



Rules of the Road

These Rules of the Road (“Rules”), together with the materials embedded within them, are incorporated to and form part of the Membership Agreement. Herbalife may modify the Rules from time to time and Members will be notified of any changes by email.

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1 Getting Started

1.1 Members Are Individual Entrepreneurs

Members are independent contractors, individual entrepreneurs who work for themselves, they are not employees, franchisees or agents of Herbalife or other Members and may not state or imply otherwise. A Sponsor may not treat other Members or their downline like employees simply by virtue of being in their downline.

If a Sponsor has an employment relationship with any other Member, such Sponsor is bound to comply with all employment laws.

Employees may not engage in Member activities.

Members must ensure that they personally provide the customer service obligations set out in the [Customer Service Rule](#).

1.2 No Debt or Forced Purchases

Encouraging debt or requiring any purchase other than the HMP is prohibited. The HMP must be provided at cost or below, without markup or profit.

2 Selling Products

2.1 Prohibited Locations

Members may not sell Herbalife® products in markets (open or enclosed), pharmacies, kiosks, booths (temporary or permanent), swap meets, flea markets, food trucks, shipping containers, restaurants, food service establishments, or any similar location.

Service establishments are accepted provided they are in an enclosed room.

2.2 Retail Order Forms and Records

Members must provide a Retail Order Form with complete information to each customer at the completion of each sale and keep copies of all Retail Order Form and other records of product distribution for a period of two (2) years.

Herbalife has the right to request copies of customer product sales records to verify transactions and the terms of that sale, which must be made available upon request.

2.3 Customer Refunds

Members are required to offer their Customers a 30-day money-back guarantee.

The Customer must be offered the choice of whether they are provided a full refund, inclusive of any shipping and handling charges, or product credit in exchange for other Herbalife® products.

Members should refer Preferred Customers to the Company for refunds.

2.4 High-Pressure Sales

Members may not engage in high-pressure selling to their Customers, Preferred Customers and Members.

2.5 Product Sales to Non-Members for Resale

Members may not sell or otherwise provide Herbalife® products for resale to non-Members.

2.6 Modifications to Products, Labels and Materials

Members may not modify or tamper with the labels, literature, materials, or packaging of Herbalife® products. Members may not repackage Herbalife® products or sell individual products that are not labeled for resale.

2.7 Presentations and Directions for Use

When selling Herbalife® products or providing samples, Members must explain the directions for use and cautions, if any, specified on product labels.

Members should recommend that customers with medical conditions or who are under current medical treatment seek the advice of a physician before changing their diet.

Members must make current product label information available to customers prior to them purchasing Herbalife® products.

2.8 Identification

When selling or promoting Herbalife® products or promoting the business opportunity Members must identify themselves as an Herbalife Member.

3 Advertising

3.1 Claims

A Claim or representation is any statement, story, image or video about Herbalife® products, the Herbalife business opportunity, or their benefits. Members may make Claims, provided they:

- are truthful, non-misleading and supported by written documentation
- comply with all applicable Rules and law
- are in accordance with the product label
- make no therapeutic, disease or medical claims
- do not imply guaranteed earnings or employment opportunity
- do not imply or depict exorbitant earnings or a lavish lifestyle; And
- use appropriate easily legible disclaimers.

Herbalife reserves the right to require removal of any Claim that violates these Rules, applicable law, or tarnishes Herbalife's brand or image.

3.2 Price Advertising

Members may not provide any indication of price to the general public, except as permitted by Herbalife on its platforms.

3.3 Herbalife's Intellectual Property

Herbalife makes copyright materials available for use by Members and grants permission to use Herbalife's trademarks so long as:

- they are used solely to promote the sale and use of Herbalife® products or the business opportunity.
- the assets are downloaded from authorized Company platforms.
- the text, images and trademarks are not modified, cropped, or altered in any way.
- Members state that the materials are the property of Herbalife.
- Members never use the name or likeness of Mark Hughes in any advertisement.
- Members do not use them in the domain name of any website, in any registry, or on any external sign.
- Members cease using any copyright or trademarked material upon request by Herbalife; and
- Members remain in good standing.

To the extent Herbalife discloses any trade secret to a Member, the Member will hold the trade secret in confidence and will not disclose them, even after termination or resignation.

Members may not, however, use in conjunction with their Herbalife business any audio or video, trademarks, company name, product names, or graphics belonging to other persons or entities, without first having obtained approval from the owner for that use.

3.4 Advertising Prohibited

Members may not broadcast or advertise on television, radio, or any similar medium.

Additionally, Members may not advertise in newspapers, magazines, flyers, phone books, banners, billboards, or similar printed medium.

4 Sales and Marketing Plan Fundamentals

4.1 One Membership Permitted Per Person

Individuals may only work in one Herbalife Membership, except as permitted in our [Inheritance Policy](#). A Member may not also be a Preferred Customer. Married Couples and Life Partners must work under the same Membership unless they were both at Supervisor level at the time of Marriage or Life Partnership.

4.2 Proper Purchasing

Non-Supervisor Members may only purchase Herbalife® products directly from Herbalife, their Sponsor, or first upline Fully Qualified Supervisor.

Members may not place or pay for orders in other Member's or Preferred Customer's name unless Herbalife has written permission from that person.

Supervisors may only purchase products directly from the company.

Only products purchased directly from Herbalife count towards qualification, earnings and benefits under the Sales & Marketing Plan.

4.3 Responsibility for Conduct of Others Assisting with Membership

Members are responsible for the actions of anyone who helps them with their business, including their spouse, Life Partner or services provided to Members by vendors.

4.4 Period of Inactivity

Any Member intending to sign a new Membership Application and Agreement under a different Sponsor must wait one year (Supervisor and below) or two years (World Team and above) during which they may not conduct any Member activities.

This requirement also applies to any former participant (meaning a former Member, spouse, Life Partner or an individual who assisted in the Membership).

Former Preferred Customers must complete a 180-day waiting period.

Any attempt to bypass the Period of Inactivity through assistance or any other way is prohibited.

