



# YOUNG LIVING MALAYSIA

## Policies & Procedures Handbook

~ Effective 1 November 2022 ~



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## INTRODUCTION

### 1.1 PURPOSE

The purpose of these Policies and Procedures is:

- To set standards of acceptable business behavior expected of you
- To define your relationship with Young Living, your customers, and other brand partners
- To assist you in marketing and selling Young Living products, referring customers and motivating, training, and leading others to refer customers

### 1.2 TERMS

In this document Young Living Malaysia Sdn Bhd referred to as “Young Living”; and you, the individual entering the Agreement (as defined below), are referred to as “you.” A Brand Partner’s personal Brand Partner account along with the downline that they build is referred to as their “business organization.” “Team”, “YL Individual”, and “Support Team” shall have the respective meanings set forth in the Compensation Plan.

### 1.3 DOCUMENTS INCORPORATED INTO THE AGREEMENT

Throughout these Policies and Procedures, whenever the term “Agreement” is used, it refers collectively to the Young Living Brand Partner Agreement (or simply “Brand Partner Agreement”), these Policies and Procedures, the Young Living Privacy Policy, and the Young Living Compensation Plan (which includes the Terms and Definitions for the Compensation Plan, and which may be referred to simply as the “Compensation Plan”). These documents constitute the Agreement in their current form and as amended by Young Living from time to time.

You understand that the laws differ from country to country. Therefore, you agree that you must always abide by the laws and policies applicable to Malaysia. Brand Partners, and that you must also comply with the laws and Young Living’s policies for each country in which you conduct business. You agree that Young Living’s policies for each market in which you conduct business are incorporated by reference into the Agreement and will govern your efforts in those countries and with citizens of those countries.

### 1.4 AMENDMENTS/ACCEPTANCE

A Brand Partner’s compensation is based on sales of product to end consumers. Young Living has always reserved the right to change its Compensation Plan from time to time. Young Living has long endeavored to establish measurements and qualifications to compensate those who play an ongoing role in the sales of product to customers by engaging in activities such as referring customers and motivating, training, and leading others to refer customers.

Young Living may amend the terms and conditions of the Agreement from time to time. The changes will become effective 30 days after first published by Young Living through official Young Living publications distributed to all active Brand Partners (e.g., e-News), posted on an official Young Living website, or sent to the primary email address

listed on your account. Amendments will 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 to the Agreement. If a Brand Partner is not willing to accept any amendments or modifications, the Brand Partner may voluntarily terminate their contract with Young Living in accordance with Section 14.4 by mailing notice no later than the effective date of an amendment or modification. Any continued business, ordering, acceptance of a commission or bonus payout, or any other benefit by a Brand Partner after the effective date of any amendments or modifications to this Agreement constitutes acceptance of this Agreement in whole with any and all amendments or modifications.

## 1.5 ETHICS

You are required to abide by the following Code of Ethics in the operation of your business organization. Violations of the Code of Ethics may result in disciplinary action.

### Code of Ethics

- Young Living Brand Partners will follow the highest standards of honesty, professionalism, and integrity while operating under the Agreement.
- Young Living Brand Partners will not engage in activities that may cause losses to Young Living or another Young Living Brand Partner.
- Young Living Brand Partners will respect the privacy of their Teams, their Support Teams, all other Young Living Brand Partners, and other persons with whom the Young Living Brand Partner does business.
- Young Living Brand Partners will abide by all rules, regulations, laws, and ordinances that are applicable to the operation of the Young Living Brand Partners' business efforts.

Young Living may take all compliance efforts necessary, including, but not limited to, termination of the Agreement if Young Living Brand Partners are in violation of any laws, regulations, or these Policies and Procedures.

## 1.6 INCLUSION AND ANTI-DISCRIMINATION

You are required to abide by the Young Living Inclusion and Anti-Discrimination Policy (IAP) which is available at <https://bit.ly/yl-inclusion-anti-discrimination-policy-eng>. Violations of that policy are material breaches of the Agreement.

## BECOMING A BRAND PARTNER

### 2.1 REQUIREMENTS TO BECOME A BRAND PARTNER

To become a Young Living Malaysia brand partner, you must meet the following requirements:

- If you are an individual, be at least 18 years old, reside in Malaysia and provide a valid MyKad
- If you are a business entity, provide the Company Registration Number or the Income Tax File Reference Number.
- For permanent resident, a passport copy and utility bill (bearing the applicant's name) must be presented.
- Read and agree to these Policies and Procedures and the Compensation Plan.
- Complete, sign, and submit a Brand Partner Agreement to Young Living within 30 days of your enrollment.
- Purchase a Young Living Starter Bundle.

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

### 2.2 BRAND PARTNER AGREEMENT

You can submit your Brand Partner Agreement through mail or the Young Living website ([youngliving.com](http://youngliving.com)). This application must be received within 30 days of your enrollment for you to receive brand partner benefits. If the Brand Partner Agreement and other required documents are not received within 30 days (e.g., NRIC, Company Registration or Passport Copy), your brand partner account will be placed on hold until the Agreement is received.

### 2.3 TELEPHONE ENROLLMENT

You may enroll as a brand partner over the phone. However, you must submit a completed Brand Partner Agreement that is received at the Young Living Malaysia office within 30 days of your telephone registration, as outlined in Section 2.2. If you are a retail customer, you may enroll over the telephone or via contract as required by local regulation. In the event that registration is made via telephone, you are required to submit the completed Brand Partner Agreement along with the required aforementioned documents to Young Living within 30 days of your telephone registration.

### 2.4 WEB ENROLLMENT

If you enroll on the Young Living website or on any Young Living-sponsored replicated website, you will need to submit a paper application along with other required documents by email / web attachments within 30 days of the enrollment. While your sponsor may assist you in completing the online enrollment as a brand partner, you must personally review and agree to the online Brand Partner Agreement, these Policies and Procedures, and the Compensation Plan.

## OPERATING YOUR BUSINESS

### 3.1 INDEPENDENT CONTRACTOR STATUS

As a Young Living 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 or for tax purposes. You are responsible for paying local, state, and/or federal taxes due from all compensation earned as a brand partner. You have no authority (expressed or implied) to bind Young Living to any obligation.

Young Living's primary business is in the formulation, testing and production of Young Living's products. Brand partners' primary business is to sell, promote, and market products to consumers. Brand partners are not involved in the formulation, testing or production of Young Living's products.

Except to the extent necessary to comply with legal requirements and/or to protect Young Living's intellectual property and brand integrity, Young Living does not exercise control over the manner or means by which brand partners sell Young Living Products, recruit downline brand partners or operate their business, provided that brand partners comply with the Agreement. Brand partners are responsible for determining how, when, and where they will operate their business. Brand partners may engage helpers or assistants without seeking approval from Young Living, but any brand partner who engages others remains fully responsible for the activities of such helpers or assistants, such that any breaches of the Agreement by any such person will be deemed to have been committed by the brand partner who engaged such person. Brand partners have the potential of earning income as outlined in the Compensation Plan.

### 3.2 RETAIL CUSTOMERS AND BRAND PARTNERS

Individuals may join Young Living as retail customers and brand partners.

Retail customers can purchase product directly from Young Living for personal consumption but do not participate in the Young Living brand partner 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 Organization Group Volume ("OGV"). Thus, orders placed by any retail customers 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 completing the requirements outlined in Section 2.1.

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



### 3.3 MULTIPLE ACCOUNTS

To ensure compliance with all laws and regulations, a brand partner may operate or have an interest, legal or equitable, in only one brand partner account, unless expressly permitted in this Section. If Young Living finds that a brand partner has unpermitted interest in multiple accounts, it will terminate the latter-created account(s).

You may have a beneficial interest in more than one brand partner account if you receive an interest in another account as an inheritance (either through a direct inheritance or as beneficiaries of a trust) from another brand partner. You are required to notify Young Living of the inheritance in writing (as specified in Sections 3.7 and 3.7.1).

You and your spouse/partner may have separate accounts if the second account is sponsored as the first or second level to the other spouse's account. To ensure compliance with all laws and regulations, Young Living will periodically audit these two accounts and may terminate the latter-created account if it is found, in Young Living's sole discretion, that the latter-created account is not in compliance with the Agreement. To ensure compliance with laws and regulations, a joint business 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 in your immediate household does anything that, if performed by you, would violate the Agreement, then their activity will be deemed a violation by you and Young Living may terminate your Agreement. The term "immediate household," as used herein, refers to married couples and other persons residing in the same home. With respect to brand partners, retail customers, rather than individuals, "immediate household" means the shareholders, owners, directors, officers, brand partners, trustees, responsible parties, etc., of such entities and persons married to or residing in the same home with the persons who are the shareholders, owners, directors, officers, brand partners, trustees, responsible parties, etc., of such entities.

