

DISTRIBUTOR AGREEMENT

This Agreement is hereby entered into between the Applicant signed on the front side of this Agreement and Young Living Essential Oils, hereafter known as "YL."

1. Applicant acknowledges and agrees that he/she has carefully read and agrees to comply with the Policies and Procedures and the Compensation Plan, both of which are incorporated into and made a part of this Distributor Agreement. YL may amend the terms and conditions of the Policies and Procedures and the Compensation Plan from time to time. The changes will become effective 30 days after first published by YL. Amendments will not apply retroactively to your actions that occurred prior to the effective date of the amendment. Such amendments or modifications will be made known through official YL publications distributed to all active distributors or posted to an official YL website (e.g., e-News). By executing the Distributor Agreement, you agree to abide by all amendments or modifications that YL elects to make to the Agreement. If you are not willing to accept these changes, you must notify YL in writing prior to the change becoming effective. If you continue to do business, order product, or accept compensation or another benefit pursuant to the Agreement, those actions will constitute your acceptance of the entire amended Agreement.
2. YL may approve or reject this application at its sole discretion and for any reason in accordance with YL Policies and Procedures in effect now or in the future. Approval of this application by YL is authorization for Applicant to be a distributor and to sell YL products. The Agreement to be a distributor and to sell YL products will continue until terminated as follows:
 - a. Applicant cancels Agreement by written notification to YL;
 - b. Applicant's account becomes inactive. Accounts are considered inactive when less than 50 PV is purchased or sold within a 12-month period; or
 - c. YL terminates the Agreement because of a violation of the terms of the Agreement, Compensation Plan, or Policies and Procedures. The Compensation Plan and Policies and Procedures may be modified from time to time by YL, and Applicant agrees to be bound by such changes.
3. Immediately upon termination or nonrenewal of this Agreement, Applicant shall:
 - a. Lose all rights to purchase products from YL at distributor cost;
 - b. Cease from representing himself/herself as a distributor of YL;
 - c. Lose all rights to his/her distributorship and his/her participation in the Compensation Plan, including all future commissions and earnings resulting therefrom, shall terminate; and
 - d. Take all other actions reasonably required by YL, including the discontinuance of YL's trademarks and service marks.
4. This Agreement does not establish an agency, joint venture, or employer/employee relationship. Applicant and YL agree that this Agreement does not create a fiduciary relationship between them. Applicant acknowledges that he/she is an independent contractor and is not a spokesperson, legal representative, or employee of YL. Applicant acknowledges that he/she cannot obligate or otherwise bind YL to any agreement or duty. Applicant shall not be treated as an employee, agent, franchise, joint venture, partner, or owner of YL for federal or state tax purposes. Applicant agrees to assume the responsibility for all taxes coming due or arising from his/her activities as a YL distributor, including, but not limited to, sales tax, state and federal income tax, FICA and Medicare withholdings, and unemployment tax. In addition, Applicant agrees to abide by all state and federal laws pertaining to the sale and distribution of YL products, including the filing of any documents or forms. Applicant indemnifies and agrees to hold harmless YL, its officers, directors, employees, and agents against any liability, claims, obligations, expenses (including attorney fees), or other damages arising out of or in any way related to or connected with, allegedly or otherwise, Applicant's:
 - a. Activities as a distributor, including, without limitation, any unauthorized representations or claims made by Applicant;
 - b. Breach of the terms of this Agreement, Policies and Procedures, or Compensation Plan; or
 - c. Violation of or failure to comply with any applicable federal, state, or local law or regulation.
5. YL authorizes Applicant to sponsor others as YL distributors or retail customers in accordance with Policies and Procedures. Applicant agrees not to make any claims regarding the amount of potential earnings. Applicant agrees not to make any claims that state or imply that earnings can be based on the sole activity of sponsoring other YL members, as no compensation is paid for sponsoring. Applicant further agrees not to make any claims that state or imply that YL members have exclusive territories.
6. All YL products purchased by Applicant are subject to the warranties and disclaimers applicable to these products at the time of purchase. Applicant acknowledges and agrees that when marketing the products:
 - a. Not to make diagnoses of medical conditions;
 - b. Not to make claims that YL products will prevent, treat, cure, or mitigate any disease or disease condition in humans or animals;
 - c. Not to use pictures, graphic displays, written materials, or make any claims about YL products not contained in YL sales and promotional literature approved by YL; and
 - d. Not to make any claims about YL products that can be construed as a drug or health claim.
7. The YL Compensation Plan is based upon the sale of YL products and services to end consumers. You must fulfill specified personal and downline organization sales requirements (as well as meet other responsibilities set forth in the Policies and Procedures) in order to be eligible for bonuses, commissions, and advancement to higher levels of achievement.
8. Applicant must also pay for the products or services he/she purchases when the order is placed. If Applicant fails to pay for the products or services when placing an order, the order will not be processed.
9. Applicant acknowledges that YL product names, as well as the YL corporate name and logos, are the exclusive property of YL. Applicant agrees not to use trademarks, the YL product names, corporate name, or logos to promote his/her independent business or any other purpose without written authorization from YL. Applicant further acknowledges that its customer lists, distributor lists, manufacturing procedures, formulas, operating, financial and marketing materials, YL genealogy reports, Policies and Procedures manual, and Compensation Plan are YL proprietary property and contain confidential business information and trade secrets. During the term of the Agreement or thereafter, Applicant agrees not to use such materials and information except to develop his/her YL business pursuant to this Agreement and not to compete with YL. Applicant agrees not to disclose the information contained in those reports to third parties or to recruit, solicit, or otherwise engage other YL members to participate in other business ventures.
10. Applicant acknowledges that YL is not liable for any damages or losses caused by the delay or inability to manufacture, sell, or deliver its products due to labor strikes, accidents, fire, flood, acts of civil authority, acts of God, or from any other causes that are beyond the control of YL.