4.5 10 Retail Customers

A Member must timely certify that they have made sales to at least ten (10) separate customers in a given month to be eligible for earnings.

The following count as Customers:

- A Retail Customer
- A first level Preferred Customer
- A first downline Member with up to 200 Personally Purchased Volume Points (and no downline Member) may be counted as a sale to one (1) Retail Customer

4.6 70%

In order to be eligible to earn, a Member must timely certify that at least 70% of the total volume purchased by the Member each month was sold.

5 Sponsoring and Leadership

5.1 TAB Team Agreement

When a Member reaches the TAB Team, they must sign a TAB Team Agreement form before they become eligible to be paid an Additional Service Fee.

5.2 No Interfering

Members may not interfere with the business of any other Members.

5.3 Association with Herbalife

Members may not suggest that Herbalife is associated with religious, political or social beliefs, any organizations, or any other businesses.

5.4 Solicitation of other Opportunities

Members may not promote other business opportunities to Members or Preferred Customers.

Members also may not sell products from other MLMs or direct-selling companies to Members or Preferred Customers.

5.5 Sale of Business Tools Not for Profit

Members may not profit from selling Business Tools to other Members and Herbalife reserves the right to prohibit the sale or use of a Business Tool that violates its Rules, the law or damages Herbalife's reputation or image.

6 Direct Selling

Maintaining and protecting the integrity of the Herbalife business opportunity, the Sales and Marketing Plan and our distribution channel and safeguarding against potential harm is of utmost importance to Herbalife and for our business model.

Violations of the Rules in this Direct Selling section are serious breaches of the Membership Agreement and Herbalife is entitled to all available remedies including termination of the Membership Agreement.

6.1 Sales & Marketing Plan Manipulation

Members shall not engage directly or indirectly in any activities, practices or conduct that constitutes Sales & Marketing Plan Manipulation. Members shall not organize or orchestrate product purchases with the primary view of receiving, or causing another Member to receive, multi-level compensation or recognition under the Sales & Marketing Plan (as contrasted with the purchase of products in reasonable amounts for the purpose of sales to customer or personal use).

A non-exhaustive list of examples that may indicate Marketing Plan Manipulation [are available here](#).

Violations and Sanctions

Sales and Marketing Plan Manipulation is a serious breach of the Membership Agreement and so Herbalife is entitled to all available remedies including termination of the Membership without prior written warning.

The Member shall also be liable for any and all damages incurred by Herbalife as a result of the Sales and Marketing Plan Manipulation.

Other sanctions may include loss of earnings and qualifications of the Memberships of anyone involved (directly or indirectly). In order to prevent financial harm to upline Members, it may be necessary to take certain measures against your Membership during the Inquiry stage, such as a suspension of buying privileges.

6.2 Customer Service

Members are required to engage in a personal relationship, whether offline or online, before the Customer's first purchase. It is critical that Members apply to the Distributor Difference through direct personal contact.

The minimum services Members must provide before the Customer's first purchase [are available here](#).

Members should continue to offer follow up support in the future to their Customer to help them achieve the best results by consuming the products.

A non-exhaustive list of examples [are available here](#).

6.3 Organization Leadership & Training

Sponsors are responsible for providing training to their downline Members but may not profit from it.

A non-exhaustive list of examples [are available here](#).

6.4 Prohibition of Sales on Auction Sites and Third-Party Online Marketplaces (Collectively, "Third-Party Sites")

Sales on Third Party Sites weaken the personal relationships Members must develop with their customers, as well as the Herbalife brand and the image and marketing positioning of Herbalife establishes for its products. This is because, among other things:

- Third Party Sites display the name and logo of the Third-Party Site operator;
- often make inaccurate representations about their quality or performance which can in certain instances be false or even illegal, and
- position Herbalife's products in a context which is not consistent with Herbalife's desired market positioning and image for its products.

Members **are permitted** to make online sales of Herbalife® products through their own independent online shops or through platforms created by Herbalife.

Members **are not permitted** to offer for sale, sell, or facilitate the offering for sale or sale, of Herbalife® products (directly or indirectly in any manner or by any means), whether by soliciting or receiving open bids or by posting for sale at a fixed price or otherwise, on any commercial auction website, online auction marketplace, Third-Party Site, or any other website that bears the name or logo of or is otherwise branded or identifiable as the website of a third-party.

Social media sites may not be used to conduct sales of Herbalife® products.

6.5 Members Website and Applications

Members operating independent websites and applications that use Herbalife trademarks to promote or offer Herbalife® products for sale must

- Clearly display an entry splash pop-up provided by Herbalife without any alteration, that appears once at every visit to the website; and
- Clearly display the Member's personal name and contact details including address and phone number along with the "Herbalife Member" logo, which must be in a prominent location (above the fold) and attract the attention of website visitors; and
- Ensure the website or application does not have the same or similar visual appearance, or create any confusion with official Herbalife websites or any official Herbalife applications.

Members must operate their own individual website and no more than one Member shall operate, fulfil orders or otherwise participate on the same website.

6.6 Search Engine Advertising and Optimization

Members may not create confusion between the Member's independent website and the official Herbalife websites on any search engine result.

The words or phrases specified in the [Prohibited Words/Phrases List](#) may not appear on any search engine result associated with the Member's website.

Members using paid search engine ads must ensure that the following wording is visible somewhere within the ad: **"Herbalife Member"**.

6.7 Prohibited Commercial Practices

When offering, promoting, or talking about the Herbalife® Products and/or the Herbalife opportunity, Members may not use any unfair commercial practices, including but not limited to any misleading, false, or aggressive practices, in accordance with applicable laws.

6.8 Leads and Referrals

Members may not buy, sell, or purchase Leads or referrals. However they can generate Leads or referrals for their own use or provide them for free of charge to others.

Members must not provide Leads to a downline Member automatically, systematically or otherwise without ensuring:

- The Lead is made aware and agrees in advance or simultaneously that another (downline) Member will manage the relationship;
- The downline Member receiving the Lead assumes full responsibility for managing the sale, following up, and maintaining the customer relationship.