Similarly, if any individual associated in any way with a corporation, partnership, LLC, trust, or other entity (collectively "entity") violates the Agreement, then their action(s) will be deemed a violation by the entity. In these cases, Young Living may terminate the entity's Agreement. Also, each individual affiliated with an entity will be required to comply with the terms and conditions of the Agreement. Young Living may request information about the identity of any individuals or affiliates of an entity having an interest in a brand partner account, and you agree to provide this information to Young Living upon request. Failure to do so may result in the account in question being terminated.

### 3.5 ACTIONS OF SUPPORT TEAM BRAND PARTNERS

If you encourage, aid, or support another brand partner to violate any provision of the Agreement then your behavior itself will be a violation of the Agreement and Young Living may terminate its Agreement with you for that behavior.

### 3.6 CORPORATIONS, PARTNERSHIPS, LIMITED LIABILITY COMPANIES, AND TRUSTS

A partnership, corporation, limited liability company, or trust may become a Young Living brand partner by submitting to Young Living a partnership agreement, certificate of incorporation, articles/certificate of organization, or trust agreement for the Entity. The registration form must indicate the names of all of the shareholders, officers, members, managers, partners, trustees, or directors of the Entity (“**Affiliated Parties**”), or have such included with the submission to Young Living. The Entity must demonstrate that no part or participant within the Entity has participation in another sales 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 may terminate an Entity’s Agreement with Young Living if Young Living does not approve any brand partner’s change of business names, formation of partnerships, corporations, and trusts for tax, estate planning, and limited liability purposes. In addition, by submitting a copy of the certificate of partnership or incorporation or other substantiating documentation for the Entity, it is certifying that no person with an interest in the new business Entity has had an interest in another sales organization within six (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 a \$50 (MYR200) processing fee. For your request to be granted, the following criteria must be met:

- A transferring brand partner and the receiving party must notify Young Living in writing of their intent to sell or transfer the Agreement, including the business organization, by contacting Resolutions (at [resolutions@youngliving.com](mailto:resolutions@youngliving.com)). This request must be signed and notarized.
- Young Living must approve of the transfer in writing prior to its occurrence. Young Living may approve or disapprove of a transfer for any reasonable reason.
- After the transaction, the transferring party must not retain any copies, digital or otherwise, of personal information belonging to their former downline sales organization.
- The receiving party must be (or must become) a brand partner in good standing.
- If the receiving brand partner has an existing business organization, he/she must first transfer their rights under the business organization or have a transfer in place and approved by Young Living before accepting the new Agreement.
- No changes in the transferring brand partner’s line of sponsorship or downline can result from the transfer.
- Before a transfer is approved, all debt obligations must be cleared, and any

policy violations must be resolved and met with Young Living's satisfaction.

- Before any transfer is approved, the transferring brand partner and the receiving brand partner must each follow all the terms of the Agreement.

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 written approval.

As a receiving brand partner of a preexisting Agreement, the receiving brand partner may be responsible for violations of the Agreement made by the transferring brand partner in connection with the Agreement. Young Living may take action against a receiving brand partner for violations of the Agreement by the transferring brand partner in accordance with Section 13.3.

### 3.7.1 INHERITANCE AND SUCCESSION

A brand partner's Business Organization may be passed to the brand partner's legal heir(s) or legal representative(s) who (a) demonstrate to Young Living's satisfaction the capability and commitment to actively operate that Business Organization, including engaging with other brand partners to encourage product sales, supporting downline brand partners, the development of other brand partners' organizations, and the appropriate level of leadership in light of the size and complexity of the Business Organization; and (b) provide proof of the brand partner's death or incapacitation, appropriate legal documentation, a signed Agreement, to Young Living at [accountupdates@youngliving.com](mailto:accountupdates@youngliving.com). The brand partner account will not automatically pass to a co-applicant of the account since that individual does not have ownership rights in the account.

In determining whether heirs or legal representatives are capable of and committed to actively operating a Business Organization, Young Living will apply a strong presumption that inheritance or succession by professional services firms, or by individuals or business entities that intend to hold the Business Organization as a passive asset, will not be approved. Young Living may require that heirs or legal representatives provide specific plans and commitments demonstrating capability and commitment to actively operating a Business Organization.

Appropriate legal documents for approval of inheritance or succession may also depend on the nature of the deceased brand partner's estate planning documents, or lack thereof. If the deceased brand partner had a will that transferred the account ownership, a copy of the will must be provided. Similarly, if the account is held in a trust, the trust documents must be provided. If the estate goes through a probate proceeding to determine the ownership, the probate court order determining ownership must be provided. In some cases, a notarized affidavit will be accepted as evidencing facts that are not clear from a will, trust, or other document.

The process of reviewing and making determinations about proposed inheritance and succession of Business Organizations may take some time, particularly if a probate court is involved or the account ownership is being disputed. Young Living may either place a temporary hold on commissions or allow heirs or legal representatives to temporarily operate a Business Organizations during periods of temporary incapacity or while proposed inheritance or succession is reviewed.

If temporary operation by, or the passing of a Business Organization to, heirs or representatives is approved, Young Living reserves the right to transfer or re-assign any or all of a Business Organization to other brand partners if the heir(s) or representative(s) fail to demonstrate to Young Living's satisfaction the capability and commitment to actively operate that Business Organization. Young Living reserves the right, in its sole and absolute discretion and for any reason and at any time, to deny a brand partner the option of owning an interest in that brand partner's original account and an inherited account, including if Young Living determines that the brand partner has not demonstrated the ability to operate two sales organizations. If Young Living denies the right to have a beneficial interest in a second account that passed through inheritance, it may allow a four-month grace period to sell the interest in one of the accounts. After that grace period, the inherited account will be placed on hold or terminated.

### 3.8 SEPARATION OF A YOUNG LIVING BRAND PARTNER BUSINESS

You may, with others, operate a single sales organization as a husband-wife partnership, regular partnership, corporation, or trust (the latter three entities are collectively referred to herein as “Entities”). If your marriage ends in divorce or your Entity dissolves, arrangements must immediately be made to assure that any separation or division of the business is accomplished so as not to adversely affect the interests and income of other business upline or downline of sponsorship. If divorcing spouses or a dissolving business Entity fail to provide for the best interests of other 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.

To ensure compliance with laws and regulations, during the proceedings of a divorce or Entity dissolution, the divorcing spouses or a dissolving business Entity must adopt one of the following methods of operation:

- One of the parties may, with consent of the other(s), operate the business pursuant to a notarized assignment in writing whereby the relinquishing party(ies) authorize(s) Young Living to deal directly and solely with the other party(ies). A notarized request from the person being removed is required. A new Brand Partner Agreement is required from the person remaining on the 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 partner or in the name of the Entity to be divided, as the parties may independently agree among themselves.
- The parties may operate the business pursuant to a court order involving parties.
- If one of these requirements is not met, Young Living will maintain the status quo as to how commissions are paid.

Young Living will not divide your sales organization with a divorcing spouse or with affiliate parties of a dissolving business. Similarly, Young Living will not split your commission or bonus checks between you and a divorcing spouse or affiliate parties of a dissolving Entity. Young Living will recognize only one sales organization and will issue only one commission check per sales organization per commission cycle. Commission checks will always be issued to the same individual or 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 choosing. However, in such case you will have no rights to any brand partners or 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 a brand partner organization due to the inactivity or termination of a Brand Partner's Agreement, each brand partner in the first level immediately below the terminated brand partner on the date of the termination will "roll up," which means to move to the first level ("front line") of the terminated brand partner's sponsor.

### **3.10 TAXES**

#### **3.10.1 INCOME TAXES**

You are responsible for complying with the tax laws in Malaysia. You are responsible for paying taxes, local and national, due on your income generated as an independent contractor. Young Living may, if applicable, withhold the appropriate amount of withholding tax in accordance with prevailing tax rules and regulations, and shall deduct the same from your bonuses and commissions. Young Living shall remit such withholding tax to the relevant tax authorities in a timely manner. Any fines or penalties incurred by Young Living because of incorrect information provided to Young Living will be your responsibility; and you agree to reimburse Young Living for these costs. Retail customers are not required to provide any tax information.

