary to protect, maintain, and preserve such interests. You further warrant that you understand the legal and other consequences of entering into the covenants and agreements contained in this Section 3.11.3 and that the enforcement of its provisions will cause no undue hardship to you. You agree that such restrictions will not prevent you from working or otherwise earning a living. Without limiting the generality of the foregoing, while the restrictions contained in this Section 3.11.3 are considered by you to be reasonable in all the circumstances, it is recognized that restrictions of the nature in question may fail for technical reasons unforeseen, and accordingly, it is hereby agreed and declared that if any of such restrictions shall be adjudged to be void as going beyond what is reasonable in all the circumstances for the protection of the interests of the Business or the Young Living Group or the interest of the Brand Partners but would be valid if part of the wording thereof were deleted or the periods thereof reduced or the range of activities or area dealt with thereby reduced in scope, the said restriction shall apply with such modifications as may be necessary to make it valid and effective.

3.11.4 Targeting Other Direct Sellers

Young Living does not condone Brand Partner specifically or consciously targeting the sales force of another direct sales company to sell Young Living products or to become Brand Partners for Young Living. Nor does Young Living condone the solicitation or enticement of Brand Partners of the sales force of another direct sales company to violate the terms of their contract with such other company.

3.11.5 Cross Team Recruiting

Actual or attempted Cross Team recruiting is strictly prohibited. "Cross Team recruiting" is defined as (i) the enrollment, indirect or otherwise, of an individual or entity that is already a Brand Partner or who has entered into the Agreement within the preceding 6 calendar months, within a different line of Sponsorship or with a different Sponsor, (ii) training current Brand Partners from different lines of Sponsorship on how to change Sponsors in a non-permitted way in order to facilitate their move to your sales organization; or (iii) aiding, encouraging, or facilitating the actions outlined in (i) or (ii) of this definition. The use of a spouse's or relative's name, trade names, DBAs (Doing Business As), assumed names, corporations, trusts, Hong Kong identity card/passport numbers, or fictitious Hong Kong identity card/passport numbers to circumvent this Section is strictly prohibited.

You may not demean, discredit, or defame another Brand Partner especially in an attempt to entice another Brand Partner to 18 become part of your sales organization. Young Living reserves the right to terminate your sales organization for failure to comply with this Section.

3.11.6 Bonus Buying and Stacking

Young Living's business model operates on the principle that 100% of sales by Young Living are made to end consumers who are purchasing Young Living products solely on the merits of the products themselves. Any device or scheme whereby a Brand Partner directly or through a third party causes product to be purchased solely for the purposes of qualifying for bonuses or commissions constitutes fraud on the part of the Brand Partner and is a violation of this policy. To ensure compliance with local regulations, the following activities are strictly and absolutely prohibited and may result in the termination of your Agreement:

- Enrolling Brand Partners without their knowledge
- Signing of the Agreement for another person or entity without their knowledge
- Fraudulently enrolling another person or entity as a Brand Partner, or customer
- Enrolling fake individuals or entities as Brand Partners, or customers
- Providing financial assistance to Brand Partners, or customers, buying products, or drop shipping through another's account for the purpose of increasing the payout of your business organization

- The use of a credit card, or other similar payment method by or on behalf of another Brand Partner or customer when that Brand Partner or customer is not the account holder of such credit card or other payment method account
- Purchasing more product than he or she can reasonably consume or re-sell, in the pursuit of commissions, bonuses, or other compensation
- Notwithstanding the above provisions of this Section 3.11.6, Brand Partners may offer up to only HKD\$200 in enrollment incentives (e.g. gift cards, or a gift) plus additional reference materials as desired as incentives to new enrollees or reactivated Brand Partners. No other discount, promotion, or monetary incentive can be associated with new enrollees and reactivated Brand Partners.

3.12 International

Compliance with foreign laws regarding intellectual property, data privacy and protection, customs, taxation, literature content, and other direct selling guidelines is critical to successful international expansion of Young Living into new markets. Consequently, you are authorized to recruit and sponsor other Brand Partners only in countries in which Young Living has approved and that are listed in official Young Living literature, and only when following the policies and procedures of those countries. Unauthorized premarket opening activity may jeopardize Young Living's ability to enter a new market and may result in loss of opportunity for many other Brand Partners. Because of the severe possible consequences, Young Living may terminate its Agreement with Brand Partners who engage in unauthorized premarket opening activity. You are not authorized 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 Brand Partners in a country officially recognized as open, you must do all the following:

- Be in good standing in your 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.

These Policies and Procedures apply only to sales by Brand Partners in the United States and sales to customers in the United States. If Young Living authorizes you to sell products to customers in another territory, then there may be additional terms and/or another set of Policies and Procedures to which you agree to be bound. Only products that have been registered for sale in the United States may be promoted and sold in the United States.

Without expanding the foregoing, Brand Partners may sponsor and/or enroll Brand Partners globally, but only in countries Young Living has approved. Note that product availability may differ for countries whose residents purchase products on a not for resale (NFR) basis. For open markets, only products that have been registered for sale in that same country may be promoted and sold and such sales must comply with any authorizations by Young Living and terms or policies related to sales in those countries. Brand Partners may not import products into any country that are not legally importable or saleable. You agree to follow all laws in any country into which you sponsor Brand Partners, 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 business organization in a foreign country.

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

3.12.1 Not For Sale (NFR) Products & Location Where Services are Performed

In some countries, Brand Partners may purchase Young Living's 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 or inducing a Government Recipient to use his, her, or its influence with the government or instrumentality thereof to affect or influence any act or decision of such government or instrumentality; and you will cause your employees, officers, agents, and sub-consultants to do likewise.

3.13 Repackaging and Relabeling

You may not re-label, alter the labels of, repackage, or refill any Young Living’s products. Young Living’s products must be sold in their original containers only. Young Living strongly recommends that you do not use Young Living’s products as ingredients in or components of any product for resale. If a Brand Partner uses Young Living’s products as an ingredient of any product for sale, the Brand Partner is strictly prohibited from using Young Living’s trademarks or logos in conjunction with selling such product. Such relabeling or repackaging could result in severe criminal penalties. Violations of this Section may, without prejudice to other rights of Young Living, subject a Brand Partner to disciplinary actions as outlined in Section 13.3. Additionally, you agree to indemnify Young Living against any harm resulting from the use of Young Living’s products as an ingredient and the repackaging or relabeling of any of its products.

3.14 Confidentiality

As a Brand Partner, you may be supplied with confidential information that is of a confidential or proprietary nature such as genealogical and organization reports, customer lists, customer information developed by Young Living or developed for and on behalf of Young Living by Brand Partners (including, but not limited to, profiles of Retail Customers and Brand Partners, and personally identifiable information including personal data and product purchase information), lists of Brand Partner, manufacturer and supplier information, business reports, commission or sales reports, marketing strategies and plans, product formulae, product information, promotional 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 organization for Young Living’s business purposes only. You shall keep all Confidential Information confidential, adopt reasonable security practices to safeguard the confidentiality of the information, and must not disclose any such information to a third party directly or indirectly. You must not use or disclose the information to compete with Young Living or for any purpose other than for promoting Young Living’s program and its products and services. Without limiting the generality of the foregoing, you may use and disclose the Confidential Information only in strict accordance with the conditions and restrictions that Young Living may impose from time to time at its sole discretion (for example, with respect to promotional information supplied to you as a high ranking Brand Partner in advance of the applicable promotions, you may not share such information with anyone else including your sales organization until Young Living makes such promotional materials generally available to all Brand Partners).

