



U.S. POLICIES AND PROCEDURES

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1. INTRODUCTION

1.1 PURPOSE

This U.S. Policies and Procedures document outlines policies and procedures for Young Living members (or simply "member") and Professional Account customers. The purpose of this document is:

- To set standards of acceptable business behavior expected of you
- To define your relationship with Young Living
- To assist you in building and protecting your business

1.2 TERMS

In this document Young Living Essential Oils, LC is referred to as "Young Living." You, the individual entering the Agreement (as defined below), are referred to as "you." A member's personal member account along with the downline that they build is referred to as their "business organization."

Other terms used in this document are sponsor, enroller, customers, and Professional Account customers. The term "sponsor" refers to a member's immediate upline member. A member account is referred to as being "active" if the member purchased product within the previous 12 months and is "inactive" if they did not. The term "enroller" is the member who enrolls a new member into Young Living. An individual can be enrolled only once in 12 months. "Customers," including retail customers, are individuals who are not members or Professional Account customers and who can purchase product directly from Young Living for personal consumption but are not authorized to enroll members, earn commissions under the Compensation Plan, or resell Young Living's products. A customer may become a member at any time by meeting the requirements of the Become a Member section below. "Professional Account customers" operate a business that uses or sells Young Living products in a retail establishment focused on nutrition, wellness, or healthy living. Examples of Professional Account customers include, but are not limited to, colleges, hospitals, hotels, spas, gyms, dental and doctor offices, day care facilities, massage schools, nursing homes, long-term care facilities, pharmacies, health care providers, and nutrition stores. Professional Account customers purchase product from Young Living at a discounted price and a reduced product volume (PV). If a Professional Account customer is sponsored by a member, that account will be placed in that sponsor's frontline. Professional Account customers cannot enroll members, earn commissions under the Compensation Plan, or participate in the Essential Rewards autoship program.

1.3 DOCUMENTS INCORPORATED INTO THE AGREEMENT

Throughout these U.S. Policies and Procedures, whenever the term "Agreement" is used, it refers collectively to the Young Living Member Agreement (or simply "Member Agreement"), these U.S. 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 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 U.S. members 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.

This privacy policy will provide information about how we process your information, with whom we share that information (if at all), and how to contact us if you have questions. To view your state-specific privacy notice, please [click here](#). By accessing or using any part of the Young Living sites or services, you agree to the collection and use of your personal information according to the terms set forth in this privacy policy.

1.4 AMENDMENTS/ACCEPTANCE

Young Living may amend the terms and conditions of the Agreement from time to time. The changes will become effective 30 days after first published by Young Living through official Young Living publications distributed to all active members (e.g., eNews), 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 Member Agreement, you agree to abide by all amendments or modifications that Young Living elects to make to the Agreement. If a member is not willing to accept any amendments or modifications, the member may voluntarily terminate his or her 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 member 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 termination of the Agreement.

CODE OF ETHICS

- You will follow the highest standards of honesty, professionalism, and integrity while operating under the Agreement.
- You will not engage in activities that may cause losses to Young Living or another member.
- You will respect the privacy of both your upline and downline members and customers.
- You will abide by all rules, regulations, laws, and ordinances that are applicable to the operation of your business organization as an independent member.

2. BECOMING A MEMBER OR PROFESSIONAL ACCOUNT CUSTOMER

2.1 REQUIREMENTS TO BECOME A MEMBER

To become a member, you must meet the following requirements:

- Read, complete, sign, and submit a Member Agreement to Young Living within 30 days of your enrollment.
- If you are an individual, be at least 18 years old.
- An individual as young as 16 years old (a "minor") may become a member upon the following conditions: The minor's parent or guardian must sign the Member Agreement and agree to take full responsibility for the minor member's account along with the minor. The minor will be required to operate the account using a unique form of payment for purchases on the member account (separate from the parent or guardian.) The minor must also re-sign the Member Agreement when the minor turns 18 years old. Failure to re-sign within three months of his or her 18th birthday may result in a hold being placed on the minor's account. A minor's account must be approved by the Member Conduct and Success team prior to becoming active.
- If you are a business entity, provide a Federal Tax Identification Number (TIN) or Employer Identification Number (EIN).
- Purchase a Young Living Basic Starter Kit.
- A Social Security Number is not required to enroll as a member. However, a Social Security Number may be required later for income tax purposes, as outlined in section 3.11.1.

Young Living may reject your Member Agreement for any reason to the extent permitted by law.

You can submit your Member Agreement through mail, fax, or the Young Living website (YoungLiving.com). When enrolling by mail, fax, or over the phone, your application and Member Agreement must be received within 30 days of your enrollment for you to receive member benefits. If the Member Agreement is not received within 30 days, your member account will be placed on hold until the agreement is received.

2.2 REQUIREMENTS TO BECOME A PROFESSIONAL ACCOUNT CUSTOMER

To become a Young Living Professional Account customer in the U.S., you must meet the following requirements:

- Provide a Federal Tax Identification Number (TIN), Employer Identification Number (EIN), or valid Social Security Number (SSN).

- Read and agree to the U.S. Policies and Procedures and the Young Living Privacy Policy.
- Complete, sign, and submit a Professional Account Agreement and Professional Account Application to Young Living.

If the application does not meet each of these requirements, it will be rejected.

A member may convert his or her member account to a Professional Account customer account by applying to become a Professional Account customer and by transferring any existing business organization or allowing that downline organization to roll up. No changes of sponsorship can take place when converting from a member to a Professional Account customer. Please contact professional@youngliving.com for an application package or for additional information. Professional Account customers do not need to agree to or sign the U.S. Member Agreement. Young Living may reject your Professional Account Application for any reason to the extent permitted by law.

Sales tax exemption is not automatic with Professional Account approval and is not available in all states. The applicant will need to provide extra documentation to be approved for this status. Young Living reserves the right to approve or deny any requests for tax exemption based on our compliance to the laws and regulations of the applicant's state revenue department. Applications for tax exempt status can be requested from professional@youngliving.com.

The following provisions of these Policies and Procedures do not apply to Professional Account customers: 3.6 (Sale, Transfer, or Assignment), 3.7 (Inheritance & Succession), 3.8 (Separation of a Young Living Business), 3.11.2 (Non-Competition), 4.1-4.2 (Sponsor's Responsibilities), 7 (Commissions and Bonuses), 8.2 (Essential Rewards & Subscription Programs), and 10.3 (Commission Check Release Form).

3. OPERATING YOUR BUSINESS

3.1 INDEPENDENT CONTRACTOR STATUS

You are an independent sales contractor and are not a purchaser of a franchise or business opportunity. The Agreement between you and Young Living does not create an employer/employee relationship, agency, partnership, or joint venture. You will not be treated as an employee for your services or for federal or state tax purposes. You are responsible for paying local, state, and federal taxes due from all compensation earned as a member. You have no authority (expressed or implied) to bind Young Living to any obligation.

Young Living's primary business is in the formulation, testing, and production of Young Living's products. Members' primary business is to sell, promote, and market products to consumers. Members 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 members sell Young Living products, recruit downline members, or operate their business, provided that members comply with the Agreement. Members are responsible for determining how, when, and where they will operate their business. Members may engage helpers or assistants without seeking approval from Young Living, but any member 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 member who engaged such person. Members have the potential of earning income as outlined in the Compensation Plan.

3.2 MULTIPLE ACCOUNTS

To ensure compliance with federal and state laws and regulations, a member may have a legal or equitable interest in only one member account, unless otherwise permitted in this section. If Young Living finds that you have an unpermitted interest in multiple accounts, it will terminate the latter-created account(s).

You may have a beneficial interest in more than one member account if you receive an interest in another account as an inheritance (either through a direct inheritance or as a beneficiary of a trust) from another member, you notify Young Living of the inheritance in writing (as specified in section 3.7), and Young Living approves of the transfer in writing.

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 federal and state 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 federal and state laws and regulations, a joint business organization will be treated as a joint tenancy with rights of survivorship. If you are a minor who is at least 16 years of age or older, you must submit a hard copy Member Agreement signed by you and by your parent or legal guardian. Your parent or legal guardian is required to supervise your activities. If your parent or legal guardian is a member, then your parent or legal guardian must be your sponsor.

If a member has an ownership or financial interest in a Professional Account in addition to his or her member account, the Professional Account will be in the same leg with the member's account on the member's front line.

