



Cancellation Policy

7.2 Three-Day Right to Cancel

Distributors shall inform Retail Customers of the applicable cancellation rights for Retail Customers. A Retail Customer who makes a purchase of \$25.00 USD or more has three business days (Saturday is included as a business day) after the sale or execution of a contract to cancel the order and receive a full refund consistent with the cancellation notice on the order form (Alaska residents have five business days). When a Distributor makes a sale or takes an order from a Retail Customer who cancels the sale or requests a refund within the three-business day period, the Distributor must promptly refund the Customer's money as long as the products are returned to the Distributor in substantially as good condition as when received. Additionally, Distributors must verbally inform Customers of their right to rescind a purchase or an order within three business days and ensure that the date of the order or purchase is entered on the order form. All Retail Customers must be provided with two dated copies of an official Yoli sales receipt at the time of the sale. The back of the receipt provides the Customer with written notice of his/her rights to cancel the sales agreement. No person is required to purchase Yoli products or services to become a Distributor or to earn compensation. In order to familiarize new Distributors with Yoli products or services, sales techniques, sales aids, and other matters, the Company requires that they purchase a Distributor Success Kit (not applicable in North Dakota).

SECTION 10 – INACTIVITY, RECLASSIFICATION, AND CANCELLATION

10.1 Effect of Cancellation

So long as a Distributor remains active and complies with the terms of the Distributor Agreement and these Policies and Procedures, Yoli shall pay commissions to such Distributor in accordance with the Marketing and Compensation Plan. A Distributor's bonuses and commissions constitute the entire consideration for the Distributor's efforts in generating sales and all activities related to generating sales (including building a downline organization). Following a Distributor's non-renewal of his/her Distributor Agreement, cancellation for inactivity, or voluntary or involuntary cancellation of his/her Distributor Agreement (all of these methods are collectively referred to as "cancellation"), the former Distributor shall have no right, title, claim, or interest to the marketing organization that he/she operated, or any commission or bonus from the sales generated by the organization. A Distributor whose business is canceled will lose all rights as a Distributor. This includes the right to sell Yoli products and the right to receive future commissions, bonuses, or other income resulting from



the sales and other activities of the Distributor's former downline sales organization. In the event of cancellation, Distributors agree to waive all rights they may have, including but not limited to property rights, to their former downline organization, and to any bonuses, commissions, or other remuneration derived from the sales and other activities of his/her former downline organization.

Following a Distributor's cancellation of his/her Distributor Agreement, the former Distributor shall not hold himself or herself out as a Yoli Distributor and shall not have the right to sell Yoli products. A Distributor whose Distributor Agreement is canceled shall receive commissions and bonuses only for the last full pay period he/she was active prior to cancellation (less any amounts withheld during an investigation preceding an involuntary cancellation).

10.2 Cancellation Due to Inactivity

Distributors who fail to qualify by: (a) personally producing at least 50 Personal Sales Volume in a rolling four-week period; or (b) maintaining at least one personally sponsored downline in each of their legs for any pay period, shall be "inactive" for that period and will not receive a commission for the sales generated through their marketing organization for that pay period. If a Distributor is inactive for a period of six (6) consecutive months his/her Distributor Agreement shall be canceled for inactivity. The cancellation will become effective on the day following the last day of the 6th month of inactivity. Written confirmation of the cancellation may or may not be provided by Yoli via e-mail. Activity may be defined by the Company as, but not limited to, maintenance of the Team Office, ordering or selling products, sponsoring, attendance of Company-sponsored events, bonuses or commissions earned, or any other show of reasonable participation, at the discretion of the Company.

10.3 Signature Waiver Due to Inactivity

Distributors, who are "inactive" as defined in Section 10.2 and have no accumulated PV, have not personally sponsored any Customers or Distributors, and have no order history for the previous 90 days, may forfeit their right to approve any organizational tree changes that are submitted to Yoli.

10.4 Distributor Reclassification

If a Distributor's account is canceled for inactivity, the cancellation shall become effective on the day following the last day of the 6th month of inactivity. The Distributor may enroll as a Retail Customer and be entitled to purchase products at Retail Customer Prices.



10.5 Involuntary Cancellation

A Distributor's violation of any of the terms of the Agreement, including any amendments that may be made by Yoli in its sole discretion, may result in any of the sanctions listed in Section 8.1, including the involuntary cancellation of his/her Distributor Agreement. Cancellation shall be effective on the date on which written notice is mailed, faxed, e-mailed, or delivered to an express courier, to the Distributor's last known address (or fax number), or to his/her attorney, or when the Distributor receives actual notice of cancellation, whichever occurs first.

10.6 Voluntary Cancellation

A participant in this network marketing plan has the right to cancel at any time, regardless of the reason. Cancellation must be submitted in writing to the Company at its principal business address. The written notice must include the Distributor's signature, printed name, address, and Distributor I.D. Number. The distributor can also send notice via common courier or via email to cs@yoli.com from the email address listed on the account.

10.7 Non-renewal

Yoli reserves the right to cancel a Member's Distributor Agreement if Member fails to renew the Agreement on its anniversary date. If the renewal fee of \$20.00 is not paid within 30 days after the expiration of the current term, the Distributor Agreement may be canceled. If the Distributor allows his or her Distributor Agreement to expire, the Distributor will lose any and all rights to his/her downline organization unless the Distributor re-applies within 60 days following the expiration of the Agreement. If the former Distributor re-applies within the 60-day time limit, the Distributor will resume the rank and position held immediately prior to the expiration of the Distributor Agreement. However, such a Distributor's payout level will not be restored unless he/she qualifies at that payout level in the new month. The Distributor is not eligible to receive commissions for the time that the Distributor's Distributorship expired.