### **3.11 INAPPROPRIATE BUSINESS PRACTICES**

#### **3.11.1 NON-SOLICITATION**

Young Living and its brand partners have made a large investment in the building of their businesses. You benefit from those efforts. Young Living reserves the right to terminate a brand partner's Agreement, if that brand partner recruits any customers, or brand partners (collectively "Young Living Individuals") to participate in a Competing Business Venture. A "Competing Business Venture" means any business venture offering similar or alternative products or services to those offered by Young Living. To protect the efforts of all brand partners in building and maintaining their business organizations and customer bases, and in order to protect Young Living's interest and investment in its brand, brand partners are required to abide by the policies of this non-solicitation section.

During the term of your Agreement, you are prohibited from directly, indirectly, or through a third party, recruiting any Young Living Individuals to participate in a Competing Business Venture, regardless of who initiates the contact. For a period of twelve months after voluntary or involuntary termination of this Agreement, you are prohibited from directly, indirectly, or through a third party, recruiting, regardless of who initiates the contact, any Young Living Individuals to participate in a Competing Business Venture; who were in your downline or upline at any time during the term of their Agreement with Young Living; with whom you had contact during the term of your Agreement with Young Living; or whose contact information (name, address, phone

number, or email address, etc.) you obtained at any time during the term of your Agreement with Young Living. The prohibitions under this paragraph include, but are not limited to, presenting or assisting in the presentation of Competing Business Ventures to any Young Living Individuals, and implicitly or explicitly encouraging any Young Living Individuals to join any Competing Business Ventures.

During the term of your Agreement and for a period of twelve months after the termination thereof, you are further prohibited from offering any non-Young Living products, services, or Competing Business Ventures in conjunction with the offering of Young Living products, services or income opportunity or at any Young Living meeting, seminar, launch, convention, or other Young Living function.

Violation of any provision of this non-solicitation section constitutes your voluntary termination of this Agreement, effective as of the date of the violation, and the forfeiture by you of all commissions or bonuses payable for and after the calendar month in which the violation occurred. 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 will be refunded to Young Living. Young Living may seek and obtain both injunctive relief and damages for violations of this non-solicitation section. Young Living may, at its option, elect to enforce this policy by lawsuit in a court of competent jurisdiction in Malaysia rather than by arbitration. In addition to being entitled to a refund of bonuses and commissions and to damages, in the event a person or entity violates this non-solicitation section, Young Living and any brand partner that experiences an adverse financial impact as a result of such person's or entity's violation of this non-solicitation section will be entitled to an accounting and repayment of all profits, compensation, commissions, remunerations, or other benefits that the person or entity directly or indirectly receives and/or may receive as a result of, growing out of, or in connection with any violation of this Section. Such remedy will be in addition to and not in limitation of any damages, injunctive relief, other rights, or remedies to which Young Living is or may be entitled to by law or in equity. 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.

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, 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 this provision, whether or not the individual or entity ultimately terminates the relationship with Young Living. To constitute recruiting, such efforts or attempts may be performed either directly through personal contact (including, but not limited to, direct electronic messages or personal conversation) or indirectly through a third party. It is a violation of the Agreement to recruit any Young Living Individuals to participate in a Competing Business Venture, even if you do not know that the prospect is also a Young Living Individual. It is your responsibility to first determine whether the prospect is a Young Living Individual before recruiting the prospect to participate in a Competing Business Venture.

### 3.11.2 NON-COMPETITION

To protect Young Living's brand identity and integrity and brand partner's businesses, if, during the term of the Agreement, you engage in a non-Young Living direct selling program, you will ensure that you operate your sales organization separately and apart from your non-Young Living program. To that end:

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

Notwithstanding the foregoing, during the term of the Agreement and for a period of six (6) months after the cancellation, expiration, or termination of the Agreement by either party for any reason, you agree not to directly or indirectly serve in any capacity as a brand partner, representative, consultant, employee, agent, officer, director, shareholder, partner, member, seller, distributor, or owner of or with doTERRA International LLC or any parent or affiliate company of this company. This restriction applies to any geographic market which you (or your sales organization) serviced or within which you (or your sales organization) physically worked during the term of the 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 this rank and participate in the Diamond Leadership Bonuses, it is important to be an example in all facets of the Young Living business and be dedicated to Young Living. Accordingly, notwithstanding the foregoing, during the term of the Agreement and for a period of six (6) months after the cancellation, expiration, or termination by either party for any reason of the Agreement, once you have achieved the rank of Diamond or above, you will not directly or indirectly serve in any capacity as a member, representative, consultant, employee, agent, officer, director, shareholder, partner, seller, distributor, or owner of or with any other multi-level marketing, party planning, or other direct sales company, regardless of the type of products or services offered by that new entity. This restriction applies to any geographic market which you (or your sales organization) serviced or within which you (or your sales

organization) physically worked during the term of the Agreement. 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.

You agree that Young Living has a protectable interest in its goodwill, confidential information, and trade secret information. You further acknowledge that any breach of your obligations under Sections 3.11.1.2, 3.11.2, and 3.14 of the Agreement would cause immediate and irreparable harm to Young Living for which monetary damages and other legal remedies could not adequately compensate. You further acknowledge that the restrictions set forth in Sections 3.11.1.2, 3.11.2, and 3.14 of the Agreement are reasonable and restrict your conduct only to the extent necessary to protect, maintain, and preserve Young Living's business interests and to the extent permitted by the applicable laws and regulations in Malaysia. You further warrant that you understand the legal and other consequences of entering into the covenants and agreements contained in Sections 3.11.1.2, 3.11.2, and 3.14 of the Agreement and that the enforcement of these provisions will cause no undue hardship to you. If any restriction contained in Sections 3.11.1.2, 3.11.2, and 3.14 of the Agreement are deemed to be unenforceable by a court of competent jurisdiction, you agree that such court may modify and enforce such restrictions to the extent it believes to be reasonable under the circumstances existing at that time.

### 3.11.3 TARGETING OTHER DIRECT SELLERS

Young Living does not condone 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. Should you engage in such activity, you bear the risk of action being taken by the other direct sales company. If any lawsuit, arbitration, or mediation is brought against you alleging that you have engaged in inappropriate recruiting activity of its sales force or customers, Young Living will not pay any of your defense costs or legal fees, nor will Young Living indemnify you for any judgment, award, or settlement.

### 3.11.4 CROSS TEAM RECRUITING

To ensure compliance with all applicable laws and regulations, actual or attempted cross team recruiting or sponsoring is strictly prohibited. **"Cross Team Recruiting"** is defined as (a) the enrollment, indirect or otherwise, of an individual or entity that already has a current Brand Partnership with Young Living, or who has had an Agreement within the preceding 6 calendar months, within a different line of sponsorship; (b) training current Brand Partners from different lines of sponsorship how to change sponsors in a non-permitted way in order to facilitate their move to your organization; or (c) aiding, encouraging, or facilitating the actions outlined in (a) or (b) of this definition. The use of a spouse's or relative's name, trade names, DBAs (Doing Business As), assumed names, corporations, trusts, Tax Identification Numbers, or fictitious identification numbers to circumvent this policy is strictly prohibited. This policy and its enforcement are required to prevent Young Living and its brand partners from violating certain laws and regulations prohibiting such activity.

### 3.11.5 BONUS BUYING AND STACKING

To ensure compliance with all applicable laws and 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

### 3.12 INTERNATIONAL

Compliance with foreign laws regarding intellectual property, data privacy and protection, customs, economic sanctions, export controls, 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 or jurisdictions 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 and other applicable laws. Unauthorized premarket opening activity may jeopardize Young Living's ability to enter a new market. 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 that causes any damage or loss to Young Living, including, but not limited to, loss of profit, loss of goodwill, damages, fines, penalties, costs and reasonable attorneys' fees.

Brand partners will not place orders for shipment to or otherwise transfer, resell, or re-export Young Living products to any countries or jurisdictions that are subject to a comprehensive embargo under U.S. law or which are otherwise not approved by Young Living. Young Living reserves the right to terminate its Agreement with brand partners who violate these terms, without advanced notice and without liability to the brand partner.

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; and
- 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 Malaysia. Only products labelled 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 into any country any products 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 that country.