If multiple members have an interest in a Professional Account, the Professional Account must be assigned as a sister account to one and only one of the member's accounts. Members and Professional Account customers are responsible to inform Young Living if they have an interest in both a member account and a Professional Account, and members and Professional Account customers are required to obtain written approval from Young Living's Conduct Success team to hold an interest in both a member account and a Professional Account. Failure to do so may result in termination of your Member Agreement(s).

3.3 ACTIONS OF HOUSEHOLD MEMBERS 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 members, retail customers, and Professional Account customers that are entities (corporations, tax exempt entities, trusts, etc.) rather than individuals, "immediate household" means the shareholders, owners, directors, officers, members, 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, members, 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 member 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.

3.4 ACTIONS OF UPLINE MEMBERS

If you encourage, aid, or support another member 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.

3.5 CORPORATIONS, PARTNERSHIPS, LIMITED LIABILITY COMPANIES, AND TRUSTS

A partnership, corporation, limited liability company, or trust may become a member by submitting to Young Living a partnership agreement, certificate of incorporation, articles/certificate of organization, or trust agreement along with a copy of the state registration form for the entity or a certificate of good standing for the entity issued by the state of incorporation or organization. The registration form or certificate of good standing must indicate the names of all shareholders, officers, members, managers, partners, or trustees of the entity ("affiliated parties") or have such included with the submission to Young Living. The member must certify in writing that no participant within the entity has an interest in another member account. A member 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 member's change of business names, formation of partnerships, corporations, and trusts for tax, estate planning, and limited liability purposes. In addition, by submitting a copy of the certificate of partnership or incorporation or other substantiating documentation for the entity, the new business entity applying to become a member is certifying that no person with an interest in the new business entity has had an interest in another business organization within six months of the submission of the certificate (unless it is the continuation of an existing business organization that is changing its form of doing business).

3.6 SALE, TRANSFER, OR ASSIGNMENT

A member may sell, transfer, or assign (collectively "transfer") the Agreement, including the member's business organization, by submitting a request to Young Living along with a \$50 processing fee. For a member's requests to be granted, the following criteria must be met:

- A transferring member 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). 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 the former downline sales organization.
- The receiving party must be (or must become) a member in good standing.
- If the receiving member has an existing business organization, he or she must first transfer rights under the business organizations or have a transfer in place and approved by Young Living before accepting the new Agreement.
- No changes in the transferring member'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 member and the receiving member must each follow all the terms of the Agreement.

As a receiving member of a pre-existing Agreement, the receiving member may be responsible for violations of the Agreement made by the transferring member in connection with the Agreement. Young Living may take action against a receiving member for violations of the Agreement by the transferring member in accordance with section 13.3.

3.7 INHERITANCE & SUCCESSION

Upon a member's death or incapacitation, his or her business organization will pass to the member's legal heir(s) or legal representative(s) who provide (to conduct@youngliving.com) Young Living with proof of the member's death or incapacitation, appropriate legal documentation, a signed Agreement, and a W-9 form.

3.8 SEPARATION OF A YOUNG LIVING MEMBER BUSINESS

You may, with others, operate a single business organization as a marriage 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.

To ensure compliance with federal and state 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 Member Agreement and W-9 form are required from the person remaining on the account.
- The parties may continue to operate the business organization jointly on a "business as usual" basis, whereupon all compensation paid by Young Living will be paid in the joint names of the members or in the name of the entity to be divided, as the parties may independently agree among themselves.
- The parties may operate the business pursuant to a court order involving parties.
- If one of these requirements is not met, Young Living will maintain the status quo as to how commissions are paid.

Young Living will not divide your business 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 Agreement and will issue only one commission check per commission cycle. Commission checks will always be issued to the same individual or entity, unless all parties to an Agreement 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 Member Agreement, you are free to enroll as a new member under any sponsor of your choosing. However, in such case you will have no rights to any members or customers under the former Agreement. In that instance, you must develop the new business in the same manner as would any other new member.

3.9 ROLL UP

When a vacancy occurs in a member organization due to the inactivity or termination of a member's Agreement, each member in the first level immediately below the terminated member on the date of the termination will "roll up," which means to move to the first level ("front line") of the terminated member's sponsor.

3.10 TAXES

3.10.1 INCOME TAXES

You are responsible for complying with the tax laws in the jurisdiction where you reside. In the United States, you are responsible for paying all local, state, and federal income taxes on any earnings generated through your business organization. If you do not submit a valid Social Security Number (SSN), Federal Tax Identification Number (TIN), Employer Identification Number (EIN), or Individual Taxpayer Identification Number (ITIN) Young Living, as required by law, will withhold the legally required income tax from your commission check for backup withholdings until you provide Young Living with one. Any fines or penalties incurred by Young Living because of an incorrect SSN, TIN, or name will be your responsibility, and you agree to reimburse Young Living for these costs. Every year Young Living will provide an IRS Form 1099 MISC (Non-Employee Compensation) earnings statement to you if you are a U.S. resident who falls into one of the following categories:

- Had earnings over \$600 in the previous calendar year
- Made purchases during the previous tax year (January to December) in excess of \$5,000

Customers are not required to provide any tax information. Changes to a SSN, TIN, EIN, or ITIN must be received via a completed W-9 form. The name and TIN on a member's account must match IRS records. These forms must match the signature of the owner on the account. For tax reporting purposes, changes to these numbers will result in issuance of an additional 1099 in the same tax year. No previous 1099s may be reissued under the new SSN or TIN. Earnings made before the change will be reported on the original TIN. Earnings after any change will be recorded on the new TIN. When a business organization is owned by two or more individuals, taxes will be reported on the primary member's tax number.

3.10.2 SALES TAXES

Young Living is required to collect and remit sales taxes on your behalf based on the published retail price of the product and according to tax rates of the state or country in the "ship to" address on any given order. Moreover, Young Living may be required by other countries to collect value added taxes, goods and service tax, harmonized sales tax, provincial sales tax, customs fees, or duties. You will be required to cover these additional fees.

If you have a physical business location within the United States where you are retailing product, as outlined in section 5.11, you can apply for sales tax exemption. Members may review the member sales tax exemption information located on the Member Resource page of the Virtual Office for specific instructions and documentation on how to apply for this exemption. Professional Account customers should contact professional@YoungLiving.com for these instructions and documents. Young Living reserves the right to verify the validity of any documents and evidence that you submit in applying for this exemption. If you are approved for sales tax exemption, you will be solely responsible for collecting and remitting sales taxes to the appropriate jurisdictional authorities. Any questions concerning retail sales tax requirements should be directed to your tax advisor.

3.11 INNAPROPRIATE BUSINESS PRACTICES

3.11.1 NON-SOLICITATION

Young Living and its members have made a large investment in the building their businesses. You benefit from those efforts. Young Living reserves the right to terminate a member's Agreement, if that member recruits any customers, Professional Account customers, or members (collectively "Young Living individuals") to participate in a competing business venture. A "competing business venture" means any business venture offering a similar or alternative products or services to those offered by Young Living. To protect the efforts of all members in building and maintaining their business organizations and customer bases, and in order to protect Young Living's interest and investment in its brand, members 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 12 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 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 12 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 Utah 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 member who 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 members 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 the integrity of members' 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 business 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 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 tweet, post, text, brochure, other printed marketing material, signage, electronic, or other communication.
- You may not offer Young Living programs, opportunities, products, or services to prospective or existing customers or members in conjunction with any non-Young Living programs, opportunities, products, or services.
- You may not offer any non-Young Living programs, opportunities, products, or services at any Young Living-related meeting, seminar, convention, webinar, teleconference, or other event.

Notwithstanding the foregoing, during the term of the Agreement and for a period of six months after the termination by either party for any reason of the Agreement, you agree not to directly or indirectly serve in any capacity as a member, representative, consultant, employee, agent, officer, director, shareholder, partner, 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 that you (or your business organization) serviced or within which you (or your business organization) physically worked during the term of this Agreement.