You and your sales organization agree to indemnify Young Living against damages incurred from any and all unauthorized disclosures made or caused by you.

Upon cancellation, expiration or termination of the Agreement for any reason, 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 non-disclosure agreement before releasing any business information to you, and may require you to certify that you have returned or destroyed all Confidential Information upon termination of your Brand Partnership by way of a statutory declaration made pursuant to the Oaths and Declarations Ordinance (Chapter 11 of the laws of Hong Kong).

To the extent that any of the Confidential Information contains data relating to an identifiable individual (“**personal data**”), you acknowledge that you are required to comply with Section 3.16 and the relevant provisions under the PDPO in connection with, inter alia, the collection, processing, use and retention of the personal data.

Your confidentiality obligations under this Section 3.14 is irrevocable and survive the cancellation, expiration or termination of the Agreement for any reason, and are subject to legal enforcement by injunction, damages, and all other available remedies. You further agree that in the event Young Living prevails in any legal action in enforcing its right under this Section 3.14, Young Living shall be entitled to all costs and reasonable legal fees incurred in enforcing its rights under this Section 3.14.

3.15 Reporting Violations of Policies and Procedures

You should report any violations of these Policies and Procedures by any Brand Partner to Young Living by email at hkconduct@youngliving.com

3.16 Personal Data

You acknowledge that Young Living will, in accordance with the requirements in the PDPO and the Privacy Policy Statement,

collect, use, transfer and retain (i) your personal data provided to Young Living upon your applying to become a Brand Partner and thereafter from time to time under the Agreement; and (ii) any other personal data (including your personal data and other third parties' personal data) that you may develop as a result of your activities as a Brand Partner. In relation to the personal data of other third parties provided by you to Young Living, you warrant that those third parties have consented to the transfer of their personal data to Young Living and the collection, use, transfer or retention of their personal data by Young Living for the purposes set out in the Privacy Policy Statement.

You also acknowledge that Young Living is entitled to disclose your personal data to the Associates of Young Living and/or to applicable government agencies or regulatory bodies and/or required by the applicable law.

Without limiting the generality of the foregoing, you consent to (i) the use of your personal data for processing your application as a Brand Partner, orders, deliveries of orders, for providing administrative support to you (e.g. operation, administration or development of your Brand Partnership services or sponsorship), for processing (subject to the fulfillment of specified sales requirements) payment to you of bonuses, commissions and other benefits under the Compensation Plan and for maintaining the running of the same, organizing seminars, trainings or other marketing or development programs or events of Young Living, producing Young Living's publications or marketing materials, providing you with services or products or activities of such nature, and all other purposes related or incidental to the above; (ii) the disclosure of your personal data to your Enroller and/or Sponsor (including those assigned to you under the Young Living Placement Program as your Sponsor(s) and/or Enroller(s)) and all the support team Brand Partners of such Sponsor(s) or Enroller(s) for the purpose of inter alia providing ongoing supervision, training and sales, communicate with you to ensure that you are not making improper product or business claims or engage in any illegal or inappropriate conduct that violates the Agreement; (iii) the disclosure of your personal data to your team for inter alia training and support purposes; and (iv) the use of your personal data for direct marketing as defined in the PDPO ("Direct Marketing"), including without limitation the marketing of Young Living's products or services, and the making of promotions or special offers thereof and the transfer of your personal data to another person for use by that person in Direct Marketing. You shall continue to provide consent for such purpose as may be requested by Young Living from time to time.

You agree and undertake to Young Living that it shall have the right to use, transfer and retain the personal data collected from you as aforesaid for the purposes as set out in the Agreement or any directly related purpose.

Young Living reserves the right to amend the Privacy Policy Statement from time to time and shall notify you of the posting of the revised version of the Privacy Policy Statement on its website, and such amendment shall take effect after 30 days from such posting (the "Effective Date"). You shall check the Privacy Policy Statement upon being notified of such amendment to ensure that you are aware of the latest version. Please note that once amendment is made to the Privacy Policy Statement and the effect of which is to use and/or transfer your personal data collected by us for any "new purpose" as defined under data protection principle 3 of the PDPO, you shall be taken to have given your consent to use and/or transfer your personal data for such "new use" voluntarily unless, on or before the Effective Date, you notify Young Living to the contrary in writing by sending to its Brand Partner Education Officer an email at hkconduct@youngliving.com or a letter to its business address from time to time.

Without limiting any right of Young Living under the Agreement, Young Living is entitled to and may terminate the Agreement if (a) you do not give your consent for the "new purpose" as aforesaid; or (b) you fail to give your consent for the use and/or transfer of any of your personal data; or (c) to the extent you are entitled to withhold or withdraw your consent for the use and/or transfer of any of your personal data, you withhold or withdraw such consent.

3.17 Authorization to Take and Use your Photo or Video

By becoming a Brand Partner, you consent to having your image captured in photographs or video (which collectively shall be referred to as the "Image Material") at various Young Living-sponsored events by Young Living's staff or agents, and Young Living shall be considered the author of the Image Material for all purposes and, at all stages of completion, the sole and exclusive author and owner throughout the universe in perpetuity, of all right, title and interest in and to the Image Material and each and every part thereof, including all copyrights therein, all renewals and extensions of such copyrights, all similar rights, and all the rights, and all other ownership, performance, fixation, and exploitation rights of any kinds, nature or description in, to and with respect to the Image Material that may be secured under the laws now or hereafter in effect in Hong Kong or in any other jurisdictions (all such rights collectively, the "Rights"). The Rights shall include, without limitation, the right to authorize, prohibit and/or control the production, reproduction, fixation, adaptation, distribution, rental, lending, performance, broadcast, communication to the public, incorporation into other works, and other exploitation of the Image Material in any and all media and by any and all means now known or hereafter devised, the right to be identified as the author of the Image Material, and the right to make such changes therein and such uses and dispositions thereof as Young

Living or its licensees may deem necessary or desirable in their sole discretion to have the Image Material used by Young Living as it may see fit. If and to the extent that under any applicable law Young Living is not deemed to be the author of the Image Material and the sole and exclusive owner of the Image Material and all right, title and interest therein, then to the fullest extent allowable and for the full term of protection otherwise accorded you under such

applicable law, you hereby irrevocably assign, grant and transfer to Young Living throughout the universe in perpetuity all of the Rights and, in connection therewith, all right, title and interest of you in, to and with respect to any works now or hereafter created containing the Image Material. If and to the extent that under any applicable law the foregoing assignment and transfer of ownership is not deemed valid, then to the fullest extent allowable and for the full term of protection otherwise accorded you under such applicable law, you hereby irrevocably grant to Young Living an unrestricted, exclusive, royalty-free license to use the Image Material throughout the universe in perpetuity, with such license including all of the Rights. If and to the extent not transferred or conveyed to Young Living as aforesaid, then to the fullest extent allowable under any applicable law, you hereby irrevocably waive any and all moral rights of authors, author's rights, personal rights, or similar rights (collectively referred to as the "Special Rights") which you may now or later have in the Image Material and any other works now or hereafter created containing the Image Material. To the extent, if any, that such waiver is invalid or unenforceable, you covenant not to sue or otherwise enforce any of the Special Rights against Young Living or any of its Associates anywhere in the world. Without limiting the generality of the foregoing, you hereby acknowledge and agree that Young Living and/ or its Associates shall have the unlimited and exclusive rights to do the following: to change, edit, add to, take form, adapt, reformat or reprocess the Image Material in any manner, in any medium, and for any reason; and to publish, reproduce, broadcast, distribute, or otherwise communicate the Image Material to the public, in whole or in part, with or without mention of your name.