7 Healthy Lifestyle Clubs and Offices

7.1 Leased or Purchased Business Locations

Members may not enter into any lease, sublease or purchase of any physical location to operate their Herbalife business, unless they have:

- Been a Member for at least 90 days.
- Qualify for Fully Qualified Supervisor level.
- Complete the process required by Herbalife .
- Register their Location with Herbalife online at MyHerbalife.com.

7.2 Multiple Clubs

Members may operate no more than three locations or enter into more than three leases for the purpose of operating Clubs.

7.3 Members may not Charge for Healthy Lifestyle Club Advice

Members may not charge other Members for help or advice with opening or running a Club except as set out in the [Organizational Leadership & Training Rule](#).

7.4 Responsible Club Operator

One Member must be designated as the primary Club operator, who is responsible for and oversees all Club operations.

The primary Club operator must designate another Member to be responsible when they are not present.

7.5 Sharing Club Premises

A Club operator may only charge other Members for the cost of using their Club, not for a profit. All Members subleasing space within the Club must complete all the requirements set out in the **Leased or Purchased Business Locations Rule**.

7.6 Product Retailing

In order to retail products packaged but not labelled individually, Members must provide all information included on the product label for the product sold in accordance with local legislation.

Individual tablets may not be sold or served, and selling repackaged and dry product is also prohibited.

7.7 Product Preparation

Members must prepare products served in Healthy Lifestyle Clubs in accordance with acceptable preparation practices and make the product label and allergen information available to customers. No product claims may be made if mixtures are not prepared according to the product label.

Only Herbalife® products and add-ons such as fruits, vegetables, and flavors are permitted to be served, sold, or promoted in the Club.

7.8 Delivery

Members may not:

- use third-party delivery services, such as TokTok, Ubcab, Uber Eats, Grubhub and similar; or
- service Customers by drive thru or walk-up window.

7.9 The Sale of Clubs for Profit Prohibited

Transfer of Lease: The sale of Clubs for profit is prohibited. However, transfer of the lease and recouping the incurred costs of assets as well as the buildout is permitted. Upon request, the Members must provide records demonstrating the costs.

Before entering into the lease, the Member must first satisfy all the requirements set out in the **Leased or Purchased Business Locations Rule**.

7.10 Commercial Club Exterior Signage and Name

As part of the registration process, Members are required to submit details regarding proposed exterior signage and name for Herbalife review before entering into a lease, sublease, or purchase of a physical location to operate the Club.

If a Member uses an exterior sign they may not:

- Use the same or similar name or sign;
- Imply that Herbalife® products are available for purchase;
- Use name or signage as an identifier to a specific group (Geographical Location, Member Organization, Nutrition Clubs, Healthy Lifestyle Clubs, etc.) in such a way that it may be construed as a Franchise or part of a chain of Healthy Lifestyle Clubs; or
- Use Herbalife Intellectual Property, product names or brands.

This would include anything visible from the exterior that might suggest that the location is a franchise.

7.11 Commercial Club Exterior

Covering is optional, however the following are not allowed on the Club's exterior and covering:

- Display Herbalife branding (names, logos, etc.);

- Imply that Herbalife® products are available for purchase;
- Feature “Before & After” photographs or comparative pictures; and
- No two Clubs may have identical or substantially similar coverings or exterior.

A Club may display Herbalife® products, product-related literature, and promotional items, provided they are not visible from outside the Club.

8 International Business

8.1 Activities in Countries or Territories Not Yet Open

Members may not engage in any Herbalife business activity in any country not yet officially opened.

8.2 No Exporting of Products

Members may not ship, sell, export or distribute products from one country to another.

Subject to applicable law and Herbalife’s policies, Members may carry up to 1,500 Volume Points of products per month with them for personal consumption while travelling.

8.3 Activities in China

Only Chinese Nationals may do business in China. Members may not ship or bring Herbalife® product into China even for personal consumption.

8.4 Prohibited Countries/Regions and Persons

Members may not be a resident of, or conduct Herbalife business activities within, a Prohibited Country/Regions.

A Member may not directly or indirectly conduct any Herbalife business activities with an individual or entity who the Member has reason to believe is:

- a resident of, or operating businesses in, a Prohibited Country/Region;
- engaged in sales to individuals residing in a Prohibited Country/Region;
- owned or controlled by an entity located in, or an individual ordinarily residing in, a Prohibited Country/Region.
- included on the list of Specially Designed Nationals maintained by the U.S. Treasury Department’s Office of Foreign Assets Control or any person, entity or organization owned or controlled by someone listed.

9 General Conduct

9.1 Compliance with Applicable Laws and Rules

Members must follow all national and local laws (including Rules, Regulations, ordinances, and licensing requirements) and Herbalife Rules in every country they work in and cannot encourage others to break them.

If there is a conflict between Herbalife Rules and the law, the law prevails.

Members must also follow the terms of service for any third-party service utilized in conducting their Herbalife business.

9.2 Truthful Submissions and Communications with Herbalife

All information given to Herbalife, must be true, complete, and on time, including the Application, forms, receipts, business and/or tax registrations, contact information, and orders.

9.3 Maintaining Reputation and Image of Herbalife

Members may not harm the reputation, image, products, intellectual property or goodwill of Herbalife.

9.4 Conduct Regarding Harassment, Discrimination and Inappropriate Conduct

Herbalife prohibits harassment, unlawful discrimination and inappropriate conduct.

9.5 Cooperating with Herbalife's Reviews

Members are required to cooperate with Herbalife's reviews.

9.6 No Anti-Competitive Behavior

Members are independent business owners and must not form agreements with other Members regarding:

- the price at which they sell Herbalife® products.
- territories in which they sell.
- methods of distribution; or
- allocation of Customers, Preferred Customers or Members.

9.7 Game Promotions

Members may not set up lotteries or raffles in connection with their Herbalife business. Other game promotions, like weight loss challenges, body transformation challenges, organizational sales promotions, marathons, and drawings may be permitted provided they abide by the [Challenges and Game Promotions Guidelines](#).