Reaching the rank of Diamond and above is very prestigious and requires a significant time commitment to Young Living. Additionally, members 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 months after, once you have achieved the rank of Diamond or above, you will not directly or indirectly serve as a consultant, employee, agent, partner, seller, distributor, or owner of or with any other multilevel 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 that you (or your business organization) serviced or within which you (or your business organization) physically worked during the term of this Agreement. Diamond-ranking members may, however, purchase products from other multilevel 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, customer base, member network, confidential information, and trade secret information. You further acknowledge that any breach of your non-solicitation, non-competition, and confidentiality obligations of the Agreement will cause immediate and irreparable harm to Young Living for which monetary damages and other legal remedies could not adequately compensate. You further acknowledge that the non-solicitation, non-competition, and confidentiality of the Agreement are reasonable and necessary to protect, maintain, and preserve the legitimate business interests of Young Living and other members and restrict your conduct only to the extent necessary to protect, maintain, and preserve such business interests. You further warrant that you understand the legal and other consequences of entering into the non-solicitation, non-competition, and confidentiality covenants and agreements contained in the Agreement and that the enforcement of these provisions will cause no undue hardship to you. You agree that the restrictions herein will not prevent you from working or otherwise earning a living. If any restriction contained in the non-solicitation, non-competition, and confidentiality sections of the Agreement is deemed to be unenforceable by a court of competent jurisdiction, you agree that such court will modify and enforce such restrictions to the extent it believes to be reasonable under the circumstances existing at that time.

3.11.3 TARGETING OTHER DIRECT SELLERS

Young Living does not condone members specifically or consciously targeting the sales force of another direct sales company to sell Young Living products or to become members for Young Living. Nor does Young Living condone the solicitation or enticement of members of the sales force of another direct sales company to violate the terms of their contract with such other company. Should you engage in such activity, you bear the risk of being sued by the other direct sales company. If any lawsuit, arbitration, or mediation is brought against you alleging that you have engaged in inappropriate recruiting activity of its sales force or customers, Young Living will not pay any of your defense costs or legal fees, nor will Young Living indemnify you for any judgment, award, or settlement.

3.11.4 CROSS-LINE RECRUITING

To ensure compliance with federal and state laws and regulations, actual or attempted cross-line recruiting or sponsoring is strictly prohibited and will not be tolerated. "Cross-line recruiting" is defined as (a) the enrollment, indirect or otherwise, of an individual or entity that already has a current membership with Young Living or who has had an Agreement within the preceding six calendar months within a different line of sponsorship; (b) training current members 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, Federal 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 members from violating certain federal and state laws and regulations prohibiting such activity.

3.11.5 BONUS BUYING AND STACKING

To ensure compliance with federal and state laws and regulations, the following activities are strictly and absolutely prohibited and may result in the termination of your Agreement:

- Enrolling members without their knowledge
- Signing the Agreement for another person or entity without their knowledge
- Fraudulently enrolling another person or entity as a member, Professional Account customer, or customer
- Enrolling fake individuals or entities as members, Professional Account customer, or customers
- Providing financial assistance to members, buying products, or drop shipping through another's account for the purpose of increasing the payout of your business organization
- Purchasing more product than you 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, 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 members only in countries in which Young Living is authorized to conduct business, as listed in official Young Living literature, and only when following the Policies and Procedures of those countries. Unauthorized premarket opening activity may jeopardize Young Living's ability to enter a new market and may result in loss of opportunity for many other members. Because of the severe possible consequences, Young Living may terminate its Agreement with members who engage in unauthorized premarket opening activity. You are not authorized to register product, trade names, trademarks, patents, web domains, or IP addresses in any country for or

on behalf of Young Living. You agree to indemnify Young Living for any such activity of yours that damages Young Living, including, but not limited to, loss of profit, loss of goodwill, any damages, and reasonable attorneys' fees.

If you want to sponsor members in a country officially recognized as open, you must do all the following:

- Be in good standing in the country of residence.
- Read, understand, and agree to follow the Young Living Policies and Procedures in place for that country.
- Agree to follow all applicable laws of that country.
- Agree to any tax withholdings that may be required for that country.

These Policies and Procedures apply only to sales by members in the United States and sales to customers in the United States. If Young Living authorizes you to sell products to customers in another territory, then there may be additional terms and/or another set of Policies and Procedures to which you agree to be bound. You agree not to market or sell Young Living products to others outside the United States. Only products that have been registered for sale in the United States may be promoted and sold in the United States.

Without expanding the foregoing, members may sponsor and/or enroll members globally but only in countries where Young Living is registered with the government to do business. 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. Members may not import products into any country that are not legally importable or saleable. You agree to follow all laws in any country in which you sponsor members, including, but not limited to, all direct selling laws, all solicitation laws, all advertising laws, all claims laws, all tax laws, and any other laws that apply to operating a business organization in a foreign country.

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

3.13 NOT FOR RESALE (NFR) PRODUCTS AND LOCATION WHERE SERVICES ARE PERFORMED

In some countries, members may purchase Young Living products on a not for resale (NFR) basis as customers. If you purchase NFR products, it is against the law for you to resell them.

3.14 ANTI-BRIBERY

You and your agents, employees, or consultants must not pay or give, or offer or promise to pay or give, any money or anything of value to any government official or employee, political party, or candidate for political office (collectively referred to as "government recipient")—or to any person, while knowing or having reason to know that all or a portion of such money or thing of value will be paid or given to, or offered or promised to, directly or indirectly, any government recipient—for purposes of obtaining an unfair advantage or influencing any act or decision of a government recipient or inducing a government recipient to use his, her, or its influence with the government or instrumentality thereof to affect or influence any act or decision of such government or instrumentality, and you will cause your employees, officers, agents, and subconsultants to do likewise.

3.15 REPACKAGING, RELABELING, AND QUALITY CONTROLS

To ensure compliance with federal and state 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 their 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 member uses Young Living products as an ingredient of any product for resale, the member is strictly prohibited from using Young Living trademarks or logos in conjunction with selling such product. Such relabeling or repackaging could result in severe criminal penalties. Young Living may terminate its Member 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 a use of Young Living products as an ingredient and the repackaging or relabeling of any of its products.

3.16 CONFIDENTIALITY AGREEMENT

As a member 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 in behalf of Young Living by members (including, but not limited to, customer and member profiles, personally identifiable information, and product purchase information), member 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 business organization for Young Living business purposes only. In certain instances (for example, with respect to promotional information supplied to high-ranking members in advance of the applicable promotions), you may not share such information within your business organization until the promotion is disclosed to all members 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 members 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 members). 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 3.15, 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 membership.

In the event of 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, damages, and all other available remedies. You further agree that in the event Young Living prevails in any legal action to enforce its rights under this section, Young Living will be entitled to all costs and reasonable attorneys' fees incurred in enforcing its rights under this section.

3.17 AUTHORIZATION TO TRANSFER AND DISCLOSE PERSONAL INFORMATION

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 member. You authorize Young Living to transfer 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 may opt out of this sharing by contacting Member Services at 1-800-371-3515. You also authorize Young Living to disclose your personal contact information to members of your downline.

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

3.18 AUTHORIZATION TO TAKE AND USE YOUR PHOTO OR VIDEO

By becoming a member, 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 it sees 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.

3.19 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. Members are recognized by Young Living in various ways and at various times as they achieve certain ranks. 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 requalify for that rank (or above) again within six months of the last month in which you qualified for that rank. If you fail to requalify 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 requalify for the higher rank for at least one month before you can be recognized at the higher rank again.

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.

3.20 NON-EXCLUSIVITY

Young Living does not grant you or any member or Professional Account customer, 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 Professional Account program, its digital commerce website, and other companies (e.g., a direct sales company in China or an e-commerce platform).

3.21 NON-DISPARAGEMENT

Members must not disparage, slander, or defame Young Living, other members, 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 members must also not be libelous, harassing, abusive, obscene, vulgar, sexually explicit, or inappropriate with respect to race, gender, ethnicity, or other intrinsic characteristics. Violations of this section constitutes a material breach of the Member Agreement and may result in Young Living terminating its Member Agreement with the breaching member.

4. SPONSORING OTHER MEMBERS

4.1 SPONSORING

You have the right to sponsor new individuals as members. The person who initially introduced and referred the member to Young Living is the enroller. Each prospective member has the ultimate right to choose his or her own sponsor. If two members claim to be the sponsor and/or enroller of the same new member or customer, the new member 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 member through the online enrollment process, you may assist the new applicant in filling out the enrollment materials. The applicant must personally review and sign to the online Agreement. You may not fill out the online application and Agreement for the new member.

4.3 PRIVACY

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

- Store hard copies of the private information in a secure location where only you can access it, in a locked cabinet if possible.

- View electronic copies of the private information only on password protected computers, laptops and devices, to which the you have exclusive access.
- 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 portable storage device (memory sticks, external hard drives, etc.).

