Young Living Sales Compensation Plan Philippines



Effective March 1, 2024

I. This Sales Compensation Plan is specifically designed and focused to pay sales commissions to Young Living Brand Partners based upon their Young Living product sales and the product sales of the Brand Partners in their Business Organization.

II. Fast Start sales compensation is paid to the Brand Partner Enroller based upon the product point of sale and upon the particular Young Living sales compensation plan in effect in the market where the product was purchased and not based upon the residence of the Brand Partner Enroller. All other sales commission bonuses are paid based upon the Brand Partner qualification in their home market and the sales compensation plan in effect in the market residence of the Brand Partner.

III. Any Brand Partner in good standing can earn the 50% Fast Start Bonus commissions on the product sales PV of any personally enrolled Brand Partner during their first calendar month.

IV. Young Living products are not sold in retail stores, and only authorized Brand Partners in good standing may sell the products either directly from their own stock or indirectly through the Young Living online shopping cart at <u>Youngliving.com</u>.

V. Without any requirement or obligation, Brand Partners may elect to order their products through a subscription program, which has some additional benefits/discounts when they agree to a monthly subscription order of their chosen products in the Essential Rewards Program, which subscription they may easily cancel at any time. Participation in the Essential Rewards Program is not required to earn any income through the Sales Compensation Plan.

VI. This Sales Compensation Plan is incorporated within the Brand Partner Agreement (the "Agreement") along with the Young Living Policies and Procedures, Young Living Website Terms of Service, and Young Living Privacy Policy, which Agreement governs the contractual relationship and obligations of each Brand Partner and Young Living to support legal compliance in Philippines.

VII. Brand Partners may not personally purchase nor encourage others to purchase more Young Living products than each purchaser can personally consume and/or sell to their personal retail customers each month, and each Brand Partner agrees that they may not place new orders in a calendar month unless 70% of all prior orders from previous months have been sold and/or consumed.

VIII. Young Living Brand Partners must provide a clear and conspicuous disclaimer describing the typical outcome for that audience as follows: "Most Brand Partners only earn <u>modest</u> supplemental income. A Brand Partner's income and earnings will depend on their individual diligence, work effort and market conditions. Young Living does not guarantee any earnings, income, or rank success".

Sales Compensation Plan Highlights

This Young Living Sales Compensation Plan is designed to allow Brand Partners to earn sales commissions/ compensation in the following multiple and cumulative ways:

1. Retail Sales Earnings: (See page 5 for complete details)

Obtained when a Brand Partner sells product from their personal stock to their personal retail customers at their chosen price.

2. Fast Start Bonus: (See page 5 for complete details)

Up to 50% of the Product Value (PV) is earned when a Brand Partner enrolls a new Brand Partner who purchases qualified products in their first calendar month and up to 25% of the PV of qualified products of their newly enrolled Brand Partner in the second and third months.

3. Starter Kit Bonus: (see page 6 for complete details)

Earn a one-time \$25 cash bonus when your new, personally enrolled brand partner orders a Premium Experience Set.

4. Unilevel Commissions: (See page 6 for complete details)

The percentage paid on the first five levels of a Brand Partner's Business Organization: 8% at Level one, 5% at Level two, and 4% for each Level three through five.

5. Generation Commissions: (See page 7 for complete details)

Based on a Brand Partner's monthly rank of Silver or higher, a commission of up to 3% is paid on the Organizational Group Volume (OGV) of each Silver or higher in the Brand Partner's Business Organization, down to the next Silver or higher-ranked Brand Partner, down to eight generations.

6. Generation Leadership Bonus: (See page 7-9 for complete details)

6.25% of the total Young Living Commissionable Volume, excluding reduced volume from the Fast Start Bonus, from global sales is divided into shares and paid monthly to Qualified Brand Partners who achieve the sales leadership ranks of Silver through Royal Crown Diamond.

7. Diamond Leadership Bonus: (See page 10 for complete details)

0.5% of the total Young Living Commissionable Volume, excluding reduced volume from the Fast Start Bonus, from global sales is divided into shares and paid monthly to Qualified Brand Partners in the sales leadership ranks of Diamond, Crown Diamond, and Royal Crown Diamond.

SALES COMPENSATION PLAN DETAILS

Definition of Terms:

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

Business Organization: A Brand Partner's collectively sponsored Brand Partners.

Commission Period: The period beginning at 12 midnight, Mountain Time Zone (MT), on the first day of a calendar month and ending at 11:59 p.m., MT, on the last day of a calendar month. Only orders received within a Commission Period will be considered in calculating commissions for that period. All Brand Partner sales volume amounts and qualifications reset at the beginning of each Commission Period.

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

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

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

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

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

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

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

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

Organization Group Volume (OGV): The collective PV of Brand Partners in a particular Brand Partner's Business Organization.