Each brand partner that is not a resident of the United States understands and agrees that all services performed in connection with that brand partner's Young Living business are performed outside the United States. Brand partners who perform services within the United States will need to contact Young Living at [USbusinessstrips@youngliving.com](mailto:USbusinessstrips@youngliving.com) within 30 days of performing such services to report the time spent in the United States on business activities in connection with Young Living business.

### **3.12.1 NOT FOR RESALE (NFR) PRODUCTS AND LOCATIONS WHERE SERVICES ARE PERFORMED**

In some countries, brand partners may purchase Young Living products on a not for resale (NFR) basis as retail customers. You are restricted to promote, advertise, repackaging, relabel, distribute, offer as gifts or rewards as well as resell any not for resale (NFR) products. Such activities constitute a breach of these Policies and Procedures and are strictly prohibited.

### **3.12.2 ANTI-BRIBERY**

You and your agents, employees, consultants, or directors must not pay or give, or offer or promise to pay or give, or agree to give any gift, entertainment, hospitality, travel or other benefit, whether monetary or in kind to:

- (a) any government official or employee, political party, or candidate for political office (collectively referred to as **"Government Recipient"**); or
- (b) any other person (**"Third Party Recipient"**)

while knowing or having reason to know that all or a portion of such gift, entertainment, hospitality, travel or other benefit, whether monetary or in kind will be paid or given to, or offered or promised to, directly or indirectly, any Government Recipient or Third Party Recipient for purposes of obtaining an unfair advantage or influencing any act or decision of a Government Recipient or Third Party Recipient or inducing a Government Recipient, or Third Party Recipient to use his, her, or its influence with the government or any other person or Entity (corporate or otherwise) or instrumentality thereof to affect or influence any act or decision of such government or any other person or entity (corporate or otherwise) or instrumentality; and you will cause your employees, officers, agents, and sub-consultants to do likewise.

You shall ensure that neither you nor any of your agent, employee, consultant or director take any action which could cause or render Young Living to be in violation of all the applicable laws and regulations in Malaysia or in any other applicable jurisdiction outside of Malaysia concerning bribery, corruption and any other prohibited business practices including, but not limited to the Malaysian Anti-Corruption Commission Act 2009, the Malaysian Anti-Money Laundering and Anti-Terrorism Financing Act 2001, and any amendments thereto.

### 3.13 REPACKAGING AND RELABELING

To ensure compliance with all applicable laws and regulations, you may not relabel, alter the labels of, repackage, or refill any Young Living product. Young Living's products must be sold in their original containers only. You will not remove, deface, or modify any serial number, UPC code, batch or lot code, or other identifying information on products or packaging. You will cooperate with Young Living in the investigation and resolution of any quality or customer service issues related to sales of Young Living products, including disclosing information regarding product sources, shipment, and handling. You will not remove, translate, or modify the contents of any label or literature on or accompanying the products, unless directed to do so by Young Living. You will comply with all instructions provided by Young Living regarding the proper care, storage, and handling of the products. Specifically, all Young Living products must be stored in a cool dry place, away from direct sunlight. You will regularly inspect Young Living inventory for products that are expired or that will expire within 60 days and will not sell such products. You will provide current contact information to customers and make it known to customers that you are available to answer questions, provide advice, and respond to customer concerns both before and after the sale of products. You will respond to any questions or concerns from customers relating to product information, proper usage, or other inquiries. When responding to customer questions or concerns, Young Living recommends that you consult Young Living materials, refer to and use available educational tools, or contact Young Living directly. You will cooperate with Young Living with respect to any product recall or other consumer safety information dissemination efforts.

Young Living strongly recommends that you do not use Young Living products as ingredients in or components of any product for resale. If a brand partner uses Young Living products as an ingredient of any product for resale, the brand partner is strictly prohibited from using Young Living trademarks or logos in conjunction with selling such product. Such relabeling or repackaging could result in severe criminal penalties. Young Living may terminate its Brand Partner Agreement with you for violation of this section. Additionally, you agree to indemnify Young Living against any harm resulting

from a violation of this section, including but not limited to use of Young Living products as an ingredient and the repackaging or relabeling of any of its products.

### 3.14 CONFIDENTIALITY AGREEMENT

As a brand partner of Young Living, you may be supplied with 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, customer and brand partner profiles, personally identifiable information, and product purchase information), brand partner lists, manufacturer and supplier information, business reports, commission or sales reports, marketing strategies and plans, product formulas, product information, promotional information, and other financial and business information (“Confidential Information”). Young Living does not guarantee that the Confidential Information is complete, accurate, of satisfactory quality or fit for any purpose and you agree to accept Young Living’s Confidential Information “as is”. In disclosing the Confidential Information, Young Living does not undertake to provide any additional information to update or correct any inaccuracies in the 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 business purposes only. In certain instances (for example, with respect to promotional information supplied to high-ranking brand partners in advance of the applicable promotions), you may not share such information within your business organization until the promotion is disclosed to all brand partners by Young Living. You will keep such 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 unless such disclosure is required by law. You and your business organization agree to indemnify Young Living against damages incurred from any and all such unauthorized disclosures caused by you. 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. You may use and disclose the Confidential Information only in strict accordance with the conditions and restrictions that Young Living may require from time to time (for example, high-ranking brand partners may not disclose promotional information made available early to them to anyone else—including within their downline—until Young Living makes such promotional materials generally available to all brand partners). Upon termination by either party, for any reason, of the Agreement, you must discontinue the use of such Confidential Information and destroy or promptly return to Young Living any Confidential Information in your possession. Without limiting your obligations as set forth in this Section Young Living may further require a signed nondisclosure 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.

In the event of the cancellation, expiration, or termination by either party for any reason of the Agreement, the obligations contained in this Section survive and are subject to legal enforcement by injunction. You further agree that in the event Young Living

prevails in any legal action to enforce its rights under this Section, Young Living shall be entitled to all costs and reasonable attorneys' fees incurred in enforcing its rights under this Section.

### **3.15 AUTHORIZATION TO TRANSFER AND DISCLOSE PERSONAL INFORMATION**

In order to provide support for your business organization, you consent to the terms of the Young Living Privacy Policy and authorize Young Living to disclose personal and/or confidential information provided to Young Living in connection with your business organization or that you have developed as a result of your activities as a brand partner. You authorize Young Living to transfer, including exporting the data, and disclose this information to its parent and affiliate companies, to your upline to ensure proper upline support to you and your business organization, and to applicable government agencies or regulatory bodies if required by law. You also authorize Young Living to share this information with companies we do business with who offer products or services we believe may be of interest to you and your customers. You also authorize Young Living to disclose your personal contact information to brand partners of your downline.

You further authorize Young Living to use your personal information for brand partner recognition and marketing materials.

### **3.16 AUTHORIZATION TO TAKE AND USE YOUR PHOTO OR VIDEO**

By becoming a brand partner, you consent to having your image captured in photographs or videos at various Young Living-sponsored events by Young Living staff and to have those images used by Young Living as they see fit in advertising and marketing materials. You will not be compensated for this usage. If you have a religious or moral objection to having your picture taken or appearing in a video, it is your responsibility to notify a member of Young Living's staff at the event where photographs and videos are being taken. The provisions of this section will permanently survive the term of the Agreement.

### **3.17 RANK RECOGNITION**

The Young Living Compensation Plan pays compensation based on different ranks and the criteria set forth in that plan. Each month you may qualify for payment according to the rank in which you qualify. Brand partners are recognized by Young Living in various ways and at various times as they achieve certain ranks. In order to be recognized at and enjoy the perks of a new, higher rank that is Silver or above, you must qualify for that rank (or above) for one 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, you will be recognized at the highest rank you qualified for during that six-month period on the seventh month and be required to re-qualify for the higher rank for at least one month before you can be recognized at the higher rank again.

In order to be recognized at a Young Living event you must maintain that rank, as outlined above, and not be under a compliance hold or investigation. Requirements to attend recognition retreats are published at [youngliving.com](http://youngliving.com).

### 3.18 NON-EXCLUSIVITY

Young Living does not grant you or any brand partner individually or as a group, an exclusive territory or exclusive right to any sales channel for Young Living's products or services. You are also not required to pay franchise fees. Young Living reserves the right to offer its products and services through any sales channel and territory, including but not limited to through its digital commerce website, and other companies (e.g., a direct sales company in China or an e-commerce platform).