5. ADVERTISING

5.1 USE OF YOUNG LIVING MATERIALS

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

5.2 MEMBER-DEVELOPED ADVERTISING MATERIALS AND PRODUCTS

If you choose to produce or use advertising materials that were not developed by Young Living, you must clearly identify that the material is from an "Independent Member" or "Independent Distributor" and not Young Living 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. Such material must be produced in a professional and tasteful manner to protect the Young Living brand. Material must not be used that reflects poorly upon Young Living. You agree that Young Living may request the removal or discontinuation of use of member-developed advertising materials and you agree to promptly comply with all such requests.

5.3 ADVERTISING CLAIMS AND REPRESENTATION

5.3.1 PRODUCT CLAIMS

To ensure compliance with federal and state laws and regulations, members are prohibited from making inaccurate and impermissible claims about any Young Living products. You must not make any claim that Young Living products are intended for use in the diagnosis, cure, mitigation, treatment, or prevention of disease, including in a personal testimonial. You must also avoid making any statements and claims that are false or misleading concerning Young Living's products.

5.3.2 INCOME CLAIMS

Federal law prohibits individuals engaged in direct selling or network marketing 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 members have earned. The IDS is a tool that assists members to understand the income opportunity and should be shared in its entirety. Members 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. Any time that you present or discuss the Young Living business opportunity, you MUST provide any prospective members 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 YoungLiving.com/ids.

5.3.3 COMPENSATION PLAN CLAIMS

When presenting or discussing the Compensation Plan, you must provide any prospective member with a copy of the IDS. You must never represent that individuals can be successful without diligently applying themselves over an extended time period. Examples of misrepresentations 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, members, shareholders, managers, employees, and agents, and hold them harmless from any and all liability, including judgments, civil penalties, refunds, attorneys' fees, court costs, or lost business incurred by Young Living from any liability arising from or related to your actions in the promotion and operation of your business organization. This provision will survive the termination of the Agreement.

5.4 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 membership, 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 members), 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 10 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.

5.5 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 Young Living trademarks or any derivative thereof. Nor may you incorporate or attempt to incorporate any Young Living trademarks or any derivative thereof into any email address. In accordance with this policy, all existing member-owned domain names that violate this provision will be expected to be brought into conformance within three months of notification of a violation by Young Living. In limited circumstances, an infringing domain name or email address registration may be allowed to exist upon the signing of an annual trademark license agreement with Young Living, which will also carry a license fee. Such license agreements may be offered by Young Living at any time, and those members with nonconforming domain name registrations who do not make such an agreement with Young Living will be expected to transfer those registrations to Young Living within the three-month time period noted above.

5.6 INTERNET POLICY

Many members and Professional Account customers will use the internet to promote their businesses using websites, blogs, and social media. To ensure compliance with federal and state laws and regulations, any website or online application used to promote Young Living, Young Living products, or Young Living events must display a current Young Living Independent Member logo in a prominent location so that visitors to the sites are not given the impression that it is an official Young Living site. Additionally, any website or online application used to promote a member or Professional Account customer's business must include the member's member number or the Professional Account customer's Professional Account number.

To ensure compliance with federal and state laws and regulations, any use of the internet to promote a member's or Professional Account customer's business may include current product descriptions, photographs, videos, and other media made available to members and Professional Account customers by Young Living (e.g., through the official Young Living website, the Virtual Office, or the Young Living Flickr® account). However, these sites may not (a) use Young Living's trade dress; (b) make any improper product, income, or Compensation Plan claims; (c) contain false or misleading information; (d) collect, store, process, or transmit member or customer confidential information; (e) use old or outdated product descriptions, photographs, videos, and other media, or (f) have the appearance that it is operated by Young Living or any third party (meaning anyone other than the member or the Professional Account customer).

When using social media, members and Professional Account customers may not use as their username, account name, or other identifier (collectively "username") any of Young Living's trade names, company names, or any other name that may be confused with Young Living Essential Oils or suggest Young Living's sponsorship thereof. Usernames may, however, include the name "Young Living," if they also include "Independent Member" or a similar identifier that effectively distinguishes it from a Young Living account.

Further, to ensure compliance with federal and state laws and regulations, members and Professional Account customers 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 member or Professional Account customer in his or her 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 member or Professional Account customer 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 member's or Professional Account holder's number to onlinesales@youngliving.com.
- Such site must display the member or Professional Account number, as well as the Independent Distributor logo or Professional Account logo, as applicable.
- Such site must have a mechanism for receiving customer feedback and the member or Professional Account will (a) use all reasonable efforts to address all customer feedback and inquiries received in a timely manner; (b) provide copies of any information related to customer feedback (including any responses to customers) to Young Living upon request; and (c) cooperate with Young Living in the investigation of any negative online review associated with the sale by the member or Professional Account 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 member or customer confidential information, provided that the site complies with all applicable privacy, accessibility, and data security laws; regulations; and industry standards.

Members are responsible to ensure that all those operating any internet site on behalf of the member or Professional Account comply with all the requirements addressed throughout this section and the remainder of the Policies and Procedures.

To ensure compliance with federal and state laws and regulations, any website or online application that is used by a member or Professional Account customer to promote the member's or Professional Account customer'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 member or Professional Account 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 member's or Professional Account's promotions of Young Living on the internet. Young Living may terminate a member's or Professional Account customer's Agreement for violations of this section.

5.7 INTERNET CLASSIFIED AD SITES, AUCTION SITES, SHOPPING SITES, OR ORDER FULFILLMENT STORES RESTRICTED

Notwithstanding the foregoing in section 5.6, in order to protect integrity and image of Young Living's brand and to protect the businesses that Young Living members are building, members and Professional Accounts may not sell or promote, in any fashion, Young Living products on any internet classified ad site (e.g., Craigslist), marketplace (e.g., Facebook® marketplace, Walmart® marketplace), auction site, shopping site, or order fulfillment store (e.g., eBay®, Amazon®, OrderDog™.com, Overstock®.com). Further, you may not (a) 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 (b) sell products to a third party that you have 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 to allow exceptions to this section.

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 and 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 5.7 applies only to members and Professional Account customers, 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.

5.8 TELEPHONE AND EMAIL SOLICITATION

To ensure compliance with state and federal laws and regulations and to protect the integrity and image of Young Living's brand, any email messages distributed to solicit for your business must conform to the CAN-SPAM Act and contain appropriate opt-out provisions for the recipient. Failure to opt respondents out of your email may subject you to legal action and Young Living may terminate its Agreement with the violating member. You may not legally opt out for another member in your organization.

For the same reasons as stated above, members may not engage in telemarketing to promote Young Living products or the Young Living opportunity or to solicit potential members. For purposes of this section, telemarketing refers to placing of one or more outbound telephone calls or texts, directly or through a third party, to an individual without that individual's express prior permission or invitation to call.

You agree that you will indemnify Young Living and Young Living's directors, officers, members, shareholders, managers, employees, and agents and hold them harmless from any and all liability, including judgments, civil penalties, refunds, attorneys' fees, court costs, or lost business incurred by Young Living as a result of your telemarketing activities.

5.9 YOUNG LIVING PERSONAL WEBSITES

Young Living offers a personalized website to assist in your marketing efforts. You should contact Member Services at 1-800-371-3515 for more details or log in to your Young Living Virtual Office (YoungLiving.org) for more information. You should be advised that by using a Young Living website, your contact information will become available to the public so that they may contact you with questions. Young Living will not be held responsible for any unintended or adverse consequences of this service.

5.10 COMMERCIAL OUTLETS

Subject to the provisions of section 5.12, you may display Young Living products in commercial outlets that, in Young Living's sole discretion, are not large enough to be considered regional or national chains.

5.11 MINIMUM ADVERTISED PRICE

You acknowledge that you have read the Minimum Advertised Price Policy available at YoungLiving.com/map. Violations of this policy constitute a material breach of the Agreement and may result in Young Living terminating its Agreement with breaching member as outlined in section 13.6.

5.12 TRADE SHOWS AND EXPOSITIONS

Subject to the requirements in this 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 Distributor or Independent Member.

5.13 MEDIA INQUIRIES

Do not attempt to respond to media inquiries regarding Young Living, its products or services, or your business organization. All inquiries by any type of media must be immediately referred to the Young Living Conduct Success team at conduct@youngliving.com. This will ensure that accurate and consistent information reaches the general public and all federal and state laws and regulations are complied with.

