



Herbalife Nutrition Associates provide Customers with a high-touch, person-to-person experience that goes beyond product to include motivation and support to help change their lives for the better. This is what we call the Distributor Difference.

In order to promote the Distributor Difference, the value of the Herbalife Nutrition brand and the business opportunity, we draw Associates' attention to the following rules:

- Rule 3.1.8 Sales & Marketing Plan Manipulation
- Rule 4.1.1 Retail Establishments Not Permitted
- Rule 4.3.2 Product Sales to Non-Associates for Resale, and
- Rule 7.3 Prohibitions of Internet and Auction Sales

While Herbalife Nutrition makes every effort to educate and coach Associates on appropriate and inappropriate business practices, violations of these rules will be dealt with by applying additional, penalties and sanctions, in addition to the existing specific penalties and sanctions already set out within Chapter 9 of the [Rules of Conduct](#).

Therefore, the following sanction is being implemented on 20 November 2020.

Where Herbalife Nutrition determines an Associate has violated Rule 3.1.8 Sales and Marketing Plan Manipulation, Rule 4.1.1 Retail Establishments Not Permitted, Rule 4.3.2 Product Sales to Non-Associates for Resale or Rule 7.3 Prohibitions Of Internet And Auction Sales, Personally Purchase Volume ("PPV") from the order months placed during the time period as set out below will not be recognized as described within the chart that follows:

- **1st violation: One Order Month**
- **2nd violation: Three Order Months**

3.1.8 Sales and Marketing Plan Manipulation

1st violation / 2nd violation
<ul style="list-style-type: none">- Earnings will be adjusted/deducted for the Associate directly involved- Earnings will be adjusted/deducted for the uplines- Will not count towards any qualification or promotions for the Associate directly involved- Will not count towards any qualification or promotion for the uplines

Rule 4.1.1 Retail Establishments Not Permitted
Rule 4.3.2 Product Sales to Non-Associates for Resale, and
Rule 7.3 Prohibitions of Internet and Auction Sales

1 st violation	2 nd violation
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Where Herbalife Nutrition determines an Associate has violated the stated Rules, personally purchased volume associated with those order months will not be recognized.







For example:

First-time Violation: Personally purchased volume will not be recognized for the ENTIRE ORDER MONTH associated with the offending activity. In the case of multiple order months of product, the latest order month will be considered.

Second-time Violation: Personally purchased volume will not be recognized for the previous 3 ENTIRE ORDER MONTHS including the order month associated with the offending activity.

As this is applied retrospectively, it means those earnings, qualifications and promotions will be withdrawn and/or reversed following a rule violation by the Associate or one of their downline Associates.

To better support understanding of these rules, the following are some examples of permitted and prohibited activities:

Permitted Activities		Prohibited Activities	
	The Sales & Marketing Plan is intended to compensate Associates for the product purchases they make for resale to legitimate end customers or for their own personal consumption.		Associate shall not engage directly or indirectly in any activities, practices or conduct that constitutes Sales & Marketing Plan Manipulation described in the Rule.
	Herbalife Nutrition products may be sold in private offices and in Nutrition Clubs.		An Associate may not display or sell Herbalife Nutrition products, literature, or promotional items in a retail establishment.
	Products purchased from Herbalife Nutrition are intended to be sold and distributed to customers and downline Associates, or used for Associates' and their immediate families' own personal consumption.		No Associate may sell or otherwise provide Herbalife Nutrition products to non-Associates who intend to resell them.

	<p>Associates are permitted to make online sales of Herbalife Nutrition products through GoHerbalife.com.</p>		<p>Associates are not permitted to offer for sale, or facilitate the offering of Herbalife Nutrition products for sale (directly or indirectly through any intermediary or instrumentality), through any auction, online auction website, or any e-commerce or other website. This prohibition includes, but is not limited to, selling Herbalife Nutrition products on eBay or Amazon.</p>
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Herbalife Nutrition makes every effort to educate Associates about appropriate business practices. You can also access short informative training videos on specific topics, educational flyers, training presentations, important documents and more on the [“What You Need to Know”](#) page through [MyHerbalife.com](#).

To view the complete and latest edition of the [Rules of Conduct](#), visit [MyHerbalife.com](#), or contact Herbalife Nutrition for assistance.

Herbalife Nutrition thanks you for your support in upholding the policies established to provide protections for your Associateship. Should you have any questions regarding this communication, please contact Herbalife Nutrition at 080 - 40311444.