You will not be compensated for any usage of the Image Material as aforesaid. If you have a religious or moral objection to having your picture taken or appearing in a video, it is your responsibility to notify Young Living's staff or agents at the event where photographs and video are being taken. The provisions of this Section will survive the termination of the Agreement.

3.18 Rank Recognition

The Compensation Plan pays compensation based on different ranks and the criteria set forth in that plan. Each month you may qualify for payment according to the rank in which you qualify. Brand Partners are recognized in various ways and at various times as they achieve certain ranks.

For your information only, but you shall review the Compensation Plan as updated and which is binding upon you, in order to be recognized at and enjoy the perks of a new and higher rank that is Silver or above, you must qualify for that rank or above) for three consecutive months. You will be recognized as being at that new, higher rank beginning in the fourth month. In order to maintain recognition at a rank of Silver or above, after initially qualifying for that rank, you must re-qualify for that rank (or above) again within six months of the last month in which you qualified for that rank. If you fail to re-qualify for a rank for six consecutive months, then you will be recognized at the highest rank you qualified for during that six months period on the seventh month and be required to re-qualify for three consecutive months before you can be recognized at the higher rank again. As from 1st August 2018, all Brand Partners will be recognized at the highest rank they have achieved as of July 2018 and will be deemed to have initially qualified for that rank, meaning they will not be required to achieve that rank for three consecutive months to be recognized at that rank. To continue to be recognized at that rank, however, they must maintain that rank, as outlined in this Section.

To the extent any of the above is inconsistent with the terms of the prevailing Compensation Plan, the latter shall prevail.

3.19 Non-Exclusivity

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

3.20 Non-Disparagement, Anti-Harassment, and Employee Privacy

Brand Partners and must not disparage, slander, or defame Young Living, other Brand Partners, Young Living employees or officers, or Young Living founders. You, however, may give honest reviews of Young Living products and services, including negative reviews, either verbally or in writing without violating this clause so long as the reviews are accurate, honest, and not misleading. Reviews of Young Living products or services by Young Living Brand Partners must also not be libelous, harassing, abusive, obscene, vulgar, sexually explicit, or inappropriate with respect to race, gender, ethnicity, or other intrinsic characteristics.

Young Living also will not tolerate its employees (which, for purposes of this section 3.20 and for the avoidance of doubt, includes Young Living's corporate officers) being harassed, cyber-stalked, or otherwise abused. Young Living asks its Brand Partners and professional account customers to reBrand Partner that Young Living employees have personal lives, personal opinions, and privacy outside the bounds of their employment at the company. Employees do not speak for the company when communicating via their personal e-mails, social media pages, phone calls, etc. Even when an employee is speaking in his or her capacity as a Young Living employee, every employee is only human and may at times misspeak or speak imperfectly. Young Living asks its Brand Partners and professional account customers to exhibit grace not only in their dealings with one another but also when dealing with corporate employees. Brand Partners who personally attack or

verbally abuse Young Living staff may face disciplinary action under these Policies and Procedures. In addition, Brand Partners and professional account customers of all ranks are expected to follow the appropriate corporate channels for resolving account issues or providing feedback (e.g. customer service teams, Diamond Support, etc.) rather than attempting to contact Young Living employees directly through improper channels.

Violations of this Section constitutes a material breach of the Brand Partner Agreement and may result in Young Living terminating its Brand Partner Agreement with the breaching Brand Partner.

4: SPONSOR'S RESPONSIBILITIES

4.1 Sponsoring

A Brand Partner including you have the right to Sponsor other Brand Partners. Each prospective Brand Partner has the ultimate right to choose his/her own Sponsor. If two Brand Partners claim to be the Sponsor of the same new Brand Partner or Retail Customer, the new Brand Partner or Retail Customer has the right to choose between the two within the first 20 days. After that time, Young Living will regard the first application received by Young Living as binding.

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

4.2 Sponsoring Online

When Sponsoring a new Brand Partner through the online enrollment process, you may assist the new applicant in filling out the enrollment materials. However, the applicant must personally review and agree to the online Brand Partner Agreement, these Policies and Procedures and the Compensation Plan. You may not fill out the online application and the Brand Partner Agreement for the new application.

4.3 Brand Partner and Sponsor Responsibilities

As a Sponsor, you are expected to train, supervise, and communicate with your team 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 support team leader or approach Conduct Success team by email at hkconduct@youngliving.com. As a Sponsor, you also agree to make your contact information (telephone number/email address) available to your team for training and support purposes.

You should monitor the Brand Partners in your team 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's program. In that event, you may be called upon to share this knowledge with lesser experienced Brand Partners within your team.

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 Brand Partners are required to communicate with everyone in their team at least every three (3) months through email or social media.

4.4 Privacy

You must safeguard and protect all private information provided to you by Brand Partners, and customers in the operation of your business organization in accordance with the Young Living Privacy Statement available at youngliving.com. You may not sell any of the private information or otherwise retain, use, or disclose the private information for purposes outside of the business relationship contemplated by this Agreement. Additionally, you agree to use and store the private information according to the following data storage guidelines:

- Store hard copies of the private information in a secure location where only you can access it, in a locked cabinet if possible.
- View electronic copies of the private information only on password protected computers, laptops and devices, to which you have exclusive access.
- Take reasonable security precautions on devices on which you store and process private information such as antimalware software and up to date software patches.
- In cases where saving electronic documents is necessary, save private information to password protected computers, laptops and devices to which you have exclusive access and do not save any private information to any unencrypted portable storage device i.e. memory sticks, external hard drives, etc.

5: ADVERTISING

5.1 Use of Young Living's Materials

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

All Young Living's 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 business as a Brand Partner and that of your team. You may not, however, use these materials in connection with any business activity out of the scope of your Brand Partnership.

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

5.2 Brand Partner-Developed Advertising Materials and Products

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

Any use of advertising material not produced by the Young Living Group must be compliant with all applicable laws and these Policies and Procedures—particularly Sections 5.3. Such material must be produced in a professional and tasteful manner. Material must not be used that reflects poorly upon the Young Living Group. Violation may, without prejudice to other rights of Young Living, subject a Brand Partner to disciplinary actions 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 of Young Living's products. In particular, you must not make any claim that Young Living's 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 regarding any statements made including without limitation the Trade Description Ordinance (Chapter 362 of the laws of Hong Kong).