10 Administrative

10.1 Membership Eligibility

10.1.1 Membership Minimum Age

A person must be at least 18 years old to apply for Membership or participate in another Member's Herbalife business.*

** Minimum age requirements vary from country to country. For age requirements in other countries, contact Member Services.*

10.1.2 Recognition of Spouse or Life Partner

A Member may add their spouse or Life Partner to their Membership record to support them in the business and for recognition* purposes.

The Member will remain the Member of record. However, in the event the Member separates from their spouse or Life Partner, the Member's ownership or entitlement of the Membership may be impacted.**

** As an example, recognition allows Herbalife event attendance, recognition for new business and Marketing Plan achievements.*

*** In the event of a separation/divorce or dissolution of Life Partner Relationship where a legal and/or financial aspect of the Membership becomes disputed, whether the spouse or Life Partner is added to the account or not may impact the local court's decision.*

10.2 Transferring Your Membership

10.2.1 Assignment, Sale, or Transfer of Membership

The assignment, sale or transfer of any right or interest in a Membership is not permitted without prior written consent by Herbalife in its sole and absolute discretion.

A Member may not transfer a Membership in order to circumvent the Rules or the law. If Herbalife becomes aware that the former Member (Transferor) and/or the Transferor's spouse or Life Partner has engaged in conduct or activity that would violate the Rules after granting the transfer request, Herbalife may apply sanctions to the transferred Membership.

10.2.2 May Only Be Sold, Assigned or Transferred to a Non-Herbalife Member

A Membership can only be sold, assigned or transferred to an individual who is not a Member, except as allowed by the **Inheritance Rule**. Herbalife will not consider a transfer request if the proposed Member (Transferee) has not satisfied the period of inactivity requirements (see **Period of Inactivity Rule**).

10.2.3 Status and Benefits

The achievements of a Member are personal, and if a sale, assignment or transfer is approved, the status and benefits achieved by the Member may not be transferred with the Membership. The Transferee may be required to achieve all qualifications for status and earning requirements after the assignment or transfer is made. This includes Supervisor status, TAB Team status, vacation qualifications or any other rights of the individual Member.

10.2.4 Responsibility After Transfer

After transfer of the Membership:

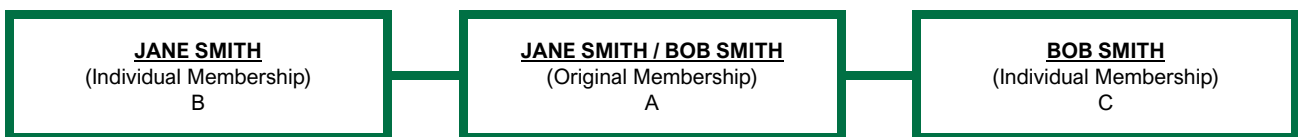
- The Transferee shall be responsible to Herbalife for any and all violations of the Rules committed by or on behalf of the Transferor in connection with the Membership.

- For a period of six months following the effective date of the transfer, acts by the Transferor and/or the Transferor’s spouse, or Life Partner which would violate the Rules if the Transferor were still a Member, shall be treated as though the violations were the Transferee’s violation.

10.3 Separation, Divorce and Dissolution of Life Partner Relationship

10.3.1 Establishing a New Membership

If a Member’s spouse or Life Partner wishes to continue in the Herbalife business during divorce proceedings or immediately after a divorce, or dissolution of a Life Partner relationship, the Member and spouse / Life Partner each must start a new separate Membership under the original Member’s Sponsor. Herbalife will deactivate the buying privileges of the original Membership and credit each new separate Membership with the business activity of the original Membership through an “Association.” (See Divorce and Dissolution of a Life Partner Relationship and the Herbalife Sales & Marketing Plan) Each Member must use the ID number in his or her business.



The original Membership and its downline cannot be divided between the Member and the former spouse / Life Partner. For example they may not “divide” the Membership giving each person a 50% ownership.

Herbalife must receive the following documents to establish new Membership:

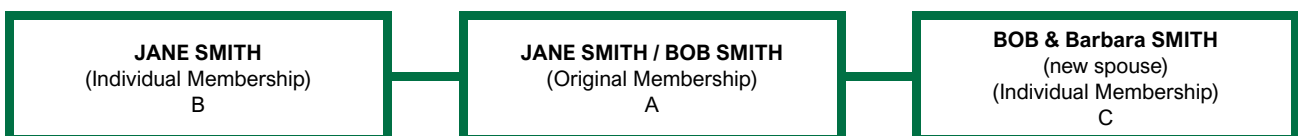
From a Divorcing Couple

- Newly completed and signed Agreements, for the Member and the spouse, sponsored by the Sponsor of the original Membership.
- A signed and witnessed Divorce and Separation Form.
- A copy of the Legal Divorce Certificate, or final divorce judgment.
- Newly completed and signed TAB Team Additional Service Fee Agreement Forms, for the Member and spouse, reflecting the ID number of the new separate Membership (TAB Team level Memberships only).

From Partners in Dissolution of Life Partner Relationship

- Newly completed and signed Agreements, for the Member and Life Partner, sponsored by the Sponsor of the original Membership.
- A signed and witnessed Dissolution of Life Partner Relationship Form from both parties. (If both parties do not provide the signed and witnessed Form, the termination of material relations certified by two (2) witnesses, will be required.)
- Newly completed and signed TAB Team Additional Service Fee Agreement Forms, for the Member and Life Partner, reflecting the ID number of the new separate Membership (TAB Team level Memberships only).