### 3.19 NON-DISPARAGEMENT, ANTI-HARASSMENT, AND EMPLOYEE PRIVACY

Brand partners must not disparage, slander, or defame Young Living, other brand partners, Young Living employees, 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 3.18 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 to remember 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 Young Living 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 expects brand partners 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 employees may face disciplinary action under the Agreement. In addition, brand partners 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 constitute a material breach of the Brand Partner Agreement and may result in Young Living terminating its Brand Partner Agreement with the breaching brand partner.

## SPONSORING OTHER BRAND PARTNERS

### 4.1 SPONSORING

You have the right to sponsor new individuals as brand partners. The person who initially introduced and referred the brand partner to Young Living is the Enroller. Each prospective brand partner has the ultimate right to choose their own sponsor. If two brand partners claim to be the sponsor and/or Enroller of the same new brand partner or customer, the new brand partner or customer has the right to choose between the two within the first 30 days of enrollment.

### 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 Agreement.

### 4.3 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](http://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 the 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 anti-malware 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.



## ADVERTISING

### 5.1 USE OF YOUNG LIVING MATERIALS

To prevent inadvertent errors or illegal claims, you shall use the current Young Living literature for advertising and describing Young Living's products or programs. The materials must be used in context so as not to be misleading.

### 5.2 BRAND PARTNER-DEVELOPED ADVERTISING MATERIALS AND PRODUCTS

If you choose to produce or use advertising materials that were not developed by Young Living, you must clearly identify that the material is from an "Independent Brand Partner" or "Independent Distributor" and not Young Living and explicitly state that the materials have not been approved or endorsed by Young Living. You are not permitted to use Young Living corporate letter head or any other representation that you are an employee of Young Living.

Any use of advertising materials not produced by Young Living must be compliant with all applicable laws and these Policies and Procedures—particularly Section 5.3. Such material must be produced in a professional and tasteful manner. Material must not be used that reflects poorly upon Young Living. Violations may subject a brand partner to disciplinary actions as outlined in Section 13.3.

### 5.3 ADVERTISING CLAIMS AND REPRESENTATION

#### 5.3.1 PRODUCT CLAIMS

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

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

#### 5.3.2 INCOME CLAIMS

Local regulations prohibit individuals from making any false, misleading, or potentially misleading claims regarding earnings, income, or lifestyles.

You are prohibited from making improper income claims, which includes any testimonial, statement, or other representation, whether written or oral, that pertains to the following in connection with the Young Living business opportunity:

- exaggerated or guaranteed incomes, earnings, or profits
- hypothetical, potential, or estimated incomes, earnings, or profits that are in any way misleading
- exaggerated or luxurious lifestyles
- any other false, untruthful, incomplete, or otherwise misleading or potentially misleading information regarding income, earnings, or

lifestyles.

For example, you may not state or imply that operating a Young Living business will lead to:

- early retirement
- income equivalent to a full-time career (“career-level income”)
- a luxury lifestyle
- a large home
- luxury automobiles
- exotic vacations
- a spouse no longer having to work
- financial freedom
- or anything similar thereto.

Additionally, you may not mention Young Living in a social media post near one suggesting a luxurious lifestyle. Further, you may not disclose the amount of any bonus or commission you receive from Young Living, including images of any commission check or any images of bank accounts, balances, tax statements, or similar financial records.

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. The IDS is a tool that assists brand partners to understand the income opportunity and should be shared in its entirety. Brand partners should not share a portion of the IDS without directly linking to it or disclosing the entire document. A copy of the IDS is available online at [YoungLiving.com/IDS](http://YoungLiving.com/IDS). Any time that you present or discuss the Young Living Business Opportunity, you **MUST** provide any prospective brand partners with a copy of the IDS. The copy of the IDS must be visible at the same time the information is provided (i.e., not via a hyperlink), and Young Living recommends using the enlargeable thumbnail image provided at [www.youngliving.com/ids/](http://www.youngliving.com/ids/).

Additionally, if a Brand Partner makes an earning claim that implies an outcome that is not typical of his or her audience then the Brand Partner must also provide a clear and conspicuous disclaimer describing the typical outcome for that audience along with that earnings claim and a reference to the IDS. For example, a claim made online that implies part-time income levels could be accompanied by a disclaimer that, “Most Brand Partners only earn modest supplemental income. See the Young Living Income Disclosure [with a hyperlink to the IDS].” If a Brand Partner discusses or implies full-time level earnings, he or she must accompany this discussion with a disclaimer that states something to the effect of, “Most people only earn modest supplemental income. Securing career-level income through Young Living requires significant and sustained levels of work.” The disclaimer must also reference the IDS.

### 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 downline will build through spillover.
- Just join and I will build your downline for you.
- The company does all the work for you.
- You don't have to sell anything.
- All you must do is buy your products every month.

### 5.3.4 INDEMNIFICATION FOR UNLAWFUL ADVERTISING STATEMENTS

You are fully responsible for all verbal and written statements you make regarding Young Living products, services, and the Compensation Plan that are not expressly contained in official Young Living materials. You agree to indemnify Young Living and Young Living's directors, officers, 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 partners should redirect the discussion by saying something to the effect of, "Young Living supplements are designed to improve nutrition; they are not intended to diagnose, treat, cure, or prevent any disease. However, scientific research has established a connection between nutrition and many disease conditions".

Third-party scientific literature that is compliant with local and federal law may be distributed at a meeting but must be placed separate and apart from promotional material.

### 5.5 TRADEMARKS AND COPYRIGHTS

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

During the term of your Young Living Brand Partnership, and only during that term, you are authorized to (a) 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 (b) use, except as prohibited herein, Young Living's Trademarks (excluding Young Living's company logos) solely in connection with the development of online and printed materials for use in building and managing your business organization.

You may not, however, use these copyrighted materials or the Young Living Trademarks in connection with any activity outside the scope of your Agreement 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 of the Agreement, 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 terms) in connection with any online paid marketing program or effort, including pay-per-click online advertising, Google AdWords, paid social ads, video content, content syndication, and display marketing.

## 5.6 DOMAIN NAMES AND EMAIL ADDRESSES

You may not use, register, or own any Internet domain name either in the U.S. or abroad that includes any of Young Living's trade names, trademarks, service names, service marks, product names, company names, or any derivative thereof. Nor may you incorporate or attempt to incorporate any of Young Living's trade names, trademarks, service names, service marks, product names, the company names, or any derivative thereof into any email address. In accordance with this policy, all existing 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 will 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 products, or Young Living events must display a current Young Living Independent Brand Partner logo (as described in Section 5.2) in a prominent location. Brand Partner Sites must further include the brand partner's member 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 website, the Virtual Office, or the Young Living Flickr® account). These sites may not (a) use Young Living's trade address; (b) make any improper

product, income, or Compensation Plan claims, as outlined in Section 5.3; (c) promote the products or business of any other company; or (d) contain false or misleading information. 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, account name, or other identifier (collectively "Username"), any of Young Living's trade names or company names, or any other name that may be confused with Young Living Essential Oils or suggest Young Living's sponsorship thereof. Usernames may, however, include the name "Young Living" if they also include "Independent Brand Partner" or a similar identifier that effectively distinguishes it from a Young Living corporate account.

Further, to ensure compliance with local laws and regulations, brand partners may use websites to also sell Young Living products (with the exception of sites prohibited by Section 5.8 below), but if they do, then they are also subject to the above and following conditions:

- Such site must be operated by the brand partner in their legal name or registered fictitious name, conspicuously state such name, mailing address, telephone number and email address (collectively, "Site Holder Information"), and such Site Holder Information must be included with any shipment of products.
- The brand partner must register the website to be used for sales with Young Living. Registration is accomplished by emailing both the name of the URL and the brand partner's number to [onsales@youngliving.com](mailto:onsales@youngliving.com).
- Such site must display the brand partner as well as the Independent Distributor logo as applicable.
- Such site must have a mechanism for receiving customer feedback and the brand partner or will (i) use all reasonable efforts to address all customer feedback and inquiries received in a timely manner; (ii) provide copies of any information related to customer feedback (including any responses to customers) to Young Living upon request; and (iii) cooperate with Young Living in the investigation of any negative online review associated with the sale by the brand partner of Young Living products and use any reasonable efforts to resolve any such reviews.
- Notwithstanding the clause at (c) above in this Section, such site may collect, store, process and transmit brand partner or customer confidential information, provided that the site complies with all applicable privacy, accessibility, and data security laws, regulations and industry standards.

Brand partners are responsible to ensure that all those operating any internet site on behalf of the brand partner comply with all the requirements addressed throughout this section and the remainder of the Policies and Procedures.