You must also not diagnose any disease or disease condition, or prescribe any Young Living's product unless you are a licensed medical professional authorized to do so. Anyone improperly diagnosing or prescribing Young Living's products may jeopardize the future of Young Living and all of its Brand Partners and will entitle Young Living to terminate your sales organization.

5.3.2 Income Claims

You are prohibited from making income projections to prospective Brand Partners that may create false or misleading expectations. In their enthusiasm, some Brand Partners 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 Brand Partners may be disappointed if their results do not meet their expectations. The earning potential of a Brand Partner is enough to be attractive in reality without resorting to artificial and unrealistic projections.

Young Living has prepared an Income Disclosure Statement ("IDS") designed to convey truthful, timely and comprehensive information about the income that its Brand Partners have earned. A copy of the IDS is available online at YoungLiving.com/IDS. 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 Brand Partners with a copy of the IDS. Income and earning representation include:-

- Claims of actual, average or projected earnings under the Compensation Plan
- Income testimonials
- Hypothetical examples of earnings under the Compensation Plan

Young Living's primary mission is not about creating luxury and riches, but helping people achieve wellness, purpose, and an abundant life. As such, you should not claim (expressly or impliedly, with words or images) that operating the Young Living business will lead to a luxurious lifestyle (large homes, luxury cars, exotic vacations, or the like) or to riches. Nor should you disclose your commission to promote the Young Living business opportunity.

In any non-public meeting (e.g. a home meeting, one-on-one regardless of venue) with a prospective Brand Partner(s) in which the Compensation Plan is discussed or any type of income claim is made, you must provide the prospect 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 Brand Partner with a copy of the IDS. You must also display at least one 3-foot x 5-foot poster board in 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 utilized (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 Brand Partners 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:

- Anyone can succeed with little or no effort.
- Failure to succeed is just a lack of effort.
- The system will do the work for you.
- Just get in and your team will build through spillover.
- Just join and I will build your team 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 Brand Partner to believe that he or she can be successful as a Brand Partner without commitment of time and work effort.

5.3.4 Governmental Approval or Endorsement

You may not represent or imply that Young Living or the Compensation Plan have been approved, endorsed or otherwise sanctioned by any government authority.

5.3.5 Indemnification for Unlawful Advertising Statements

You are fully responsible for all verbal and written statements you make regarding Young Living's products, services and the Compensation Plan that are not expressly contained in official Young Living's materials. You agree to indemnify Young Living and Young Living's directors, officers, Brand Partners, 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 organization. This provision will survive the termination of the Agreement.

5.4 Testimonials and Meetings

At Brand Partner-sponsored meetings, Brand Partners 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 Brand Partner should redirect the discussion by saying, something to the effect of, "Young Living's 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 the laws of Hong Kong may be distributed at a meeting in Hong Kong but must be placed separate and apart from promotional material.

5.5 Trademarks and Copyrights

The name of Young Living, Young Living Essential Oils, YL, YLEO, or any other names that may be adopted by Young Living or its Associates or used by those entities as trade names, product brand names, trademarks, logos, slogans, hashtags, and the web address or URL (or any names that are confusingly similar) are herein referred to as "**Young Living Trademarks**" and are owned by Young Living Group.

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

other products that you sell to others (including other Brand Partners)), directly or indirectly. Upon termination or cancellation of your Brand Partnership, this license will automatically terminate, and you must immediately cease all use of Young Living Trademarks, text, photographs, and video.

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

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

5.6 Domain Names and Email Addresses

You may not use, register, or own any internet domain name either in Hong Kong or abroad that includes any Young Living Trademarks, or any derivative thereof. Nor may you incorporate or attempt to incorporate any of the Young Living Trademarks, or any derivative thereof into any email address. In accordance with this Section, all existing Brand Partner-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 Brand Partners with non-conforming 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 Brand Partners may use the internet to further their businesses using websites, blogs, social media etc. (collectively "**Brand Partner Sites**"). Brand Partner Sites used to promote Young Living, Young Living's products, or Young Living's events must display a current Young Living Independent Brand Partner logo (as described in Section 5.2) in a prominent location. ²⁷ Brand Partner Sites must further include the Brand Partner's Brand Partner number.

Brand Partner Sites may include current product descriptions, photographs, videos, and other media made available to Brand Partners by Young Living (e.g. through the official Young Living's 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; (d) contain false or misleading information; or (e) collect, store, process, or transmit Brand Partner's or customer's confidential information. Brand Partners are responsible to ensure that all users of their Brand Partner Sites comply with these requirements.

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

When using social media, Brand Partners may not use as their username, Brand Partner account name, or other identifier (collectively "**Username**"), any of trade names of the Young Living Group or company names or any other name that may be confused with any Brand Partner of the Young Living Group or suggest the sponsorship by the Young Living Group. Usernames may, however, include the name "Young Living" only if they also include "Independent Brand Partner" or a similar identifier that effectively distinguishes it from a Young Living's corporate account.

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

As a general rule, Brand Partners shall not sell or display Young Living's products on any internet classified ad site, marketplace (such as but not limited to Facebook® marketplace, Walmart® marketplace, etc.), Auction site (such as but not limited to Carousell auction site, etc.), shopping site, order fulfillment store (such as but not limited to eBay®, Amazon® Carousell auction, etc.), Brand Partners exclusive redemption site (such as but not limited to The Club™, Asia Miles, credit card reward program) or sites of similar nature. Further, Brand Partners shall not (1) enlist or knowingly allow a third party to sell Young Living's products on any internet classified ad site, auction site, shopping site, order fulfillment store, Brand Partners exclusive redemption site or sites of similar nature; or (2) sell Young Living's products to a third party that the Brand Partner has reason to believe will sell any of such products on any internet classified ad site, auction site, shopping site, order fulfillment store, Brand Partners exclusive redemption site or sites of similar nature. Young Living reserves the right to grant specific permission at Young Living's sole discretion to allow exceptions to this Section provided that the Brand Partner has registered the online seller name and Brand Partner number with Young Living. Brand Partners may continue to sell Young Living's products on their individual URL's and independent Brand Partners' retail sites provided that they register their URL with Young Living and prominently display the "Independent Brand Partner" logo and their Brand Partner number on the URL.

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

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 Brand Partners. In addition, any email messages distributed to solicit for your business must conform to the PDPO.

You may not engage in telemarketing to promote Young Living's products or the Young Living's opportunity or to solicit potential Brand Partners. For the 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 Section, you agree that you will indemnify Young Living and Young Living's directors, officers, Brand Partners, shareholders, managers, employees, and agents, and hold them harmless from any and all liability including 28 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. Brand Partners shall ensure the website's content and design comply with the company's policies. Besides, Brand Partners are required to send the website with their full name, Brand Partner number, contact information, website address, and a brief description of the business model to onlinesales@youngliving.com for review and approval. You should contact hkconduct@youngliving.com for more details or log in to your Young Living Virtual Office (YoungLiving.org) 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 5.11, you may display Young Living's products in commercial outlets that, in Young Living's sole discretion, are not large enough to be considered regional or national chains. If approved by Young Living, Brand Partners are required to display Brand Partner independent distributor status and contact number in a prominent area.