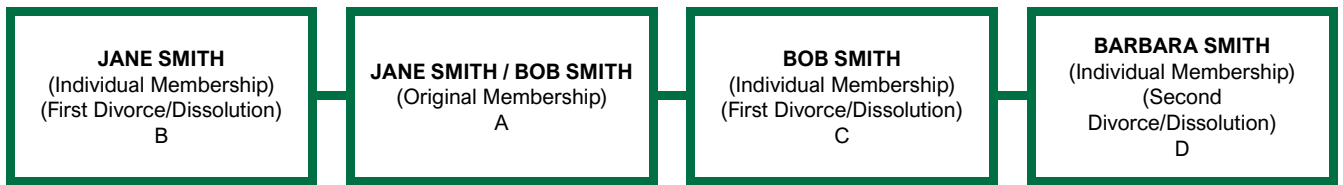
If a Member remarries or designates a new Life Partner, that person’s new spouse or Life Partner may be added to the Member’s new separate Membership to support the Member in the business and for recognition purposes.



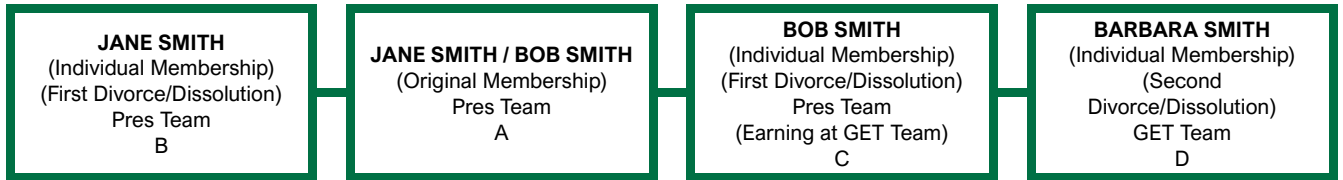
More than one Dissolution or Divorce:

Herbalife will only associate one set of dissolved or divorced Memberships. In case of more than one Divorce or Dissolution of Life Partner Relationship, the dissolved Life Partner or divorced Spouse may establish a separate Membership, but the Membership will have no association.

For example, if Bob and Barbara divorce, Barbara may start a new separate Membership (“D”) under the original Membership Sponsor, but it will not be associated to Bob’s Membership (“C”).



The Sales & Marketing Plan level of Barbara’s Membership (“D”) will be established based upon the business activity achieved under Membership (“C”). For example, the business activity of Membership (“C”) is earning at GET Team, so Barbara’s new Membership (“D”) will be established at GET Team level.



10.3.2 Requests to Modify the Original Membership

Herbalife will accept requests to make changes to the original Membership. All requests must be signed by both parties unless Herbalife receives a certified copy of the court’s final divorce judgment.

Removing a Spouse or Life Partner’s Name: Herbalife must receive a completed Request to Remove Spouse Form, or a Request to Remove Life Partner Form to remove the name of a spouse or Life Partner from the Membership record.

Payments: Herbalife must receive a completed Request to Pay Form to make payment changes. Subsequent requests must be signed and notarized by both parties. The income statements for the original Membership will be available at MyHerbalife.com when logged in under the original Membership’s Herbalife ID number.

Transfers: Herbalife must receive a completed Divorce and Separation Form, or Dissolution of Life Partner Relationship Form, to transfer a Membership to someone who is not the Member, a former spouse or former Life Partner.

If the Membership to be transferred is associated with another Membership, the transferred Membership will remain associated.

If after a Member transfers their Membership and decides to establish a new Membership:

- The new Membership must operate independently from their original Membership.
- Advancement within the Sales & Marketing Plan, Service Fees, Additional Service Fees and other earnings will be based solely on the achievements of the new Membership.

For Herbalife to accept the new Agreement:

- The Member must submit their request within one year of the transfer if Supervisor and below, or within two years of the transfer if World Team and above.
- The Sponsor of the original Membership must sponsor the new Membership.
- The new Membership’s status will be equal to the status of the original at the time of the transfer.

10.3.3 Joining Under a Different Sponsor/Participating in another Membership

To join under a different Sponsor, the Member or spouse or Life Partner must provide Herbalife with the following required documents:*

From a Divorcing Couple

- A newly completed and signed Agreement.
- Signed and witnessed Divorce and Separation Form.
- Copy of the Legal Divorce Certificate, or final divorce judgment, or documentation from a court which declares an interim determination that the marital community has ended.

From Partners in Dissolution of Life Partner Relationship

- A newly completed and signed Agreement.
- Signed and witnessed Dissolution of Life Partner Relationship Form from both parties. (If both parties do not provide the signed and witnessed Form, the termination of material relations certified by two (2) witnesses, will be required.)

In addition, the Member or spouse or Life Partner must comply with the Period of Inactivity. The Period of Inactivity will be determined as stated in the **Period of Inactivity Rule** or by the issuance date of the court document received, whichever is later.

Note: Establishing a new Membership under a different Sponsor requires the purchase of a HMP, and benefits will begin at a 25% discount with no association to the original Membership.

* Forms and Applications are available through Member Services.

10.3.4 Divorce and Dissolution of a Life Partner Relationship and the Herbalife Sales & Marketing Plan

Total Volume: The individual Memberships will receive Volume Point credit from the original Membership to combine with their own Volume Points (“Association”). This will determine the eligibility to receive Service Fees, qualifications, re-qualifications and/or Additional Service Fees.

For the purpose of Service Fee percentage eligibility, the original Membership will combine volume with each of the individual Memberships, plus its own Volume.

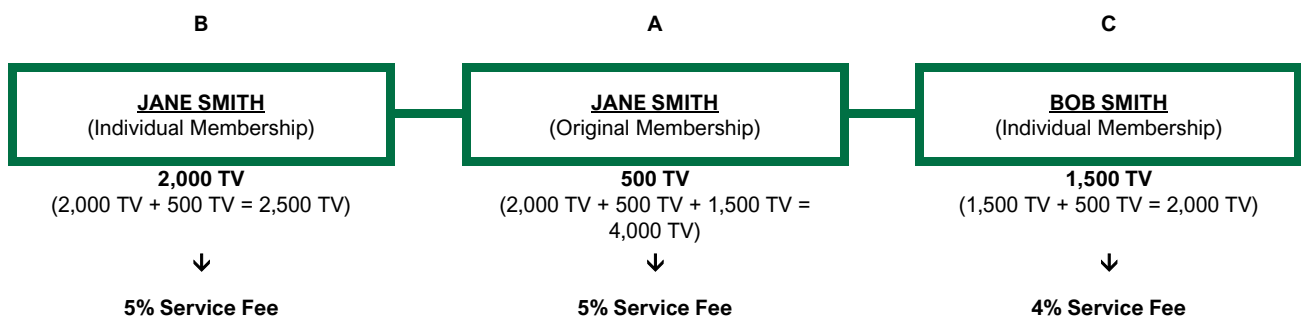
Additional Service Fee eligibility for the original Membership will be determined based on the achievement of the highest individual Membership.