6. 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 specifies 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 members, you must provide the purchaser with a sales receipt. The member 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

To ensure compliance with federal and state laws and regulations, members will not themselves make and will not encourage their downline or any other member to make unnecessary product purchases that could result in a large, stagnant inventory. This is called "front-end loading" or "inventory loading" and refers to the purchase of products that are stored, destroyed, or otherwise disposed of without being consumed. Members must consume their products or sell their products to people who will consume them. Members are expressly prohibited from collecting or otherwise storing excessive inventory, as described by this section. If any member is found to be buying to meet qualifications within the Compensation Plan, Young Living may terminate its Agreement with the breaching member.

To ensure compliance with federal and state 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.

7. COMMISSIONS AND BONUSES

7.1 COMMISSIONS AND BONUS CHECKS

To qualify for commission compensation under the Compensation Plan, you must have purchased product within the last 12 months and be in compliance with the Agreement with no holds on your member account. Commissions will be paid in accordance with the Compensation Plan, the current version of which is available through the Virtual Office (YoungLiving.org). If you comply with the terms of the Agreement, Young Living will pay commissions on approximately the 18th of each month for the prior month's sales. Commission amounts under \$25 will not be issued as a check but retained as a credit on account for future product purchases. You may also elect to have commissions paid via direct deposit to a bank account subject to the same rules as above. Direct deposit will be permitted based on policies determined by Young Living. Contact Member Services for more information at 1-800-371-3515.

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.org. If you do not have internet access, you may request that the report be faxed or mailed to you for a small fee.

7.3 ADJUSTMENTS

You agree that adjustments will be made to your commission 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 upline. Any other debt may be offset against commission checks.

In addition, if you fail to properly provide your Social Security Number or Federal Tax Identification Number to Young Living, Young Living will deduct the necessary backup 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 and report any errors or discrepancies to Young Living within 45 days from the date on the check. Errors or discrepancies that are not brought to Young Living's attention within 45 days will be deemed waived.

7.6 COMMISSION AND BONUS CHECKS

Young Living attempts to ensure that checks are sent to the proper address (the address on record with Young Living). If, after 90 days from its issue, a compensation check is not cashed, it will be voided, and the amount credited to your account. If left unused for the applicable required statutory period, the credited amount in your account from the voided check will be submitted to the government in the state of your last known address in accordance with applicable unclaimed property laws.

7.7 REISSUE REQUESTS

There is a \$6 service charge for reissuing a check. This charge will be deducted from the balance owed to the member.

8. ORDERING

8.1 ORDERING METHODS

All members may place orders by telephone, fax, mail, website, live chat, or through any subscription or autoship program available.

8.1.1 PHONE

When ordering, modifying account information, or accessing your account by phone, be prepared to present all information requested on the Young Living order form, including member number and personal identification number (PIN). Live operators are available Monday through Saturday from 5 a.m. to 10 p.m., MT. Hours may be subject to change. For current hours, visit YoungLiving.com and click on the "Contact Us" link. Payments can be made by ACH (U.S. banks only, bank draft), credit card, debit card, or prepaid card.

Live chat operations are available Monday through Sunday from 5 a.m., MT to 10 p.m., MT.

8.1.2 FAX

When ordering by fax, print information legibly on the order form. You must include your member number on the order form along with your contact information. Payments can be made by ACH (U.S. banks only, bank draft) or credit card. Orders may be faxed to 1-866-203-5666. All item requests must come from the current product catalog.

8.1.3 MAIL

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

Young Living
Attn: Order Entry
675 South 500 East, American Fork, UT 84003

Payments may be made by credit card, cashier's check, money order, or personal check (U.S. funds only). Please do not send cash.

8.1.4 YOUNG LIVING WEBSITE

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

8.1.5 LIVE CHAT

Orders may be placed through the Live Chat service available through the Young Living website.

8.2 ESSENTIAL REWARDS & SUBSCRIPTION PROGRAMS

Young Living may offer an autoship or subscription service via its website(s).

It is advised that your autoship order be set up to be processed between the 1st and 22nd of each month. No autoship ordered will be processed after the 24th of the month. The earlier the order, the easier it is to solve any disputes with the payment and/or out-of-stock products. Young Living cannot be held responsible for orders that are not processed due to member payment obligation.

8.3 GENERAL ORDERING POLICIES

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

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

If an item ordered is out of stock or discontinued, Young Living will attempt to contact you by email so that you may select an alternative item, if qualifications are negatively affected. It is your responsibility to verify that the products in your order are available when shipped.

No COD orders will be accepted.

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

8.3.1 BACK ORDERS

Young Living may offer back orders. Back ordered products will be shipped with your next order after the product becomes available. Shipping is charged on all back orders.

8.3.2 MONTH-END ORDER PROCESSING CUTOFF

The month-end order processing cutoff is the last calendar day of the month at 11:59 p.m., MT. Faxed orders must be received by the last day of the month. All mailed-in orders must be post marked by the last day of the month and received within the next three business days of the following month. If not received within the following three business days, the orders will be credited to the following month. All days are considered business days except for Sunday and holidays when the mail is not delivered or when the Young Living office is closed. The fax line and the website are available 7 days a week, 24 hours a day, making it possible to place all orders by the end of the month. Only mail-in orders fall under the three-day business exception.

8.3.3 ORDER ANOMALIES

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

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.

9. SHIPPING

9.1 SHIPPING METHODS AND CHARGES

Domestic orders are generally shipped within two business days (excluding weekends and holidays). A packing slip is included in each shipment. It contains the order number, member number and name, product code, product name, price, and the amount and method of payment. Best practices recommend that members 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. You must not sell any products that are damaged, defective, have broken seals, evidence of tampering or are non-conforming. 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 problem, 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.

10. PAYMENT

10.1 METHODS OF PAYMENT

Young Living accepts the following payment methods:

- Credit cards, debit cards, and prepaid cards—Visa, MasterCard, American Express, and Discover. Using someone else's credit card without their written permission is illegal and may be grounds for termination of your business organization as well as possible legal action.
- ACH check payments—U.S. checking accounts only. The Automatic Clearing House (ACH) program authorizes Young Living to draft against a member's bank account for the order. First-time ACH orders will be held for five days before being shipped.
- Money orders or cashier's checks—U.S. funds (mail-in orders only).
- Personal checks—U.S. funds (mail-in orders only).

10.2 RETURNED CHECKS AND INSUFFICIENT FUNDS

You are responsible to ensure that sufficient funds are available in your account to cover regular orders and autoship orders. If a personal check or ACH check is returned for non-sufficient funds (NSF), you will not be able to place orders using personal checks or ACH checks until the balance is paid with a credit card or a money order. An NSF check 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 check may result in legal action and termination of your business organization. Any uncollected amount may be deducted from commissions.

10.3 COMMISSION CHECK 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 Check Release Form must be received and approved by Young Living before your compensation check can be issued as a credit on account.

11. PRODUCT RETURNS

11.1 RETURN POLICY

Young Living reserves the right to review each return or exchange on a case-by-case basis. Returns will cause promotions, credits, commissions, and bonuses to be adjusted or reversed, both for the person making the return and for any upline members who received compensation on such purchases.

11.1.1 RETURN GUIDELINES

If you are dissatisfied with any Young Living product, you may return:

- Any unopened product within 30 days after shipment for a full refund in the same method of payment of the purchase price and applicable sales tax (less shipping charges).
- Any opened product within 30 days after shipment for a credit on your Young Living account of the purchase price and applicable sales 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 sales 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.

If you (as a member or Professional Account customer) sell product to nonmembers, you are required to provide the same return policy to the nonmember as outlined in this section 11.1. You are also responsible for returning the product to Young Living within 10 days of receiving the return from the nonmember. Young Living will not provide refunds on or accept returns directly from nonmembers. Excessive returns may be deemed an abuse of Young Living's return policy and may result in suspension of your return privileges and/or sales organization. Damaged or incorrect shipments of products will not be subject to fees.

11.1.2 RETURNS OF INVENTORY BY MEMBERS

If you choose to terminate the Agreement, you may return any product inventory or sales aids purchased in the preceding 12 months for a refund if you are unable to sell or use the merchandise. You may return only products and sales aids that are in resalable condition, unless otherwise required by law. Resalable condition is defined as the same unopened condition as it was purchased new. You must return the products to Young Living, prepay the shipping charges, and include a letter explaining that you wish to terminate the Agreement and receive a refund. Upon receipt of the products, you will be reimbursed 90% of the net cost of the original purchase price, less shipping charges. Young Living will deduct from the reimbursement any commissions, bonuses, or other incentives received by you as a result of the product you are returning. If your account is terminated, you have 90 days from the date of termination to make arrangements with Young Living regarding the repurchase of all returnable products. You acknowledge that you will be unable to return products more than 90 days from the date of termination.