5.12 Recommended Advertised Price

You may establish the price at which you resell Young Living's products,

Without limiting your right as aforesaid, to the extent permitted under the Competition Ordinance, it is recommended that you DO NOT advertise Young Living's products at a price less than a premium of 10% of the current Hong Kong wholesale price which are kept current on the official Young Living's website in any advertisement or promotional material that appears outside of a retail premises, including, but not limited to, internet, newspaper, magazines, catalogues, billboards, and direct mail. For the avoidance of doubt, not following the above recommendation shall not have any consequence under the Agreement.

Young Living will decide in its sole and unilateral discretion whether it is acceptable to use media advertising to directly or indirectly advertise Young Living's products. Certain advertisements can threaten healthy competition of essential oils and wellness products, can reduce sales of Young Living's products, and can cheapen the image that Young Living has worked hard to develop.

5.13 Trade Shows and Expositions

Subject to the requirements in the Agreement, you may display and sell Young Living's products at trade shows and expositions. All literature displayed at the event must be official Young Living's literature and must clearly identify yourself as an independent Brand Partner.

5.14 Media Inquiries

Do not attempt to respond to media inquiries regarding Young Living, its products or services, or your sales organization. All inquiries by any type of media must be immediately referred to Young Living. This will ensure that accurate and consistent information reaches the general public. If you receive an interview invitation, you are obligated to inform the company and send the interview details including the interview topic, content, date, broadcast channel to hkconduct@youngliving.com prior at least two weeks of the interview for review and approval.

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 team sales requirements (as well as meeting other responsibilities set forth in these Policies and Procedures) in order to be eligible for bonuses, commissions, and advancement to higher levels of achievement under the Compensation Plan. 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 for sale has been sold prior to ordering more. A minimum of 70% of orders from you and your personally enrolled Retail Customers must be sold before you purchase additional products. The sales volume of your personally enrolled Retail Customers will be included with the sales determining compliance with the 70% requirement. You may not purchase additional product until at least 70% of the previous order has been sold to end consumers. By ordering products from Young Living, you certify that you have sold or used at least 70% of all prior orders.
- You are required to furnish your customers with 2 copies of an official Young Living's sales receipt, which specifies the date of sale, the amount of sale, and the items purchased. If you sell product inventory to other Brand Partners, you must provide the purchaser with a sales receipt. Brand Partner 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 Brand Partner's customers and direct purchase customers.

6.2 Non-Brand Partners

You may personally sell Young Living's products to non-Brand Partners. Online sales however are governed by Section 5.8.

6.3 Customers and Sales Requirements

Non-Brand Partner's and Retailed Customer's orders satisfy customer sales requirements.

6.4 Excessive Purchases of Inventory and Front-End Loading Prohibited

Brand Partners shall not encourage their team or any other Brand Partner to make unnecessary product purchases that could result in a large stagnant inventory. This 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. Brand Partners and leaders must consume their products or sell their products to people who will consume them. If any Brand Partner is found to be buying to meet qualifications within the Compensation Plan with no provable business building, Young Living reserves the right to put his/her Brand Partner account on hold until it can fully investigate the qualification buying.

7: COMMISSIONS AND BONUSES

7.1 Commissions and Bonus Checks

To qualify for commission compensation under the Compensation Plan, you must have purchased product within last 12 months and be in compliance with the Agreement with no holds on your Brand Partner account. Commissions will be paid out in accordance with the Compensation Plan, the current version of which is available through the website of www.youngliving.com. As long as you comply with the terms of the Agreement, Young Living will collect commissions on your behalf and pay such commissions to you on approximately the 20th of each month for the prior month's sales by depositing such commissions to the bank account in Hong Kong specified by you as a Brand Partner. Commission amounts for a single month under HK\$200 will not be deposited to the such bank account but will be retained on account from month to month until the HK\$200 threshold is reached. Prior to the HK\$200 threshold being reached, the commission amount will be kept as a credit on account and will be available for product purchases. Contact Young Living for more information.

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

7.2 Recap Statements

You may access detailed commission reports at www.youngliving.com. If you do not have internet access, you may request that the report be mailed to you for a fee prescribed by Young Living from time to time at its sole discretion.

7.3 Adjustments

You agree that adjustments will be made to your commissions 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, including that of the support team. Any other debt may also be offset against future commission.

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 or may not 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 direct deposit of the commission. Errors or discrepancies which are not brought to Young Living's attention within the said 45 days will be deemed waived.

8: ORDERING

8.1 Ordering Methods

All Brand Partners may place orders by telephone, mail, website, or through the Essential Rewards Autoship Program.

8.1.1 Phone

When ordering, modifying Brand Partner account information or accessing your Brand Partner account by phone, you shall be prepared to present all information requested on the Young Living Order Form, including Brand Partner number and personal identification number ("PIN"). Live operators are available Monday, Wednesday and Friday from 11a.m. to 7p.m. Tuesday and Thursday from 12:00 noon to 7:00p.m., Hong Kong Time. Payments can be made by credit card only.

8.1.2 Mail

When ordering by mail, you shall send completed Young Living Order Form with payment to:

Young Living Hong Kong Limited
Attn: Order Entry
20th Floor, SoundWill Plaza II-Midtown,31
1 Tang Lung Street, Hong Kong

Payments can be made by credit card only. PLEASE DO NOT SEND CASH.

8.1.3 Young Living's Website

Young Living's 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 Brand Partner number and password (which should be kept confidential) to establish a login and security code (four-digit PIN) at https://www.youngliving.com/en_HK. You must keep your PIN secure and only order on your own Brand Partner account.

8.2 Essential Rewards Autoship Program

The Essential Rewards Autoship Program enables you to have Young Living's products automatically shipped to you every month. Through this program you can earn free products, qualify for Brand Partners-only specials, and potentially qualify for compensation under the Compensation Plan. You may learn and sign up for the Essential Rewards Autoship Program in the Virtual Office or by contacting Young Living

It is advised that the autoship order be set up to be processed between the 1st and 22nd of each month. No autoship order 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/or out-of-stock products. Young Living shall not be held responsible for orders that are not processed due to Brand Partner's payment obligation. Through the PV Assist service, if certain products are out-of-stock, you may authorize Young Living to send an alternate product.

8.3 General Ordering Policies

Any order placed by you with Young Living through any of the ordering methods under Section 8.1 shall be irrevocable and cannot be withdrawn upon receipt by Young Living and Young Living reserves the right to accept or reject your order at its sole discretion.

Without limiting the right of Young Living to reject your order as aforesaid, the following policies shall apply:-

- On mail orders with invalid or incorrect payment types, or anything else that may prevent Young Living from processing 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 email so that you may select an alternative item, if qualifications are negatively affected. 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 7:00 p.m. Hong Kong Time. Mailed orders must be received by the last day of the month. All mailed-in orders must be post marked by the last day of the month and received within the next 3 Business days of the following month. If not received within the following 3 Business days, the orders will be credited to the following month. The website is available 7 days a week, 24 hours a day, making it possible to place all orders by the end of the month. Only mail-in orders fall under the 3 Business day's exception.