Example:

Volume Points

Volume for B and C will be as follows:

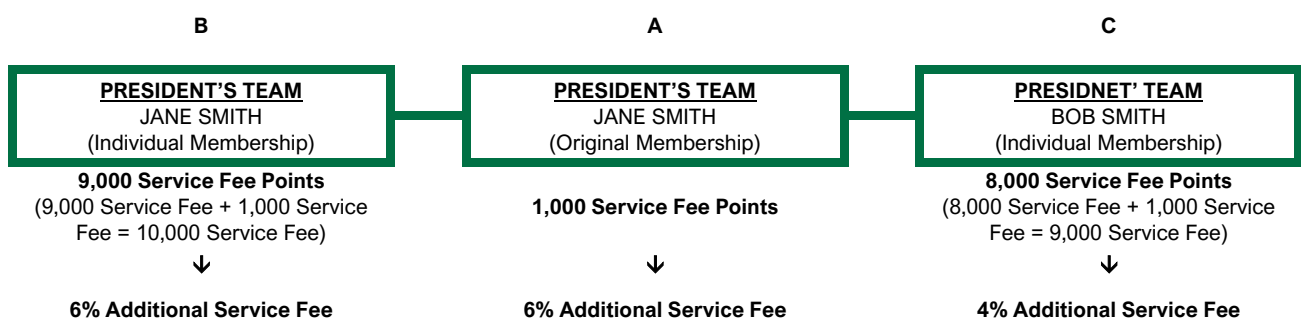
B + A and C + A



Service Fee Points

The Service Fee Points for Additional Service Fee purposes are combined as follows:

B + A and C + A



Requirements: Each individual Membership must comply with the 10 Retail Customers Rule, the 70% Rule, and any other requirements to earn Service Fees.

Each Membership must also achieve the necessary volume to meet the Matching Volume requirements for their own downline who are qualifying for Supervisor status. The buying privileges of the original Membership will be temporarily granted to accommodate any Matching Volume requirements for its downline qualifiers.

Recognition: Each Membership will be recognized for its own accomplishments under the Sales & Marketing Plan. The original Membership will not receive recognition. If the original and an individual Membership reach the level of President's Team, only one diamond will be awarded to the upline President's Team member, which remains consistent with the diamond allocation for Membership that are not part of a divorce or dissolution of a Life Partner relationship. If the individual Membership qualifies for a diamond, only that Membership will advance within the diamond status(es).

Events: Rules related to event attendance are specific to each event and may vary. Please refer to event materials for information about accommodations, tickets, transportation and other event details.

10.4 Inheritance*

The Membership of a deceased Member may be transferred to an heir, subject to applicable laws, Rules, and Herbalife's approval which shall not be unreasonably withheld.**

Member may own and operate a maximum of three Memberships – the Member's own, plus up to two others acquired by inheritance. An inherited Membership may be transferred to the individual heir directly, or in the case of a Membership that is TAB Team level, to a Corporation*** owned by the heir.****

The Period of Inactivity (as specified in the **Period of Inactivity Rule**) for an inherited Membership shall be waived.

The heir must provide all documentation requested by Herbalife in its sole and absolute discretion.

Requests to cancel a deceased's Membership must be made directly to Member Services.

* For estate planning and inheritance, the **Business Continuation Program** is available to assist with the continuity of your Membership. Please contact Member Services for more information or view the **Herbalife Membership - Planning Ahead** document available on MyHerbalife.com.

** **The Deceased Transfer Declaration Form** is available from Member Services.

*** If available in the heir's market.

**** *Inherited Memberships are considered to be separate entities, each subject to fulfilling the business activities, sales volume and compensation terms as set forth in the Sales & Marketing Plan, with the exception of lifetime volume achievements, which permit the combination of the heir's own Total Volume with the inherited Membership's Total Volume. The heir is responsible for payment of fees, and debts of each Membership.*

10.5 Resignation

A Member may resign a Membership by submitting a resignation request through the Online Self-Service Center on MyHerbalife.com, or by submitting a signed letter to Herbalife. The resignation becomes effective when received and accepted by Herbalife.

10.6 Sales to Consumers

Herbalife is a direct-selling company, whose independent contractors (Members) sell Herbalife® products directly to customers and provide them with product guidance and social support.

10.7 Business Registration and Taxes

Regulations and requirements vary by country and change frequently for:

- Business registrations;
- VAT (disclosure, collection, recording and reporting);
- Other taxes.

Members are required to comply with business registration, licences and all tax obligations and reporting requirements when running their Herbalife business, whether selling offline or online.

When requested by Herbalife, Members must provide their business and/or tax registration. In addition, Members are responsible and must report any changes about previously provided information to Herbalife without undue delay.

10.8 Payments and Adjustments

To qualify for monthly Service Fees, Additional Service Fees or other bonuses offered by Herbalife, Members must meet sales production and Service Fee Point requirements that are fully defined in the Sales & Marketing Plan and in other literature and promotional material. Additionally, in order to earn these payments, Members must meet certain requirements for retail customers and product distribution, and confirm those on the **Earnings Certification Form**.^{*} The form must be received by Herbalife by the end of the month for the current month's activity.

^{*} **Earnings Certification Forms** are available on MyHerbalife.com.