11.1.3 PRODUCT KITS AND COLLECTIONS

All Young Living product kits and product collections must be sold as a whole unit. Members are prohibited from selling individual items from product kits and product collections separately and promoting such activity within the member's business organization.

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

11.1.4 RETURN OF PROMOTIONAL PRODUCT(S)

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

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

11.1.5 MONTANA RESIDENTS

Notwithstanding the provisions of this Product Return section, if you are a resident of the State of Montana and you terminate the Member Agreement within 15 days of the date of enrollment, you may return the kit to Young Living for a 100% refund.

11.1.6 LOUISIANA, MASSACHUSETTS AND WYOMING RESIDENTS

If you are a resident of Louisiana, Massachusetts, or Wyoming and you cancel the Agreement, upon receipt of your written request, Young Living will refund 90% of the costs you have incurred to participate in the program during the current year.

11.1.7 PUERTO RICO RESIDENTS

If you are a resident of Puerto Rico you may terminate the Agreement at any time within 90 days from the date of enrollment or at any time upon showing the Young Living's noncompliance with any of the essential obligations of the Agreement or any act or omission by Young Living adversely affecting your interests in the development of the market of the properties or services. Your cancellation must be sent to Young Living in writing and sent via registered mail. If you terminate under these conditions, Young Living will: (a) reacquire the total of the products that you purchased from the company that are in your possession and in good condition at a price of not less than 90% of their original net cost; (b) return to you not less than 90% of the original net cost of any services that you acquired from the company; (c) return 90% of any sum paid by you for the purpose of participating in the business.

11.2 PROCEDURES FOR RETURNS

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

- The customer or member who received it directly from Young Living must return the product(s).
- The product(s) must be returned in its original container.
- The return must have a Return Merchandise Authorization number (RMA), which is included in each order when packaged for shipping. It may also be obtained by calling Member Services at 1-800-371-3515, by emailing custserv@youngliving.com, or by submitting the request via Young Living's Live Chat services. 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 member to trace the shipment. Young Living is not liable for items lost or damaged in transit.
- Volume for exchanges will be counted in the month the exchange transaction was made.
- No refund will be made for subsequent returns of the same product, except when the product is damaged or defective.

Credits will be issued when Young Living has processed the return.

12. MEMBER ACCOUNT MANAGEMENT

12.1 CHANGES TO A MEMBER ACCOUNT

You must immediately notify Young Living of all changes to the information contained on your Member Agreement. You may update your existing information by submitting a written request indicating the changes by email to custserv@youngliving.com, by Live Chat, or by making such changes in the Virtual Office (YoungLiving.org). 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 members, 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 member or current enroller. Sponsor/enroller change requests may be made directly over the phone if within the first five calendar days of registration. After five calendar days, but within 30 days, the request must be submitted in writing via mail, email, fax, or other method or form required by Young Living. Requests submitted via email should be sent to resolutions@youngliving.com. The email or form must come directly from the new member or the new member's enroller and must be sent from the email address on file with Young Living. Requests cannot be submitted by another member, even in the form of a forwarded email.
- Sponsor changes must be made prior to the end of 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 downline member submit a request for a sponsor/enroller change, the downline member's request will always take precedence. Only newly enrolled members and reactivating members 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 upline or family members.
- Under exceptional, extenuating conditions, a member may request a sponsor change after the 30 days of enrollment by completing a Three Active Upline Approved Sponsor Change Request Form and submitting a nonrefundable \$35 processing fee to Young Living via mail at Young Living Essential Oils, LC, Attn: Resolutions, 3125 West Executive Parkway, Lehi, UT 84043; or via email at resolutions@youngliving.com or via fax at 1-801-418-8800. "Three active upline" is defined as the first three members in the member's upline that have generated met the 100 PV actively requirement in the Young Living Compensation Plan for the immediately prior six consecutive months. The nonrefundable \$35 processing fee must be paid either by check or credit card and will not be refunded upon a denial of a sponsor change request. Young Living will not consider a sponsor change until it receives all documentation with the required signatures.
- If one of the upline members does not respond within a period of 60 days, the member may request to be moved under the sponsor of his or her choice. The member must demonstrate that he or she has made a good faith effort to contact all three upline sponsors. The good faith effort will require the member to provide enough evidence to prove he or she has tried for a period of 60 days to contact the upline member via email, certified mail, etc., and the upline member has ignored or has been nonresponsive to the request. The evidence must be submitted to the Conduct Success team at conduct@youngliving.com. If the member cannot provide evidence of a good faith effort, Young Living may deny the request at its sole discretion. If a sponsor change is successful through the three active upline, the member's original organization downline will roll up to the next upline and remain in the original genealogy. If there is a dispute concerning a signature of one or more of the three active upline approval, the Conduct Success team will investigate the approvals, and Young Living may reject the sponsor change request and restore the member to the original sponsor. No enroller changes will be allowed after 30 days of the initial member enrollment. Young Living reserves the right to approve and/or deny all sponsor change requests in its sole discretion.
- If a member is unable to get approval from his or her three active upline, the member 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 member may request a sponsor change by emailing resolutions@youngliving.com and paying a \$35 fee. The new sponsor cannot become the enroller. When a member moves from the original downline to a new downline, the enroller status/bonus becomes null and void.
- A member may request a sponsor change if the member's sponsor has not provided support to the member for over a period of two years and the member has filed a grievance with Young Living that includes the following: (a) the sponsor/upline member does not contact the member over the period of two years; (b) the sponsor/upline member does not respond to requests for help; (c) the sponsor/upline member does not offer support, mentoring, business building information, etc. The member must submit the grievance to conduct@youngliving.com. Young Living will conduct a full investigation into the grievance, and if the grievance appears substantiated, Young Living may allow the sponsor change. The member requesting the change must pay the nonrefundable \$35 processing fee.
- If the member has not placed an order or generated at least 50 cumulative PV for 12 consecutive months, the member account will be dropped for inactivity around the middle of the following month after 12 months of inactivity. The existing downline will roll up to the next upline and remain in the original genealogy. Upon reactivation of an account terminated for inactivity, the member may sign up under a new sponsor and enroller.

Requests cannot be submitted by another member. Young Living will not approve sponsor change requests that it deems to be intended to manipulate payment under the Compensation Plan.

If a member 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

MEMBERS WHO FAIL TO FOLLOW THE PROCEDURES OUTLINED IN THE SPONSOR CHANGE SECTION FOR CHANGING SPONSORS ASSUME THE RISK THAT YOUNG LIVING MAY NOT APPROVE OF SUCH CHANGE. MEMBERS UNDERSTAND AND AGREE THAT TO THE EXTENT PERMITTED BY LAW NEITHER YOUNG LIVING NOR ITS OFFICERS, DIRECTORS, OWNERS, EMPLOYEES, OR AGENTS WILL BE HELD RESPONSIBLE FOR ANY DAMAGES THAT RELATE TO OR ARISE FROM YOUNG LIVING'S DECISION REGARDING THE DISPOSITION OF ANY SPONSORSHIP OF A BUSINESS ORGANIZATION THAT IS IMPLICATED BY NOT FOLLOWING THE PROCEDURES IN THE SPONSOR CHANGE SECTION REGARDING CHANGING SPONSORS, AND MEMBERS WAIVE ANY AND ALL CLAIMS WITH RESPECT THERETO.

12.1.3 SPONSOR PLACEMENT PROGRAM

When a new member enrolls without a designated sponsor or enroller, he or she is 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 speaks the same language as the orphan. Eligible sponsors and enrollers generally include Executive-, Silver-, and Gold-ranking members who actively support their downlines, have growing sales results, have grown their business 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. Young Living will assign an orphan as it sees fit.

The new member has 30 days to change from the assigned new sponsor to another sponsor of choice, as outlined in the Sponsor Change section of the Agreement.

12.2 DOWNLINE GENEALOGY REPORTS

Downline genealogy reports ("Reports") are optional and may be ordered at any time. Members with a Young Living-sponsored personal website may receive two free emailed downline reports per month, upon request, with all additional email Reports costing \$5 each. Members who do not have a Young Living-sponsored personal website will pay \$5 for each email report requested. Members who wish to have the report faxed or mailed will pay \$5 for the first 10 pages and 10 cents for each additional page. Young Living reserves the right to modify the charges described in this section.