8.3.3 Order Anomalies

If you have problems with your orders that cause you to be disqualified for commission payments please contact the Resolutions Department via mail at Young Living Essential Oils, LC, Attn: Resolutions, 3125 West Executive Parkway, Lehi, UT 84043; or via email at apac-resolutions@YoungLiving.com; or via facsimile at 1-801- 418-8800.

9: SHIPPING

9.1 Shipping Methods and Charges

Orders are generally shipped within 2 to 5 Business days depending on districts. For the outlying islands the shipping process will take additional time. A packing slip is included in each shipment. It contains the order number, Brand Partner number and name, product code, product name, price, and the amount and method of payment. Brand Partners should keep these packing slips for personal accounting records. Package tracking is available through most major carriers.

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 Merchandise Authorization ("RMA") number is required for the processing of all shipping discrepancies or damage claims. If the RMA number is not included, Young Living will not process shipping discrepancies, issue credits, or replace damaged products. The RMA number is included in each order when packaged for shipment.

To correct any problem, you may have encountered with your shipments, please contact Young Living. Young Living will discuss the steps to rectify the situation and issue an RMA number.

10: PAYMENT

10.1 Methods of Payment

Young Living Hong Kong accepts payments by credit cards, cash in Hong Kong dollar (for walk-ins only) or such other method as may be accepted by the company. Using someone else's credit card without his/her written permission is illegal and will entitle Young Living to terminate your sales organization as well as commencing legal action against you.

10.2 Commission and Bonus Release Form

You may choose to retain your commissions and bonuses (all or in part) in the form of a credit on your Brand Partner account. This credit would be used against future product purchases, in accordance with Section 7. A Commission³³ and Bonus Release form as prescribed by Young Living from time to time must be received and approved by Young Living before your commission can be issued as a credit on account.

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 support team Brand Partners who received compensation on such purchases.

11.1.1 Return Guidelines

If you are dissatisfied with any Young Living's product, subject to Young Living's assessment, you may return:

- Any unopened product within 30 days after shipment for a full refund in the same method of the company payment of the purchase price (less shipping charges).
- Any opened product within 30 days after shipment for a credit on your Brand Partner account of the purchase price (less shipping charges).
- Any opened or unopened product up to 90 days after shipment for credit of the purchase price (less shipping charges and a 10% 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 10% handling fee) will be applied to your Brand Partner account.

If you (as a Brand Partner) sell products to non-Brand Partners, you are required to provide the same return policy to the non-Brand Partner as outlined in this Section 11.1.1. You are also responsible for returning the product to Young Living within 10 days of receiving the return from the non-Brand Partner. Young Living will not provide refunds on or accept returns directly from non-Brand Partners. 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 organization. Damaged or incorrect shipments of products will not be subject to fees.

11.1.2 Returns of Inventory by Brand Partners

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 Brand Partner 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.

11.1.3 Product Kits and Collections

All Young Living's products kits and product collections must be sold as a whole unit. Brand Partners are prohibited from selling individual items from product kits and product collections separately and promoting such activity within the Brand Partner's sales organization.

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, returns will be handled as follows:

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

11.2 Procedures for Returns

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

- The Retail Customer or Brand Partner who purchased it directly from Young Living must return all products.
- All product(s) must be returned in its original container.
- The return must have a Return Merchandise Authorization number that may be obtained by contacting Young Living. The Return Merchandise Authorization number must be written on the outside of each package, or the shipment will be returned to sender.
- All returns must be shipped pre-paid to Young Living. Young Living shall not accept COD packages.

- If returned product is not received by Young Living's distribution center, it is the responsibility of the Brand Partner 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: BRAND PARTNER ACCOUNT MANAGEMENT

12.1 Changes to a Brand Partner Account

You must immediately notify Young Living of all changes to the information contained on your Brand Partner Agreement. You may update your existing information by submitting a written request indicating the changes by email to hk@youngliving.com or by making such changes in the Virtual Office. The modifications permitted within the scope of this paragraph do not include a change of Sponsor or tax information. Sponsors and Enrollers are not allowed to request Brand Partner account changes or relay such requests.

12.1.1 Sponsor Changes

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

- Only one free sponsor/enroller change request can be made within the first 30 calendar days of enrollment with the approval of the Brand Partner or current enroller. Sponsor/enroller change requests may be made directly over the phone if within the first 5 calendar days of registration. After 5 calendar days, but within 30 days, the request must be submitted in writing via mail, email, fax, or other method or form required by Young Living. Requests submitted via email should be sent to apac-resolutions@youngliving.com. The email or form must come directly from the new Brand Partner or the new Brand Partner's enroller and must be sent from the email address on file with Young Living. Requests cannot be submitted by another Brand Partner, even in the form of a forwarded email.
- Sponsor changes must be made prior to the end of the last calendar day of each month to be recognized in that month. If the sponsor change is submitted after the last calendar day of the month but within the 30 days of enrollment, the sponsor change will not be recognized until the following month. Young Living will 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 30 days. If within the 30 days both the enroller and the team Brand Partner submit a request for a sponsor/enroller change, the team Brand Partner's request will always take precedence. Only newly enrolled Brand Partners and reactivating Brand Partners are authorized to request any sponsor change for their individual accounts within 30 days of the enrollment or reactivation. Such changes cannot be made at the request of support team or family Brand Partners.
- Under exceptional, extenuating conditions, a Brand Partner may request a sponsor change after the 30 days of enrollment by completing a Three Active Support Team Approved Sponsor Change Request Form and submitting a nonrefundable USD\$35 processing fee to Young Living via mail at Young Living Essential Oils, LC, Attn: Resolutions, 1538 W Sandalwood Drive, Lehi, UT 84043; or via email at apac-resolutions@youngliving.com. "Three Active Support Team" is defined as the first 3 Brand Partners in the Brand Partner's support team that have met the 100 PV requirement in the Young Living Compensation Plan for the immediately prior 6 consecutive months. The nonrefundable USD\$35 processing fee must be paid either by check or credit card and will not be refunded upon a denial of a sponsor change request. Young Living will not consider a sponsor change until it receives all documentation with the required signatures.
- If one of the support team Brand Partners does not respond within a period of 60 days, the Brand Partner may request to be moved under the sponsor of their choice. The Brand Partner must demonstrate that they have made a good faith effort to contact all three support team sponsors. The good faith effort will require the Brand Partner to provide enough evidence to prove they have tried for a period of 60 days to contact the support team Brand Partner via email, certified mail, etc.; and the support team Brand Partner has ignored or has been nonresponsive to the request. The evidence must be submitted to the Conduct Success Team at hkconduct@youngliving.com. If the Brand Partner 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 Support Team, the Brand Partner's original organization team will roll up to the next support team and remain in the original genealogy. If there is a dispute concerning a signature of one or more of the Three Active Support Team approval, the Conduct Success Team will

investigate the approvals; and Young Living may reject the sponsor change request and restore the Brand Partner to the original sponsor. No enroller changes will be allowed after 30 days of the initial Brand Partner enrollment. Young Living reserves the right to approve and/or deny all sponsor change requests in its sole discretion. If after an investigation there is evidence to prove that a Brand Partner used the Sponsor change Policy in violation of the Agreement, Young Living in its sole discretion can reverse the Sponsor Change regardless of when the violation was discovered.