To ensure compliance with local regulation, any website or online application that is used by a brand partner to promote the brand partner's Young Living business in any way, may be monitored by Young Living. Failure to monitor any such site or online application for any time period does not waive Young Living's rights to ensure

compliance with this section. At Young Living's request, the brand partner will reasonably cooperate in demonstrating and/or providing access to and copies of all web pages, social media posts, and any other online content and/or activity related to the brand partner's promotions of Young Living on the internet. Young Living may terminate a Brand Partner's Agreement for violations of this Section.

## **5.8 INTERNET CLASSIFIED AD SITES, AUCTION SITES, SHOPPING SITES, OR ORDER FULFILLMENT STORES RESTRICTED**

As a general rule, brand partners may not sell or display Young Living products on any Internet classified ad site (e.g., Craigslist, etc.), auction site, shopping site, or order fulfillment store (e.g., eBay®, Amazon®, OrderDog™.com, Overstock®.com, De remate.com etc.). Further, brand partners may not (1) enlist or knowingly allow a third party to sell Young Living products on any Internet classified ad site, auction site, shopping site, or order fulfillment store or (2) sell products to a third party that the member brand partner has reason to believe will sell such products on any Internet classified ad site, auction site, shopping site, or order fulfillment store. Young Living reserves the right to grant specific permission at Young Living's sole discretion to allow exceptions to this Section provided the brand partner has registered the online seller's name and brand partner number with Young Living. Brand partners may continue to sell Young Living products on their individual URL and independent distributors' retail sites provided they register their URL with Young Living and prominently display the independent distributor logo and their brand partner number on the URL.

Young Living may take all compliance efforts necessary, including, but not limited to, termination of your Agreement if you are in violation of any laws, regulations, and these Policies and Procedures. Young Living will be entitled to all reasonable attorneys' fees and related costs incurred in enforcing its rights in any action in which it is found that you violated the terms of this provision. This section 5.8 only applies to brand partners, and no other sales via Internet sites are permitted for any party subject to the Agreement, except for those permitted via the Young Living Personal Websites 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, the dissemination of unsolicited electronic mail is governed by the Communications and Multimedia Act 1998. Based on the information contained therein, please remember that:

- 1) You cannot initiate a communication using any applications service, whether continuously, repeatedly or otherwise, during which communication may or may not ensue, with or without disclosing his identity and with intent to annoy, abuse, threaten or harass any person at any number or electronic address.
- 2) For the purposes of the Communications and Multimedia Act 1998 and the Spam Act, an electronic message is unsolicited if the recipient did not –
  - (a) request to receive the message; or
  - (b) consent to the receipt of the message.

Please note that a recipient shall not be treated as having requested to receive the



message or consented to the receipt of the message merely because the electronic address of the recipient was given or published by or on behalf of the recipient.

You may not engage in telemarketing to promote Young Living products or the Young Living opportunity or to solicit potential brand partners. For purposes of this Section, telemarketing refers to placing of one or more outbound telephone calls to an individual without that individual's express prior permission or invitation to call. If you violate this policy, you agree that you will indemnify Young Living and Young Living's directors, officers, 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 as a result of your telemarketing activities.

## **5.10 YOUNG LIVING PERSONAL WEBSITES**

Young Living offers a personalized website to assist in your marketing efforts. You should contact Member Services at 1800 189 889 for more details or log in to your Young Living Virtual Office ([youngliving.com/vo](https://youngliving.com/vo)) for more information. You should be advised that by using a Young Living website, your contact information will become available to the public so that they may contact you with questions. Young Living will not be held responsible for any unintended or adverse consequences of this service.

## **5.11 COMMERCIAL OUTLETS**

Subject to the provisions of Section 5.12, you may display Young Living products (with the price tag attached to each product) in commercial outlets that, in Young Living's sole discretion, are not large enough to be considered regional or national chains.

## **5.12 MINIMUM ADVERTISED PRICE**

You acknowledge that you have read the Minimum Advertised Price Policy available at: <https://static.youngliving.com/en-MY/PDFS/Minimum%20Advertised%20Price.pdf>.

Violations of this policy constitute a material breach of the Agreement and may result in Young Living terminating its Agreement with the breaching brand partner as outlined in Section 13.6.

## **5.13 TRADE SHOWS AND EXPOSITIONS**

Subject to the requirements in the Agreement, you may display and sell Young Living products at trade shows and expositions. All literature displayed at the event must be official Young Living literature, and you must clearly identify yourself as an Independent Brand Partner. You must not organize any campaign, promotion or any type of advertisement for the purpose of marketing Young Living's product without obtaining prior written approval of Young Living.

## **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 the Young Living Member Conduct and Education Department. This will ensure that accurate and consistent information reaches the general public.

## SALES REQUIREMENTS

### 6.1 PRODUCT SALES AND SALES RECEIPTS

You are required to document all retail sales. You are required to furnish your customers with copies of sales receipts, which specify the date of sale, the amount of sale, and the items purchased. You must verbally inform your customers of their cancellation rights. Additionally, if you sell product inventory to other brand partners, you must provide the purchaser with a sales receipt. The brand partner must maintain copies of all sales receipts for a period of two years and furnish them to Young Living upon request.

### 6.2 EXCESSIVE PURCHASES OF INVENTORY AND FRONT-END LOADING PROHIBITED

To ensure compliance with local regulations, brand partners will not encourage their team or any other brand partner to make unnecessary product purchases that could result in a large stagnant inventory. This is called “front-end loading” or “inventory loading” and refers to the purchase of products that are stored, destroyed, or otherwise disposed of without being consumed, not merely purchased and warehoused. Brand partners and leaders must consume their products or sell their products to people who will consume them.

Brand partners are expressly prohibited from collecting or otherwise storing excessive inventory, as described by this Section. If any brand partner is found to be buying to meet qualifications within the Compensation Plan Young Living may terminate its Agreement with the breaching brand partner.

To ensure compliance with laws and regulations, to be eligible for commissions you must not stock excessive inventory and you must sell to end consumers at least 70% of the inventory that you purchased for resale (and not personal use) before you purchase additional products. By ordering product, you certify that you have sold or used at least 70% of all prior orders.

## COMMISSIONS AND BONUSES

### 7.1 COMMISSIONS AND BONUS CHECKS

To qualify for commission compensation under the Compensation Plan, you must have purchased product within the last 12 months and be in compliance with the Agreement with no holds on your brand partner account. Commissions will be paid in accordance with the Compensation Plan, the current version of which is available through the Virtual Office ([youngliving.com/vo](http://youngliving.com/vo)). As long as you comply with the terms of the Agreement, Young Living will pay commissions on approximately the 25th of each month for the prior month's sales. Commission amounts under US\$25 or equivalent in Ringgit Malaysia will not be issued as a check but retained as a credit on account for future product purchases. Commissions will be paid via direct deposit to a bank account subject to the rules above. Contact Member Services for more information at 1800 189 889.

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

### 7.2 RECAP STATEMENTS

You may access detailed commission reports from the Virtual Office at [youngliving.com/vo](http://youngliving.com/vo). If you do not have internet access, you may request that the report be mailed to you for a small fee.

### 7.3 ADJUSTMENTS

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

In addition, if you fail to properly provide your Income Tax Reference number or MyKad number to Young Living, Young Living may deduct necessary back-up withholdings from your commission checks as required by law.

### 7.4 DEDUCTIONS / MAINTENANCE FEES

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

### 7.5 ERRORS OR QUESTIONS

You should review your Commission and Bonus Recap statements available through the Virtual Office and report any errors or discrepancies to Young Living within 45 days from the date of the commissions payment. Errors or discrepancies that are not brought to Young Living's attention within 45 days will be deemed waived.

## ORDERING

### 8.1 ORDERING METHODS

All brand partners may place orders by telephone or website, through the Essential Rewards Autoship program or in person at the Young Living Malaysia office.

#### 8.1.1 PHONE

When ordering, modifying account information, or accessing your account by phone, be prepared to present all information requested on the Young Living order form, including brand partner number and personal identification number (PIN). Live operators are available Monday through Friday from 9:00 a.m. to 6:00 p.m. Monday through Friday. Hours may be subject to change. For current hours, visit [https://www.youngliving.com/en\\_MY/company/contactus](https://www.youngliving.com/en_MY/company/contactus).