10.9 Maintaining Lines of Sponsorship

The Sponsor / Member relationship is the foundation of the Sales & Marketing Plan. These Rules protect both parties, including safeguarding rights of sponsorship. Sponsoring Members invest considerable time, energy, leadership and training to support their downline. Sponsorship changes are detrimental to the integrity of the Herbalife business and are discouraged. Only on rare occasions are Sponsorship changes permitted, and always at the sole and absolute discretion of Herbalife.

10.9.1 Sponsorship Correction

A Member, who wishes to request a Sponsorship correction, must complete and submit a "**Change of Sponsorship Request**" Form^{*}, a "**Change of Sponsorship Consent**" Form from the current Sponsor, and a letter of acceptance from the proposed Sponsor. All documents must be signed by 2 witnesses.

Requests for Sponsorship corrections will only be considered if all the following circumstances are met:

- Sponsorship details provided on the Agreement were in error
- The request is made within 90 days of Herbalife accepting the current Agreement
- The current and proposed Sponsor are in the same line
- The current Membership has not reached the level of Supervisor
- The Member making the request has not yet sponsored any other Members.

^{*} The required **Change of Sponsorship Request** and **Change of Sponsorship Consent Forms** may be obtained from the Member Services Department. These forms and all other specified documentation must be submitted to Member Services Department in order for Herbalife to consider the request.

In place of notarization, each Member may submit their completed and signed forms individually through MyHerbalife.com > Online Support.

For Vietnam, all request forms must be notarized. Submissions via email without notarization will not be accepted.

10.9.2 Applying for Change of Sponsorship

In order to protect the integrity of lineage which is a fundamental principle of multi-level marketing, a change of sponsorship is discouraged and will only be approved by Herbalife in the most exceptional circumstances.

A Member may only apply for a change of Sponsorship within their upline President's Team organization.

A Member who wishes to request a sponsorship change should first consult with their upline to discuss and review the circumstances. Should the Member then wish to continue, they must complete and submit a "Change of Sponsorship Request" Form* signed by 2 witnesses, along with a "Change of Sponsorship Consent" Form signed by 2 witnesses, from the current Sponsor, and all Service Fee and Additional Service Fee earners in the upline, up to and including the active President's Team member earning a 7% Additional Service Fee. In addition, Herbalife must receive a "Change of Sponsorship Acceptance" Form signed by 2 witnesses, from the proposed Sponsor.

If both the current and proposed Sponsors share the same upline Sponsor, and each are at equal status and earning levels under the Sales & Marketing Plan, the Member requesting the change only needs to obtain a "Change of Sponsorship Consent" Form signed by 2 witnesses, from the current Sponsor, and a "Change of Sponsorship Acceptance" Form signed by 2 witnesses, from the proposed Sponsor.

If Herbalife approves the change, the requesting Member will not be allowed to keep downline Members and Preferred Customers.

If the request for a change of sponsorship is denied, the Member may resign their Membership and comply with the Period of Inactivity before reapplying for Herbalife Membership under a different Sponsor. (See Period of Inactivity Rule)

** The required Change of Sponsorship Request and Change of Sponsorship Consent Forms may be obtained from the Member Services Department. These forms and all other specified documentation must be submitted to Member Services Department in order for Herbalife to consider the request.*

In place of notarization, each Member may submit their completed and signed forms individually through MyHerbalife.com > Online Support.

For Vietnam, all request forms must be notarized. Submissions via email without notarization will not be accepted.

10.10 Enforcement Procedures

The Rules protect the Herbalife opportunity and brand. Violations can adversely influence the opinions of regulators, the media and the public about Herbalife, its products and its Members. While many Rule violations may be resolved by educating Members about the Rules and business practices, there are instances where violations of the Rules merit more severe penalties.

Members are strongly encouraged to promptly report alleged violations of the Rules to Herbalife in order to protect the goodwill and reputation of Herbalife and its Members. Herbalife generally will only act on complaints brought within one year of when the Member knew or should have known of the violation but reserves the right to conduct an inquiry at any time.*

** Herbalife's enforcement of the Rules shall not create liability to pay compensation for loss of profits, goodwill or any consequential damages.*

10.10.1 Complaint Procedure

Members should report suspected violations to Herbalife at MyHerbalife.com via Online Support. Required information includes the nature of the complaint and the factual details that support the allegations.*

Members may not discourage a customer or Member from making a complaint or retaliate in any way.

** Factual details include names, addresses, and telephone numbers of persons involved as well as dates, times, places, etc.*

10.10.2 Inquiry

If Herbalife determines in its sole and absolute discretion there is sufficient information to support the allegation, an Herbalife representative will contact the Member who is the subject of the complaint to permit the Member to provide a response.

In certain circumstances it may become necessary to place restrictions on a Membership while an inquiry is in process.

Those restrictions may include a prohibition from attending Herbalife events and suspension or denial of:

- Buying privileges.
- Payment for Service Fees.
- Payment for TAB Team Additional Service Fees.
- Awards or benefits (i.e., vacations, pins, etc.).
- Speaking at Herbalife sponsored Training Seminars or other meetings.
- Qualifications that may be in progress.
- The right to represent oneself as an Herbalife Member.

10.10.3 Sanctions

Violations of the Rules may result in legal or regulatory challenges for Herbalife and endanger the business for all Members. For this reason, penalties may be substantial. Herbalife shall have sole and absolute discretion to determine the appropriate penalty based on the nature of the violation and consequence that resulted or could result, including:

- Suspension of all Member rights and privileges.
- Monetary sanctions.
- Obligation to reimburse Herbalife's legal fees.
- Prohibition from attending or speaking at Herbalife sponsored events.
- Disqualification from participation in the annual Mark Hughes Bonus.
- Disqualification from participation in the Additional Service Fee program.
- Permanent loss of lineage.
- Volume and earnings adjustments*, and/or
- Termination of Membership (see "Termination or Deletion of a Membership" below).

If Herbalife concludes that other Members assisted, encouraged or were party to the violations, Herbalife also may hold such Members responsible for the violations.

Herbalife reserves the right to publish the violating Member's name, the facts and circumstances of the violation, and sanctions.