- If a Brand Partner is unable to get approval from their Three Active Support Team, the Brand Partner may choose to go six months without placing an order to effect a change to a new sponsor. At the end of six months, the Brand Partner may request a sponsor change by emailing apac-resolutions@youngliving.com and paying a USD\$35 fee. The new sponsor cannot become the enroller. When a Brand Partner moves from the original team to a new team, the enroller status/bonus becomes null and void.
- A Brand Partner may request a sponsor change if the Brand Partner's sponsor has not provided support to the Brand Partner for over a period of 2 years, and the Brand Partner has filed a grievance with Young Living that includes the following: (a) The sponsor/support team Brand Partner does not contact the Brand Partner over the period of 2 years; (b) the sponsor/support team Brand Partner does not respond to requests for help; (c) the sponsor/support team Brand Partner does not offer support, mentoring, business building information, etc. The Brand Partner must submit the grievance to hkconduct@youngliving.com along with supporting documentation. Young Living will conduct a full investigation into the grievance; and if the grievance appears substantiated, Young Living may allow the sponsor change. The Brand Partner requesting the change must pay the nonrefundable USD\$35 processing fee.
- If the Brand Partner has not placed an order or generated at least 50 cumulative PV for 12 consecutive months, the Brand Partner account will be dropped for inactivity around the middle of the following month after 12 months of inactivity. The existing team will roll up to the next support team Brand Partner and remain in the original genealogy. Upon reactivation of an account terminated for inactivity, the Brand Partner may sign up under a new sponsor and enroller.

Requests cannot be submitted by another Brand Partner. Young Living will not approve sponsor change requests that it deems to be intended to manipulate payment under the Compensation Plan. Any sponsor change that immediately causes the rank up of a support team Brand Partner, will be denied.

If a Brand Partner enrolled in Young Living or ordered products in the previous month and their sponsor or enroller changes during the first five business days of the month, that change may affect the previous month's rank, qualification, and payout.

12.1.2 Waiver of Claims

If you have changed Sponsors but did not follow the appropriate procedures, as outlined in Section 12.1.1 and you have developed a team organization in a sales organization under a new Sponsor, Young Living reserves the sole and exclusive right to determine the final placement of your new team organization.

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 team organization that develops below a sales organization that has improperly changed lines of Sponsorship.

12.1.3 Sponsor Placement Program

When a new Brand Partner enrolls without a designated Sponsor or Enroller, he/she is deemed an orphan. The Young Living Placement Program generally assigns to an orphan a Sponsor and an Enroller who resides in or near the same geographical area of the orphan and/or who speaks the same language as the orphan. Eligible Sponsors and Enrollers generally include Executive, Silver, and Gold ranking Brand Partners who actively support their teams, have growing sales results, have grown their sales organizations in the month in which a new orphan becomes available, are active in participating in Young Living's events and programs (e.g., Essential Rewards Autoship Program), and who actively work to support the mission of Young Living.

The Young Living Placement Program is directed by Young Living's executive management team, which reserves the right to assign any orphan as it sees fit in its sole discretion.

The new Sponsor should be enrolled in the Essential Rewards Autoship Program and conscientiously engaged in the Young Living business.

The new Brand Partner has 30 calendar days to change from the assigned new Sponsor to another Sponsor of his or her

choice, as outlined in Section 12.1.1.

12.2 Team Genealogy Reports

Team Genealogy Reports (the “Reports”) are optional and may be ordered at any time. Brand Partners with a Young Living-sponsored personal website may receive two free emailed Reports per month, upon request with all additional email Reports costing HK\$40 each. Brand Partners who do not have a Young Living-sponsored personal website will pay HK\$40 for each email Report requested. Brand Partners who wish to have the Report faxed or mailed will pay HK\$40 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.

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

- Disclose any information contained in the Reports to any third party;
- Use the Reports to compete with Young Living in violation of Section 3.11.3;³⁷
- Use the Reports to solicit any Brand Partner or Retail Customer listed on the Reports or to engage in any conduct prohibited by Section 3.11.2; and
- Disclose to any person, partnership, association, corporation, or other entity any information contained in any Report.

At the expiration or termination of the Agreement for any reason, 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 hardcopy, electronic, or other format of any Report in your possession. This Section 12.2 will survive the expiration or termination of the Agreement for any reason.

12.3 The D. Gary Young Foundation: Young Living Outreach

By enrolling as a Brand Partner, you are automatically enrolled as a non-voting Brand Partner of The D. Gary Young Foundation: Young Living Outreach. The privileges associated with this class of Brand Partnership include the invitation to participate (at the Brand Partner’s own expense where applicable) in certain Brand Partner-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 Brand Partners

If you have a grievance or complaint with another Brand Partner regarding any practice or conduct in relationship to your sales organization, you should first discuss the problem with the other Brand Partner. If this does not resolve the problem, report the problem to your support team leader who is a Silver (as defined in the Compensation Plan) or above to resolve the issue. If the matter cannot be resolved, it may be reported to Young Living in writing via mail, fax, or email at hkconduct@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 first-hand knowledge of the improper conduct. Upon receipt of a written complaint, Young Living will investigate the matter, review the applicable policies, and render a decision on how the dispute will be resolved. Young Living may impose disciplinary sanctions as provided in Section 13.3.

13.2 Disputes with Young Living

13.2.1 Mediation

Subject to Section 13.2.3 below, prior to instituting any legal proceedings to resolve any dispute, difference or claim arising out of or in connection with the Agreement, you and Young Living (collectively referred to as the “**parties concerned**”) will meet in good faith and attempt to resolve such dispute, difference or claim through non-binding mediation. One individual who is mutually acceptable to the parties concerned will be appointed as mediator provided that if the parties concerned cannot agree on the mediator to be appointed after one has been nominated by any of the parties concerned for more than 30 days, any one of the parties concerned may request the Hong Kong International Arbitration Centre to appoint the mediator. The parties concerned shall comply with all reasonable requests made by the mediator for conducting the mediation including without limitation the signing of the mediation agreement with the mediator containing terms not inconsistent with this Section 13.2.1 so that 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 concerned.

Each of the parties concerned will pay its portion of the anticipated shared fees and costs at least 10 days in advance of the mediation. Each of the parties concerned will pay its own attorney’s fees, costs, and individual expenses associated with conducting and attending the mediation. Mediation will be held in Hong Kong and will last for no more than two Business

days.

13.2.2 Governing Law

Subject to 13.2.3 below, the Agreement shall be governed by and construed in accordance with the laws of Hong Kong and you and Young Living hereby irrevocably submit to the non-exclusive jurisdiction of the courts of Hong Kong.

13.2.3 Governing Law for Compensation Plan

The Compensation Plan shall be governed by the laws of state of Utah, the United States of America, and any dispute, difference or claim arising out of or in connection with the Compensation Plan shall be resolved in accordance with its terms

13.3 Disciplinary Actions

At Young Living's sole discretion, violation by you of any of the terms and conditions of the Agreement may, without prejudice to other rights of Young Living, result in a hold on your Brand Partner account, which will result in an inability to place orders and earn or receive commissions. These violations include but are not limited to any illegal, fraudulent, deceptive, unprofessional, or unethical business conduct; breach of any terms of the Agreement (including without limitation your breach of confidentiality obligations); non-payment of your account with Young Living or declination of credit card authorization.