11. This Agreement cannot be sold or assigned without the written approval of YL. All permitted successors in interest or assigns must comply with all terms of this Agreement. YL may assign this Agreement at any time.
12. This Agreement shall be interpreted and construed in accordance with the laws of the State of Utah applicable to contracts to be performed therein. Any legal action concerning this Agreement shall be brought in the state and federal courts located in Salt Lake City, Utah. In the event any court of competent jurisdiction shall declare any portion of this Agreement to be invalid, the remainder of this Agreement shall not be invalidated thereby but shall remain in full force and effect.
13. This Distributor Agreement, the Policies and Procedures, and the Compensation Plan constitute the entire agreement between Applicant and YL, supersede all prior agreements, and no other promises, representations, guarantees, or agreements of any kind shall 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.
14. The waiver by Applicant or YL of a breach of any provision of this Agreement shall not be considered to be a continuing waiver and shall not operate or be construed as a waiver of any subsequent breach by either party. Waiver of any term of the Policies and Procedures must be in writing and signed by an authorized officer of YL.
15. The covenants and obligations of Applicant to abide by the nonsolicitation, the trade secrets, and confidential information covenants contained herein shall survive termination of this Agreement.
16. Applicant agrees that upon a breach of this Agreement that YL will be immediately and irreparably harmed and cannot be made whole solely by monetary damages. Applicant agrees that the remedy at law for any breach of any provision of this Agreement shall be inadequate; and that in addition to any other remedies, in law or in equity it may have, YL shall be entitled, without the necessity of proving actual damages, to temporary and permanent injunctive relief to prevent the breach of any provision of this Agreement and/or to compel specific performance of this Agreement.

ESSENTIAL REWARDS PROGRAM

Credits may be earned on each Essential Rewards order placed and redeemed for free products. Credits are earned with each consecutive month of participation at the following levels:

- Orders of 50–99 PV will receive automatic first priority shipping at a discounted rate, as well as a flat 5 percent earning of rewards points based on the PV total of the order.
- Orders of 100+ PV will receive automatic first priority shipping at a discounted rate, as well as rewards points based on the number of consecutive months of participation.
 - a. First six consecutive months of participation: 10 percent of order PV
 - b. Second six consecutive months of participation: 15 percent of order PV
 - c. Thirteenth month and beyond: 20 percent of order PV
- A grace month may be declared if a distributor misses placing an order for the month or an order falls below the 100 PV minimum. In the month following a grace month, distributors will begin accumulating points at the same rate as before if they once again place Essential Reward orders with a minimum of 100 PV.

Credits are redeemable after two consecutive months of participation and are only toward full-PV products. Credits are generally equal to one wholesale dollar and may not be used toward shipping and taxes. Credits may be redeemed only in an amount equal to or less than the credits earned. While there is no limit to the number of credits that may be earned on a monthly basis, a maximum of 350 credits may be redeemed per month. Products purchased with Essential Rewards credits are not eligible for personal or organizational volume and are nonreturnable. Credits may be redeemed by contacting the Customer Care Department (CCD) at 1.800.371.2928.

Essential Rewards members get reduced shipping rates. Current Essential Rewards order shipping prices are maintained in Virtual Office. Shipping rates and discounts are subject to change without notice.

You can enroll in the Essential Rewards program via the online sign-up in Virtual Office or by contacting CCD.

By participating in Essential Rewards, you agree to place a continuing order to be shipped on a monthly basis. The order will be charged to your payment method of choice on a recurring, monthly basis. You also agree to and acknowledge the following:

1. You will select a minimum of 50 PV (personal volume) in YL products that will be received every month.
2. You will provide a valid form of payment, such as a Visa, MasterCard, American Express, Discover Card number (along with the card's expiration date), or the required information to set up a direct debiting arrangement (ACH) on your personal U.S. checking or savings account on the date identified.
3. You authorize YL Essential Oils to debit your selected payment method to cover your Essential Rewards order, including the ordered products, shipping and handling, and sales tax.
4. The products you select will be sent to you at the address listed every month as you have indicated, unless you make changes to your product selection via Virtual Office or Customer Care.
5. Products you have chosen to receive may become unavailable. In such situations, YL Essential Oils will attempt to notify you of the change and will continue to send you the remaining items. You are responsible for maintaining your qualifying PV.
6. The price of the specific products you have chosen may change due to reformulations, improvements, or other reasons. When such price changes occur, YL Essential Oils will notify you of any pricing changes and, unless directed otherwise, will continue to send you the products specified at the new price.
7. Your participation in the Essential Rewards program will be cancelled without notice if:
 8. The credit card to which product purchases have been charged expires, is declined, is cancelled, or is otherwise terminated; or
 9. Payment via ACH from your U.S. checking or savings account is returned unpaid.
10. You must contact Customer Care to cancel your Essential Rewards enrollment. If you do not notify CCD, your Essential Rewards order will continue to be shipped and your payment method charged.
11. Essential Rewards credits will expire on a rolling 12-month basis.
12. Cancellation or return of any Essential Rewards order forfeits all unused Essential Rewards product credits and resets the monthly participation in the program to zero.
13. Products returned because of a failure to update your Essential Rewards order will be charged a 25 percent restocking fee.