Downline genealogy reports constitute confidential information as set forth the Agreement. Without limiting those obligations, you may not use reports for any purpose other than for developing and supporting your business organization. Specifically, during and after the 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 the Agreement
- Use reports to solicit any member or customer listed on the reports or to engage in any conduct prohibited by the Agreement
- Use or disclose to any person, partnership, association, corporation, or other entity any information contained in any report
- Use reports to manipulate or attempt to manipulate the Compensation Plan, including in contravention of any of the policies contained herein.

At the 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 hardcopy, electronic, or other format of any report in your possession. This section of the Agreement will survive the termination by either part for any reason of the Agreement.

12.3 THE D. GARY YOUNG, YOUNG LIVING FOUNDATION

By enrolling as a member, you are automatically enrolled as a nonvoting member of The D. Gary Young, Young Living Foundation ("Foundation"). The privileges associated with this class of membership include the invitation to participate (at the member's own expense where applicable) in certain member-participation charitable activities, the right to receive periodic reports of the charitable activities and accomplishments of the Foundation, and the invitation to contribute to the Foundation for the advancement of its charitable purposes.

13. DISPUTE RESOLUTION AND DISCIPLINARY ACTION

13.1 DISPUTES WITH OTHER MEMBERS

If you have a grievance or complaint with another member regarding any practice or conduct in relationship to your business organization, you should first discuss the problem with the other member. If this does not resolve the problem, report the problem to your upline leader who is a Silver or above to resolve the issue at a local level. If the matter cannot be resolved, it may be reported to the Young Living Member Conduct Success team in writing via mail, fax, or email at conduct@youngliving.com. The complaint should identify specific instances of alleged improper conduct and, to the extent possible, identify the relevant dates on which the event(s) complained of took place, the location(s) where they occurred, and all persons who have firsthand knowledge of the improper conduct.

Upon receipt of a written complaint, the Young Living Member Conduct Success team will investigate the matter, review the applicable policies, and render a decision on how the dispute will be resolved.

13.2 DISPUTES WITH YOUNG LIVING

The parties understand and agree that this section 13.2 operates as a separate and distinct agreement that is severable from the remainder of the Agreement and is enforceable regardless of the enforceability of any other provision of the Agreement as a whole. Consideration for this provision includes, without limitation, the parties' mutual agreement to arbitrate claims. This section 13.2 will survive the termination of the Agreement.

Any dispute between the parties will be governed by Utah law without regard to principles of conflicts of law, except that the arbitration agreement and any arbitration will be governed by the Federal Arbitration Act, 9 U.S.C. § 1 et seq. To the extent that there is a conflict between the Federal Arbitration Act and Utah law, the Federal Arbitration Act prevails.

Young Living may amend the terms and conditions of this section 13.2 from time to time. Any such amendments will be made in accordance with the duty of good faith and fair dealing. The parties understand and agree that modifications to this section 13.2 are not governed by section 1.5 of the Policies and Procedure. Rather, modifications to this section 13.2 will become effective 30 days after first published by Young Living through official Young Living publications distributed to all active members or posted on an official Young Living website. If a member is not willing to accept amendments made to this section, Young Living must be notified in writing, at conduct@youngliving.com. Any continued business, ordering, acceptance of a commission or bonus payout, or any other benefit by a member pursuant to this Agreement after the amendment has gone into effect constitutes acceptance of the amendment to this section 13.2. Amendments will not apply retroactively to conduct that occurred prior to the effective date of the amendment unless expressly accepted by the member.

13.2.1 MEDIATION

Prior to instituting an arbitration with Young Living, as provided in section 13.2.2 below, you and Young Living (collectively referred to as "parties") will meet in good faith and attempt to resolve any dispute arising from or relating to the Agreement through nonbinding mediation. One individual who is mutually acceptable to the parties will be appointed as mediator. The mediation will occur within 60 days from the date on which the mediator is appointed. The mediator's fees and costs, as well as the costs of holding and conducting the mediation, will be divided equally between the parties. Each party will pay its portion of the anticipated shared fees and costs at least 10 days in advance of the mediation. Each party will pay its own attorney's fees, costs, and individual expenses associated with conducting and attending the mediation, except when otherwise provided by statute. The mediation, and any materials, briefs, statements, documents, or information exchanged at or in anticipation of the mediation, will be kept confidential and will not be admissible for any purpose in any legal proceeding. Mediation will be held in Salt Lake City, Utah, and will last no more than two 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 agree that to promote the fullest extent reasonably possible a mutually amicable resolution of the dispute in a timely, efficient, and cost-effective manner.

THE PARTIES WAIVE THEIR RESPECTIVE RIGHTS TO A BENCH OR JURY TRIAL AND AGREE TO SETTLE THEIR DISPUTES BY SUBMITTING THE CONTROVERSY TO BINDING ARBITRATION.

The arbitration will be filed with, and administered by, Judicial Arbitration and Mediation Services ("JAMS") under its rules and procedures. Copies of the rules and procedures are available at the JAMS website at jamsadr.com and will be emailed to members upon request to the Member Conduct Success team.

The arbitrator(s) has the authority to determine jurisdiction and arbitrability issues as a preliminary matter, except the arbitrator(s) will not have the authority to determine whether the arbitration can proceed on behalf of or against a class.

Notwithstanding the rules of the JAMS, the following will apply to all arbitration actions:

- All arbitration proceedings will be held in Salt Lake City, Utah.
- The arbitration agreement and the arbitration will be governed by the Federal Arbitration Act, 9 U.S.C. § 1 et seq. To the extent that there is a conflict between the Federal Arbitration Act and Utah law, the Federal Arbitration Act prevails.
- The arbitration will be conducted in English.
- The parties agree that time is of the essence.
- The Federal Rules of Evidence will apply in all cases.
- The parties will be entitled to bring motions under Rules 12 and/or 56 of the Federal Rules of Civil Procedure.
- The parties will be allotted equal time to present their respective cases, including cross-examinations.
- THE ARBITRATOR(S) HAVE NO AUTHORITY TO AWARD PUNITIVE DAMAGES WITH RESPECT TO ANY DISPUTE RESOLVED BY ARBITRATION, EXCEPT WHEN AN APPLICABLE STATUTE OR OTHER LAW REQUIRES PUNITIVE DAMAGES.

Each party to the arbitration will be responsible for its own costs and expenses of arbitration, including legal and filing fees, except where an applicable statute or other law provides for recovery of legal fees and costs. 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 parties agree and understand that maintaining confidentiality of disputes and dispute resolution is of the utmost importance. The parties and the arbitrator(s) 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(s) on the procedural and/or substantive issues involved in the case

In addition to the foregoing and notwithstanding the rules of JAMS, certain procedures will apply depending on the amount in controversy. For controversies and claims in which the amount in controversy is less than \$1 million, the following procedures will apply:

- The arbitration will occur within 180 days from the date on which the arbitrator is appointed and will last no more than five business days.
- There will be one arbitrator selected from the panel provided by JAMS, using the JAMS rules for arbitrator selection.
- The arbitrator(s) will institute discovery consistent with the goals of arbitration, Discovery and disclosure of information will be conducted under the rules provided by JAMS to achieve the usual goals of arbitration, including cost effective and efficient resolution of disputes between parties, but in no event will, the parties be entitled to discovery rights greater than provided by the Federal Rules of Civil Procedure.

For controversies and claims in which the amount in controversy is equal to or exceeds \$1 million, the following procedures will apply:

- There will be three arbitrators selected from the panel provided by JAMS, using the JAMS rules for arbitrator selection.
- The parties will be entitled to all discovery rights permitted by the Federal Rules of Civil Procedure.
- The parties will be entitled to appeal any arbitration award to an appeal panel under JAMS Optional Arbitration Appeal Procedures. The parties agree to and request oral argument for any appeal filed under the Optional Arbitration Appeal Procedures.

NEITHER THE MEMBER NOR YOUNG LIVING AGREES TO ANY ARBITRATION ON A CLASS BASIS, AND THE ARBITRATOR(S) WILL HAVE NO AUTHORITY TO PROCEED ON SUCH A BASIS. A PARTY MAY ASSERT A CLAIM OR COUNTERCLAIM ONLY IN THAT PARTY'S INDIVIDUAL CAPACITY AND NOT AS A PLAINTIFF OR CLASS MEMBER IN ANY PURPORTED CLASS PROCEEDING. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE JAMS RULES, THE ARBITRATOR(S) MAY NOT CONSOLIDATE MORE THAN ONE PERSON'S CLAIMS AND MAY NOT OTHERWISE

PRESIDE OVER ANY FORM OF CLASS PROCEEDING. UNDER THE ARBITRATION PROCEDURES OUTLINED IN THIS SECTION, AN ARBITRATOR(S) WILL NOT COMBINE OR CONSOLIDATE MORE THAN ONE PARTY'S CLAIMS WITHOUT THE WRITTEN CONSENT OF ALL AFFECTED PARTIES TO AN ARBITRATION PROCEEDING.