#### 8.1.2 MAIL

When ordering by mail, send completed order form with payment to:

Young Living Malaysia Sdn Bhd  
G/F, Tower 7, Avenue 3, Bangsar South  
No. 8 Jalan Kerinchi  
59200 Kuala Lumpur

Payments may only be made by credit card. Please do not send cash.

#### 8.1.3 YOUNG LIVING WEBSITE

The Young Living website makes ordering and accessing information online quick and easy. Available 24 hours a day, 7 days a week, the website allows you to place online orders. You will need your brand partner number and password (which should be kept confidential) to establish a login and security code (four-digit PIN) at [youngliving.com](http://youngliving.com). You must keep your PIN secure and order only on your own account.

### 8.2 ESSENTIAL REWARDS AUTOSHIP PROGRAM

The Young Living Essential Rewards Autoship Program enables you to have Young Living products automatically shipped to you each month. Through this program you can earn free products, qualify for brand partners only specials, and qualify for compensation under the Compensation Plan. You may learn more and sign up for the Essential Rewards Autoship Program in the Virtual Office ([youngliving.com/vo](http://youngliving.com/vo)) or by contacting Member Services at 1800 189 889.

It is advised that the Autoship order be set up to be processed between the 1st and 20th of each month. No Autoship ordered will be processed after the 25th of the month. The earlier the order, the easier it is to solve any disputes with the payment and out-of-stock products. Young Living cannot be held responsible for orders that are not processed due to brand partner payment obligation. If certain products are out-of-stock, Young Living will send an alternate product to the brand partner. If the brand partner is not satisfied with the alternative product, the brand partner may return the product pursuant to Young Living's return policy or exchange the product for an item of equal value. Products you returned because of your failure to update your Essential Rewards order will be charged a 25% restocking fee. Cancellation or return of any Essential Rewards order forfeits all unused Essential Rewards points and resets your monthly participation in the program to zero. For product and inventory returns, you

may refer to Section 11.1 and 11.2 of the Policies and Procedures for more details.

### **8.3 GENERAL ORDERING POLICIES**

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

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

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

No COD orders will be accepted.

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

#### **8.3.1 BACK ORDERS**

Young Living may occasionally offer back orders. Back ordered products will be shipped with your next order after the product becomes available.

#### **8.3.2 Month-End Order Processing Cut-off**

The month-end order processing cut-off is the last calendar day of the month at 11:59 p.m. Malaysia time. Mailed orders must be received by the last day of the month. All mailed-in orders will be credited to the month in which they are received. Even when the end of the month falls on a weekend, holiday, or a day that the YoungLiving office is closed, the deadline will not normally be extended. 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.

### **8.4 TITLE TRANSFER**

Title and risk of loss for any product you order transfer to you when the products are delivered to a common carrier.

## SHIPPING

### 9.1 SHIPPING METHODS AND CHARGES

Domestic orders are generally shipped within two business days (excluding weekends and holidays). A packing slip is included in each shipment. It contains the order number, 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 is included in each order when packaged for shipping.

To correct any problems that you may have encountered with your shipments, please contact Member Services. A Member Services representative will discuss the steps to rectify the situation and issue a Return Merchandise Authorization (RMA) number.



## **PAYMENT**

### **10.1 METHODS OF PAYMENT**

Young Living accepts the following payment methods:

- Credit Cards/Debit Cards—VISA, MasterCard. Using someone else's credit card without his/her written permission is illegal and may be grounds for termination of your sales organization as well as possible legal action.
- Cash—Ringgit Malaysia only.

### **10.2 RETURNED CHECKS AND INSUFFICIENT FUNDS**

You are responsible to ensure that sufficient funds are available in your credit card account to cover regular orders and Autoship orders. If the transaction was rejected from your credit card for non-sufficient funds (NSF), you will not be able to place new orders until the balance is paid with a credit card. An NSF transaction will be sent to a collection service, appropriate processing fees will be charged, and your account will be placed on suspension. Failure to promptly resolve an NSF transaction may result in legal action and possible termination of your sales organization. Any uncollected amount may be deducted from commissions.

### **10.3 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 Young Living account. This credit would be used against future product purchases, in accordance with Section 7. A Commission and Bonus Release Form must be received and approved by Young Living before your compensation payment can be issued as a credit on account.

## 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 product, you may return:

- Any unopened product within 60 days after shipment for a full refund in the same method of payment of the purchase price and applicable tax (less shipping charges).
- Any opened product within 60 days after shipment for a credit on your Young Living account of the purchase price and applicable tax (less shipping charges).
- Any opened or unopened product up to 90 days after shipment for a credit on your Young Living account of the purchase price and applicable tax (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 Young Living account.
- Any products returned due to failure to update the Essential Rewards order will be charged a 25% restocking fee. Cancellation or return of any Essential Rewards order forfeits all unused Essential Rewards points and resets your monthly participation in the program to zero.

If you sell product 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. 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 account is terminated, you have 180 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 180 days from

the date of termination.

### 11.1.3 PRODUCT BUNDLES AND COLLECTIONS

All Young Living product bundles and product collections must be sold as a whole unit. Brand partners are prohibited from selling individual items from product bundles and product collections separately and promoting such activity within the brand partner's business organization.

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

### 11.1.4 RETURN OF PROMOTIONAL PRODUCT(S)

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

- If a qualifying purchase is returned in whole or in part and negates your qualification to receive the complimentary promotional item(s), the complimentary item(s) must also be returned, or you will be charged for the free product(s).
- If one of the promotional products is returned, Young Living will not credit the 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 customer or brand partner who purchased it directly from Young Living must return the products.
- The product(s) must be returned in its original container.
- The return must have a Return Merchandise Authorization number (RMA) that may be obtained by calling Member Services at 1800 189 889, or by emailing [custservmy@youngliving.com](mailto:custservmy@youngliving.com). The RMA number must be written on the outside of each package, or the shipment will be returned to the sender.
- All returns must be shipped prepaid to Young Living. Young Living does not accept COD packages.
- If returned product is not received by Young Living's distribution center, it is the responsibility of the 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.

## 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 [custservmy@youngliving.com](mailto:custservmy@youngliving.com), or by making such changes in the Virtual Office ([youngliving.com/vo](http://youngliving.com/vo)). The modifications permitted within the scope of this paragraph do not include a change of sponsor or tax information. Sponsors and enrollers are not allowed to request account changes or relay such requests.

#### 12.1.1 SPONSOR CHANGES

To protect the integrity of all marketing 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, or other method or form required by Young Living. Requests submitted via email should be sent to [resolutions@youngliving.com](mailto: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 members.

- 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 non-refundable \$35 or equivalent in Ringgit Malaysia 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 [resolutions@youngliving.com](mailto:resolutions@youngliving.com) or via fax at 1-801-418-8800. "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 non-refundable \$35 or equivalent in Ringgit Malaysia 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 non-responsive to the request. The evidence must be submitted to the Young Living Member Conduct and Education Department at [conduct.my@youngliving.com](mailto:conduct.my@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 [resolutions@youngliving.com](mailto:resolutions@youngliving.com) and paying a \$35 or equivalent in Ringgit Malaysia fee. The new sponsor cannot become the enroller. When a member 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 [conduct.my@youngliving.com](mailto:conduct.my@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 \$35 or equivalent in Ringgit Malaysia 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.

40 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 an 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 they are deemed an orphan. The Young Living Placement Program generally assigns orphans a sponsor and an enroller who resides in or near the same area code or geographical area of the orphan and/or who speak the same language as the orphan. Eligible sponsors and enrollers generally include Executive, Silver and Gold ranking 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 events and programs (e.g., Essential Rewards), and who actively work to support the mission of Young Living.

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

The recipient should be enrolled in the Autoship program and conscientiously engaged in the Young Living business.

The new brand partner has 30 days to change from the assigned new sponsor to another sponsor of his or her choice, as outlined in Section 12.1.1.

## 12.2 TEAM GENEALOGY REPORTS

Team Genealogy Reports (“Reports”) are optional and may be ordered at any time. Brand partners with a Young Living-sponsored personal website may receive two free emailed team Reports per month, upon request, with all additional email Reports costing MYR10 each. Brand partners who do not have a Young Living-sponsored personal website will pay MYR10 for each email Report requested. Brand partners who wish to have the Report mailed will pay MYR10 for the first 10 pages and MYR1 for each additional page. Young Living reserves the right to modify the charges described in this Section.