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

PV (Product Value): Most Young Living products are assigned PV, which is an attributed point value that is not necessarily equal to any currency amount. A Brand Partner's PV is the total amount of product value points purchased from a Brand Partner's personal purchases. The ranks of Associate and higher have a monthly rank and commission requirement for Brand Partners to personally purchase 100 PV.

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

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

Sponsor: The Brand Partner one Level above a Brand Partner. A Sponsoring Brand Partner may also be the Enroller for any new Brand Partner.

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

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

Rank Qualification Definitions

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

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

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

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

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

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

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

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

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

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

SALES COMPENSATION PLAN DETAILED EXPLANATION

1. RETAIL SALES EARNINGS

Obtained when a Brand Partner sells product from their personal stock to their personal retail customers at their chosen price. As a guideline the chosen price is based on minimum retail selling price - determined by wholesale/member price plus 10%.

2. FAST START BONUS

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

The first month of the Fast Start Bonus period pays 50% of the PV of the products purchased by the newly enrolled Brand Partners to the Enrolling Brand Partner, regardless of rank or qualification.

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

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

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

3. STARTER KIT BONUS:

Earn a one-time \$25 cash bonus when your new, personally enrolled brand partner orders a Premium Experience Set. Brand partners must purchase a Premium Experience in the same month as enrolled to qualify. A Brand Partner must have a valid TIN (Tax Identification Number) in order to receive this and all other bonuses.

4. UNILEVEL COMMISSIONS

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

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

5. GENERATION COMMISSIONS

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

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

6. GENERATION LEADERSHIP BONUS (GLB)

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

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

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

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

GENERATION LEADERSHIP BONUS SHARES GRAPHIC

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

Continued

GENERATION LEADERSHIP BONUS SHARES PER RANK IN EACH GENERATION							
Personal Shares	1	2	3	4	5	6	
Plus Generation 2	Silver-1	Gold-2 Silver-1	Platinum-3 Gold-2 Silver-1	Diamond-4 Platinum-3 Gold-2 Silver-1	Crown Diamond-5 Diamond-4 Platinum-3 Gold-2 Silver-1	Royal Crown Diamond-6 Crown Diamond-5 Diamond-4 Platinum-3 Gold-2 Silver-1	
Plus Generation 3	Silver-1	Gold-2 Silver-1	Platinum-3 Gold-2 Silver-1	Diamond-4 Platinum-3 Gold-2 Silver-1	Crown Diamond-5 Diamond-4 Platinum-3 Gold-2 Silver-1	Royal Crown Diamond-6 Crown Diamond-5 Diamond-4 Platinum-3 Gold-2 Silver-1	
Plus Generation 4		Gold-2 Silver-1	Platinum-3 Gold-2 Silver-1	Diamond-4 Platinum-3 Gold-2 Silver-1	Crown Diamond-5 Diamond-4 Platinum-3 Gold-2 Silver-1	Royal Crown Diamond-6 Crown Diamond-5 Diamond-4 Platinum-3 Gold-2 Silver-1	
Plus Generation 5			Platinum-3 Gold-2 Silver-1	Diamond-4 Platinum-3 Gold-2 Silver-1	Crown Diamond-5 Diamond-4 Platinum-3 Gold-2 Silver-1	Royal Crown Diamond-6 Crown Diamond-5 Diamond-4 Platinum-3 Gold-2 Silver-1	
Plus Generation 6				Diamond-4 Platinum-3 Gold-2 Silver-1	Crown Diamond-5 Diamond-4 Platinum-3 Gold-2 Silver-1	Royal Crown Diamond-6 Crown Diamond-5 Diamond-4 Platinum-3 Gold-2 Silver-1	
Plus Generation 7					Crown Diamond-5 Diamond-4 Platinum-3 Gold-2 Silver-1	Royal Crown Diamond-6 Crown Diamond-5 Diamond-4 Platinum-3 Gold-2 Silver-1	
Plus Generation 8						Royal Crown Diamond-6 Crown Diamond-5 Diamond-4 Platinum-3 Gold-2 Silver-1	

The Brand Partner sales earnings disclosed are potential gross earnings and not net of other business expenses and not necessarily representative of the actual income, if any, that a Brand Partner can or will earn through the Young Living Sales Compensation Plan. A Brand Partner's earnings will depend on individual diligence, work effort, sales skill, and market conditions. Young Living does not guarantee any income or rank success.

7. DIAMOND LEADERSHIP BONUS (DLB)

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

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

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

- Attend at least one complete session of the annual convention, OR
- Attend a full week at one of our annual winter or spring harvests AND the full Diamond

Retreat Earned DLB Shares are allocated as follows:

- Diamond rank earns: one share
- Crown Diamond rank earns: two shares
- Royal Crown Diamond rank earns: three shares

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