In the event the prohibition on class arbitration is deemed invalid or unenforceable, then the entire agreement to arbitrate will be null and void.

Except as provided below, no party will be entitled to commence or maintain any action in a court of law upon any matter in dispute until such matter has been submitted and determined as provided here, and then only for the enforcement of such arbitration award. Notwithstanding this mediation and arbitration policy, either party may apply to a court of competent jurisdiction as necessary to enforce an arbitration award, or to seek a temporary restraining order or preliminary injunction to ensure that the relief sought in arbitration is not rendered ineffectual during the pendency of, or after the rendition of, a decision in any arbitration proceeding. The institution of any action will not constitute a waiver of the right or obligation of any party to submit any claim seeking relief other than injunctive or enforcement relief to arbitration. Further, any party seeking to enforce an award of an arbitrator(s) will submit the award under seal to maintain protections of confidential information, and the parties hereby agree and consent to the filing of such a submission, motion, or order under seal.

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 and non-competition provisions of this Agreement.

13.3 JURISDICTION, VENUE, AND CHOICE OF LAW

Jurisdiction and venue of any matter not subject to arbitration will reside exclusively in any state or federal court located in Salt Lake City, Utah, and nowhere else, unless the laws of the state or country in which the member resides expressly require otherwise, despite this jurisdiction clause. By signing the Agreement, you consent to jurisdiction within these two forums. The Agreement will be governed by and construed in accordance with the laws of the State of Utah without regard to principles of conflicts of laws.

13.4 LOUISIANA RESIDENTS

Notwithstanding the provisions in sections 13.2.1, 13.2.2, and 13.3, in any dispute between the company and a member who is a resident of the State of Louisiana, such member will be entitled to bring an action against Young Living in his or her home forum and pursuant to Louisiana law.

13.5 WAIVER OF CLASS ACTIONS

YOU AND YOUNG LIVING AGREE THAT EACH PARTY MAY BRING DISPUTES AGAINST THE OTHER PARTY ONLY IN AN INDIVIDUAL CAPACITY AND NOT AS A PLAINTIFF OR CLASS MEMBER IN ANY PURPORTED CLASS OR REPRESENTATIVE PROCEEDING, INCLUDING, WITHOUT LIMITATION, FEDERAL OR STATE CLASS ACTIONS OR CLASS ARBITRATIONS.

13.6 BREACH OF AGREEMENT

Young Living may terminate the Agreement if a member breaches the terms and conditions of the Agreement. Allegations that a member has breached the terms and conditions of the Agreement may lead Young Living to launch an investigation to determine what conduct, if any, occurred and whether the conduct was in breach of the Agreement.

If Young Living determines that a member materially breached the Agreement, Young Living may terminate the Agreement immediately. A material breach of the Agreement includes, but may not be limited to, the following conduct:

- Engaging 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
- Violation of any federal or state laws or regulations
- Filing or inducing another person or agency to file a lawsuit against Young Living that is factually baseless or without legal foundation
- Repeated breaches of the terms and conditions of the Agreement
- Engaging in cross-line recruiting or creating duplicate accounts

If Young Living determines that a member breached the Agreement, Young Living may provide the member with 15 days to cure their breach or appeal Young Living's determination. Young Living will provide written notice to the breaching member on how the member can cure the breach and the date by which the breaching member must cure or appeal.

Young Living may terminate the Agreement if the breaching member fails to cure the breach within 15 days of receiving notice. Examples of curative measures include, but are not limited to, one or more of the following:

- When a member communicates a misleading, deceptive, or false product, lifestyle, income, or compensation claim related to Young Living through any medium in breach of the member Agreement, Young Living may require the member to cure the breach by providing a written statement correcting the misleading, deceptive, or false product, lifestyle, income, or compensation claim.
- When a member breaches any provision of the Agreement, Young Living may require the member to cooperate with additional follow-up monitoring to ensure that the breach is not ongoing.
- When a member breaches any provision of the Agreement, Young Living may require the member to forfeit any benefit derived from the breach, this may include forfeiting an award, incentive, commission, bonus, rank recognition, or participation in Young Living-sponsored events for a specified period of time.

During any period that Young Living is investigating conduct that may be a breach of the Agreement, Young Living may temporarily freeze all or part of the investigated member's commissions or bonuses. If the member's Agreement is terminated as a result of the member's breach of the Agreement, the member will not be entitled to recover any commissions or bonuses withheld during the investigation period. Young Living may institute legal proceedings for monetary and/or equitable relief when appropriate. Young Living's failure to terminate an Agreement or require members to cure a breach of the Agreement is not a waiver of the breached provision or Young Living's right to institute legal proceedings.

13.7 APPEALS OF DETERMINATIONS OF BREACH OF THE MEMBER AGREEMENT

In the instance that Young Living determines you are in breach of the Member Agreement, you may appeal the determination to Young Living. The appeal must be in writing and be received by Young Living within 15 days from the date of the notice of breach. If the appeal is not received within the 15-day period, the determination of breach and any required action to cure the breach will be final. The appeal should be submitted with all supporting documentation. Young Living will review and reconsider the determination of breach and notify you in writing of its decision.

14. INACTIVITY, REACTIVATION, AND CANCELLATION

14.1 INACTIVITY

If you do not purchase product for a period of 12 consecutive months, your account will be deemed inactive, and your existing downline will roll up to your first active upline member.

14.2 REACTIVATION

If you are a member and your business organization is deemed inactive, you may reactivate your member account by contacting Member Services and purchasing a Basic Starter Kit or other enrollment kit.

When reactivating, you may request a new sponsor. If you don't you will be placed under your prior sponsor. If your prior sponsor is inactive, you will be placed under the next active upline member. You will have no claim to downline that was lost when you were dropped for inactivity. Professional Account customers may reactivate their account by submitting a new Professional Account Agreement.

14.2.1 INVOLUNTARY TERMINATION

If your Agreement with Young Living is involuntarily terminated, you will immediately lose all rights to your downline and to any commissions or bonuses generated thereby, including those commissions or bonuses generated during the periods of activity investigated. In this case, you will receive compensation for the last full calendar month in which you were not in breach of the terms and conditions of the Agreement.

If your Agreement with Young Living 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. Termination is effective on the date on which notice is issued or as provided for in the notice. Upon receipt of this notice, you must immediately cease representing yourself as a member and immediately return and delete all intellectual property of Young Living, including reports and other lists of downline and contact information.

If your Agreement with Young Living is involuntarily terminated, you may reapply to become a member 12 calendar months from the date of an involuntary termination. To reapply, you must submit a letter to the Young Living Member Conduct Success team (conduct@youngliving.com) setting forth the reasons why you believe you should be allowed to reenter an Agreement with Young Living. Young Living may determine to accept or reject your request.

14.4 VOLUNTARY TERMINATION

Members may voluntarily terminate their Member Agreement at any time and for any reason by providing written notice to Young Living that includes their signature, printed name, member number, address, PIN, and telephone number. If you terminate the Agreement with Young Living and then re-enroll within six months, you must enroll under your former sponsor.

14.5 EFFECTS OF TERMINATION

Upon termination, you release all rights to your member benefits, including all future commissions and bonuses resulting from the downline sales production.

15. MISCELLANEOUS

15.1 DELAYS

Young Living is not responsible for delays and failures in performing its obligations due to circumstances beyond its reasonable control. This includes, without limitation, acts of God, strikes, labor difficulties, riots, wars, fire, flood, death, curtailment or interruption of a source of supply, government decrees or orders, etc.

15.2 PARTIAL VALIDITY

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

15.3 WAIVER

Young Living never forfeits its right to require compliance with the Agreement or with applicable laws and regulations governing business conduct. For example, any action or inaction by Young Living regarding any conduct that breaches this Agreement will not be deemed a waiver of any of Young Living's rights or acquiescence in the conduct. Failure to enforce any provision of the Agreement against you or any other member or customer 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.