Team Genealogy Reports constitute Confidential Information as set forth in and subject to Sections 3.14 and 3.16 of the Agreement. Without limiting your obligations under Sections 3.14 and 3.16 of the Agreement, you may not use Reports for any purpose other than for developing and supporting your sales organization. Specifically, during and after the expiration or termination by either party for any reason of the Agreement, you may not:

- Disclose any information contained in the Reports to any third party
- Use Reports to compete with Young Living in violation of Section 3.11.2 of the Agreement
- Use Reports to solicit any brand partner or customer listed on the Reports or to engage in any conduct prohibited by Section 3.11.2 of the Agreement
- Use or disclose to any person, partnership, association, corporation, or other entity any information contained in any Report

At the expiration or termination by either party for any reason of the Agreement, or upon demand by Young Living, you will return the original and all copies of Reports (including electronic files) to Young Living or destroy all copies in hard-copy, electronic, or other format of any Report in your possession. This Section 12.2 of the Agreement will survive the expiration or termination by either party for any reason of the Agreement.

## 12.3 The D. GARY YOUNG FOUNDATION: YOUNG LIVING OUTREACH

By enrolling as a Young Living 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 membership 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.

# 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 or above to resolve the issue at a local level. If the matter cannot be resolved, it may be reported to the Young Living Member Conduct and Education Department in writing via mail or email at [conduct.my@youngliving.com](mailto:conduct.my@youngliving.com). The complaint should identify specific instances of alleged improper conduct and to the extent possible, identify the relevant dates on which the event(s) complained of took place, the location(s) where they occurred, and all persons who have firsthand knowledge of the improper conduct.

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

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## 13.2 DISPUTES WITH YOUNG LIVING

### 13.2.1 MEDIATION

Prior to instituting an arbitration with Young Living, as provided in Section 13.2.2 below, you and Young Living (collectively referred to as “Parties”) will meet in good faith and attempt to resolve any dispute arising from or relating to the Agreement through non-binding mediation. One individual who is mutually acceptable to the Parties will be appointed as mediator. The mediation will occur within 60 days from the date on which the mediator is appointed. The mediator’s fees and costs, as well as the costs of holding and conducting the mediation, will be divided equally between the Parties. Each party will pay its portion of the anticipated shared fees and costs at least 10 days in advance of the mediation. Each party will pay its own attorney’s fees, costs, and individual expenses associated with conducting and attending the mediation. Mediation will be held in the Asian International Arbitration Centre (“AIAC”) and will last no more than two (2) business days.

### 13.2.2 ARBITRATION

If mediation is unsuccessful, any controversy or claim arising out of or relating to the Agreement, or the breach thereof, will be settled by arbitration. The Parties waive all rights to trial by any court. The arbitration shall be held in accordance with the Rules for Arbitration of the AIAC in force for the time being. The decision of the arbitral tribunal shall be final and binding on the Parties. The number of arbitrators shall be three (3). The place of arbitration shall be at the AIAC. The language of arbitration shall be English. The Parties agree that Part III of the Arbitration Act 2005 shall not apply to any arbitration held under the provisions of this Section 13.2.2.

Each party to the arbitration will be responsible for its own costs and expenses of arbitration, including legal and filing fees. The decision of the arbitrator will be final and binding on the Parties and may, if necessary, be reduced to a judgment in any court of

competent jurisdiction. The agreement to arbitrate will survive the cancellation or termination of the Agreement.

The Parties and the arbitrator will maintain the confidentiality of the entire arbitration process and will not disclose to any person not directly involved in the arbitration process:

- The substance of, or basis for, the controversy, dispute, or claim
- The content of any testimony or other evidence presented at an arbitration hearing or obtained through discovery in arbitration
- The terms or amount of any arbitration award
- The rulings of the arbitrator on the procedural and/or substantive issues involved in the case

Notwithstanding the foregoing, nothing in these Policies and Procedures will prevent either party from applying to and obtaining from any court having jurisdiction a writ of attachment, a temporary injunction, a preliminary injunction, a permanent injunction, or other relief available to safeguard and protect its intellectual property rights and/or to enforce its rights under the non-solicitation provision of Section 3.11.1.2.

### 13.2.3 JURISDICTION, VENUE, AND CHOICE OF LAW

Jurisdiction and venue of any matter not subject to arbitration will reside in any state or federal court located in Malaysia, unless the laws of the state or country in which the brand partner resides expressly require otherwise, despite this jurisdiction clause. By signing the Agreement, you consent to jurisdiction within these two forums. The laws of Malaysia will govern disputes involving the Agreement, the interpretation and construction of the Agreement shall be governed by the laws of Malaysia.

### 13.3 DISCIPLINARY ACTIONS

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

- Written warning clarifying the meaning and application of a specific policy or procedure and advising that a continued breach will result in further sanctions
- Probation, which may include requiring you to take remedial action and will include follow-up monitoring by Young Living to ensure compliance with the Agreement
- Withdrawal or denial of an award or recognition or restricting participation in Young Living-sponsored events for a specified period of time or until you satisfy certain specified conditions
- Suspension of certain privileges of sales organization, including, but not limited to, placing a product order, participating in Young Living programs, 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 commissions or bonuses for a specified period of time or until the brand partners satisfies certain specified conditions
- Imposing fair and reasonable fines or other penalties in proportion to actual damages incurred by Young Living and as permitted by law
- Termination of the Agreement and your status as a brand partner
- Reassign all or part of the brand partner's organization
- Any other measure expressly allowed within any provision of the Agreement or which Young Living deems practicable to implement and appropriate to equitably resolve injuries caused partially or exclusively by a brand partner's policy violation of contractual breach

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

### 13.4 APPEALS OF DISCIPLINARY ACTIONS

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



## INACTIVITY, REACTIVATION, AND CANCELLATION

### 14.1 INACTIVITY

If you do not meet the personal volume (PV) requirement in any particular month, you will not receive commissions or bonuses for the sales generated through the team organization. If you do not purchase a minimum of 50 accumulative PV for a period of 12 consecutive months, your account will be deemed inactive, and your existing 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 Member Services and purchasing 100 PV in product or by purchasing a Starter Bundle or other enrollment bundle.

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 account is involuntarily canceled 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, the membership of any brand partner who (i) breaches any provision of the Brand Partner Agreement, the Membership Application, or these Policies and Procedures; (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 guideline. Young Living may also, upon notice, terminate the membership of any brand partner who, through his or her capacity as a brand partner, files any legal action proceeding or induces or facilitates any government agency to file any action against Young Living, which Young Living considers, within its sole discretion, to be without legal foundation or basis in fact. Young Living may also terminate a sales organization at any time and for any reason upon a 30-day written notice.

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

If your sales organization is terminated, you may reapply to become a brand partner 12 calendar months from the date of termination. To reapply, you must submit a letter to the Young Living Member Conduct and Education Department (to [conduct.my@youngliving.com](mailto:conduct.my@youngliving.com)) 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 to permit your request.

### 14.4 VOLUNTARY CANCELLATION

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

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

### 14.5 Effects of Cancellation

Upon cancellation or termination, you release all rights to your brand partner benefits, including the team and all future commissions and bonuses resulting from the team sales production. Upon termination, 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.

## 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, global pandemics, death, curtailment or interruption of a source of supply, government decrees or orders, etc.

### 15.2 Partial Validity

If any provision of the Agreement, in its current form or as it may be amended, is found to be invalid or unenforceable for any reason, only the invalid portion(s) of the provision will be severed. The remaining terms and conditions will remain in full force and effect and will be construed as if such invalid or unenforceable provision never comprised a part of the Agreement. The Agreement will be interpreted by Young Living in the best furtherance of Young Living's business interests.

### 15.3 Waiver

Young Living never forfeits its right to require compliance with the Agreement or with applicable laws and regulations governing business conduct. While Young Living attempts to enforce the Agreement uniformly, failure to enforce any provision of the Agreement against you does not waive Young Living's right to enforce that or other provisions. Only in rare circumstances will a policy be waived, and an 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

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

### 15.5 ENTIRE AGREEMENT

The Agreement, which may be amended from time to time, constitutes the entire agreement between you and Young Living and supersedes all prior agreements, and no other promises, representations, guarantees, or agreements of any kind will be valid unless in writing and signed by both parties. Only an instrument in writing signed by all parties may modify this Agreement unless otherwise provided for in this Agreement. An electronic copy of the Agreement will be treated as an original in all respects.



## Notes

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Dutch-Speaking Association of Malaysia

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