In relation to any investigation made by Young Living under Section 13.1 or violation of any of the terms and conditions of the Agreement as aforesaid, Young Living may, at its sole discretion, impose no sanction or any sanction against you or any Brand Partner including but not limited to the following:

- Written warning clarifying the meaning and application of a specific obligation under these Policies and Procedures 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, an incentive 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 organization including, but not limited to, placing a product order, participating in Young Living's programs and/or promotions, participating in high ranking Brand Partner phone calls, progressing in the Compensation Plan, or participating as a Brand Partner for a specified period of time or until you satisfy certain specified conditions;
- Suspension and/or termination of access to the Virtual Office;
- Withholding part or all of the commissions or bonuses for a specified period of time or until you satisfy 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 Brand Partner;
- Reassign all or part of the Brand Partner's sales organization; and/or
- 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 your breach of the Agreement.

During any 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 organization is involuntarily terminated in accordance with Section 14.3 below, you will not be entitled to recover any commissions or bonuses withheld during the investigation period. In situations deemed appropriate by Young Living, Young Living may institute legal proceedings for monetary and/or equitable relief.

13.4 Review 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 request Young Living to review the sanction. Your request for a review must be in writing and received by Young Living within 15 days on which the sanction is imposed. If the request for review is not received within the 15-days' period, the sanction will be final. The request for review 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 PV requirement in any particular month, you will not receive commissions or bonuses for the sales generated through the team organization. If you do not purchase a minimum of 50 accumulative PV for a period of 12 consecutive months, your Brand Partner account will be deemed inactive, and your existing team will roll up to your first active support team Brand Partner.

14.2 Reactivation

If you are a Brand Partner and your sales organization is deemed inactive, you may reactivate your Brand Partner account by contacting Young Living and purchasing 100PV in product or by purchasing a Starter Bundle or other enrollment 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 support team Brand Partner. You will have no claim to team that was lost when you were dropped for inactivity.

14.3 Involuntary Cancellation or Termination

If your Brand Partner account is involuntary cancelled or terminated, you will immediately lose all rights to your team 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 organization.

Young Living may, in its sole discretion, terminate, upon notice, a Brand Partner's Brand Partnership who (i) breaches any provision of the Agreement; (ii) 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 (iii) violates government laws, regulations, ordinances, or any Young Living's guideline. Young Living may also, upon notice, terminate a Brand Partner's Brand Partnership who, through his or her capacity as a Brand Partner, files any legal action or proceedings 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.⁴⁰ Young Living may also terminate a sales organization at any time and for any reason upon giving you 30 days' written notice. calculated to reach you at the address on file.

If your sales organization is terminated, you may reapply to become a Brand Partner within 12 calendar months from the date of termination. To reapply, you must submit a letter to Young Living setting forth the reasons why you believe you should be allowed to operate a sales organization. It is within Young Living's sole discretion whether or not to permit your request.

14.4 Voluntary Cancellation

You may cancel the Agreement at any time and for any reason. Written notice must be provided to Young Living and must include your signature, printed name, Brand Partner number, address, PIN, and telephone number.

If you voluntarily cancel the Agreement, you may become a Retail Customer or Brand Partner within 6 months of cancellation in the same position as your original Brand Partner account under your original Sponsor. Additionally, you may reapply to become a Brand Partner under a new Sponsor after six months from the cancellation date.

14.5 Effects of Cancellation or Termination

Upon cancellation or termination of the Agreement:-

- You release all your rights and benefits as a Brand Partner including the team and all future commissions and bonuses resulting from the team sales production.
- Young Living may at its sole discretion retain your sales organization, sell it, roll it up to the next active support team Brand Partner or dissolve and remove it from the Sponsor's team.
- You must immediately cease representing yourself as a Brand Partner and immediately return and delete all intellectual property of the Young Living Group, including the Reports and other lists of team and contact information.

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. For example, any action or inaction by Young Living regarding any conduct that violates the Agreement shall not be deemed a waiver of any of Young Living's rights or acquiescence in the conduct. Young Living retains sole discretion to take or not to take any and all actions it deems appropriate in light of any conduct that violates the Agreement by any Brand Partner. Failure to enforce any provision of the Agreement against you or any other Brand Partner does not waive Young Living's right to enforce that or other provisions. Only in rare circumstances will any of your obligations under the Agreement be waived, and an authorized agent of Young Living will convey such waivers in writing. The waiver will apply only to that specific case.

15.4 Titles Not Substantive

You hereby confirm and acknowledge that the Agreement is prepared from the perspective of Young Living and you shall seek independent legal advice in relation to the Agreement before executing and/or entering into the same. You hereby also confirm and acknowledge that you fully understand the purpose, nature and effect of the Agreement.

15.5 Independent Legal Advice

You hereby confirm and acknowledge that the Agreement is prepared from the perspective of Young Living and you shall seek independent legal advice in relation to the Agreement before executing and/or entering into the same. You hereby also confirm and acknowledge that you fully understand the purpose, nature and effect of the Agreement.

15.6 Third Party Rights

Save for the following third parties (each being a "Designated Third Party") which shall have the benefit of and may enforce the Agreement pursuant to the Contracts (Rights of Third Parties) Ordinance, neither you nor Young Living intend any term of the Agreement to be enforceable pursuant to the Contracts (Rights of Third Parties) Ordinance:-

- (a) the successors or assigns of Young Living;
- (b) any person that may become the successors or assigns of you as a Brand Partner pursuant to the terms of the Agreement;
- (c) any Brand Partner of the Young Living Group to the extent as provided under these Policies and Procedures;
- (d) any other Brand Partners to the extent as provided under these Policies and Procedures.

Notwithstanding section 6(1) of the Contracts (Rights of Third Parties) Ordinance, save that the Agreement may be varied or (where such right of rescission exists) rescinded by the successors or assigns of Young Living, the Agreement may be varied from time to time or (where such right of rescission exists) rescinded without the consent of any Designated Third Party or any other person who is not a party to the Agreement. This provision shall prevail over section 6(1) of the Contracts (Rights of Third Parties) Ordinance. Save as mentioned above, no other third party shall have any right or benefit under the Agreement.

15.7 Notice

Young Living may serve notice or make demand under the Agreement orally unless expressly required to be in writing. Any written notice or demand, whether as required or elected to do so at the sole discretion of Young Living, may be delivered or sent by Young Living to a Brand Partner (including you) by hand delivery, by ordinary post to the address or by email to the email address of such Brand Partner as provided to Young Living from time to time. You acknowledge that your address and email address shall be used for the purposes as aforesaid.

Each notice or demand given, made or served under the Agreement by Young Living shall be deemed to have been received by the Brand Partner (i) when delivered, if delivered by hand; (ii) within 2 Business Days after the date of posting, if sent by ordinary post; and (iii) on dispatch, if sent by email.