** Volume and earnings adjustments also includes corrective measures to resolve Sales & Marketing Plan Manipulation, Prohibited Locations, Product Sales to Non-Members for Re-sale and Prohibition of Sales on Auction Sites and Third-Party Online Marketplaces violations.*

10.10.4 Requests for Reconsideration (unrelated to Terminations)

Members may submit a request for Herbalife's reconsideration of a decision within 7 business days of the date of the decision. When requesting reconsideration, the Member may submit additional information they believe should be considered, and must also state why this information was not provided during the inquiry. If the reconsideration request is not submitted within the 7-day period, the request will be denied, although Herbalife reserves the right to consider evidence submitted beyond the 7-day period in its sole and absolute discretion.

10.10.5 Termination of a Membership

Herbalife may, in its sole and absolute discretion, terminate a Membership if a Member violates the Rules.*

The termination is effective on the date in Herbalife's written notification to the Member. Upon termination, the Member will have no claim against Herbalife as a result of the termination.

A terminated Member ** may no longer

- conduct business as a Member;
- represent himself as an Herbalife Member;
- use Herbalife's trade name, logo, trademarks and other intellectual property; and
- attend Herbalife trainings, meetings, social events or promotions, even as a spouse or guest of a Member.

If a Member has violated the Rules, Herbalife may refuse to accept payment of the Annual Fee, in which case the Membership will be terminated, and Herbalife will refund payment of the Annual Fee.

** Termination means the complete cancellation of a Membership and revocation of the Member's right to conduct the Herbalife business. This includes cancellation of the Member's right to receive any further income from the Membership.*

*** These prohibitions also apply to Members who resign or otherwise leave the Herbalife business while under an inquiry for possible Rule violations.*

10.10.6 Appealing a Termination

Members may appeal a termination decision within 15 days of the date of the decision. When requesting an appeal, the Member may submit additional information they believe should be considered, and must also state why this information was not provided during the inquiry. If the appeal request is not submitted within the 15-day period, the request will be denied although Herbalife reserves the right to consider evidence submitted beyond the 15-day time frame in its sole and absolute discretion.

The appeal will be reviewed by a committee comprised of an appointed representative from each of the Sales Department, the Member Services Department, and the Legal Department (the "Review Committee"). A majority of the Review Committee may uphold the termination, reinstate the Membership, or recommend an alternative penalty for the alleged violations. In reviewing a termination decision, the Review Committee will consider whether the alleged violation was material.

This decision shall not create liability to pay compensation for loss of profits or goodwill.

10.11 Additional Legal Provisions

References below to “Agreement” mean the Application and entire contractual relationship between Member and Herbalife.

10.11.1 Damages

To the fullest extent allowed by applicable law, neither Herbalife nor Member shall be liable to the other for any indirect, incidental, consequential, special, exemplary or punitive damages, of any kind, including without limitation any loss of goodwill, business opportunities, bargains, profit or revenues under any legal or equitable theory, regardless of whether the possibility of such damages is known by either party.

10.11.2 Waiver and Delay

Herbalife may address Rules violations or other breaches of the Agreement with any Member in its sole and absolute discretion. No failure, refusal or neglect of Herbalife to exercise any right, power or option under the Agreement shall constitute a waiver of the provisions or a waiver by Herbalife of its rights at any time under the Agreement.

10.11.3 Severability

If any provision in the Agreement is found to be invalid, illegal, or unenforceable in any respect, it shall be severed from the Agreement and have no effect on the remainder of the Agreement, which shall remain in full force and effect. Further, there shall be added automatically as part of the Agreement a provision as similar as possible to the severed provision that would be legal, valid, and enforceable.

10.11.4 Choice of Law and Forum

Any dispute arising from the relationship between Herbalife and Members, shall be governed by the laws of Mongolia without the application of conflict of law principles.

Any such dispute shall be resolved exclusively in a judicial proceeding in the competent court located in Ulaanbaatar, Mongolia.

10.11.5 Indemnification

Member will indemnify, defend, and hold Herbalife harmless from any suit, action, demand, prosecution, or claim, including all costs or liabilities and damages, relating to or arising from Member's breach of the Agreement or the conduct of Member's Herbalife business. Herbalife may, among other things, offset amounts it owes to Member to satisfy any obligations arising under this indemnity.

10.11.6 Claims Between Members

Herbalife shall not be liable to any Member for any cost, loss, damage, or expense suffered by any Member directly or indirectly as a result of any act, omission, representation, or statement by any other Member.

10.12 Privacy and Data Protection

LLC “Herbalife International RS” |Russia, 105064, Moscow, Zemlyanoy val street, house 9, floor 12, premises I, room 1, 3-7 (“Herbalife”) is the data controller of your personal data. Acting on the instruction of Herbalife, Universal Logistics Mongolia LLC, Mongolia, 14253, Ulaanbaatar, P. O. 28, Box 205 (“Universal”) collects certain personal identifiable information (PII) about Members’ and provides it to Herbalife. Aside from the PII contained in the Application Form, Herbalife and Universal collects information about Members’ business and other information it needs to fulfill its obligations of the Membership, such as Members’ bank account or credit card number. If a Member refuses to give Herbalife and Universal this information or appropriate authorization to use the information, he or she will not be able to become or stay a Member.* If Members give Herbalife and Universal their information, it will be used:

1. To provide services to Members (such as taking and processing orders, and calculating earnings, etc.);
2. To support and improve the services Members render to their customers;
3. To provide Members additional services;
4. To maintain the proper functioning of the Sales & Marketing Plan; and
5. For compliance purposes.

Herbalife shares Members’ information with its affiliate entities,** with its corporate headquarters in the United States, with its third party service providers (e.g., IT support, accounting, legal advisors, etc.) and with Members’ uplines when needed. In specific cases Herbalife may also be legally required to share Members’ information with public authorities. In all of these cases, Herbalife will take appropriate measures to ensure the confidentiality of Members’ information. Herbalife does not share your information with other third parties.

Some of Herbalife’s affiliate entities, and possibly Members’ uplines, may be in countries that offer less privacy protection than the country where the Member lives. However, Herbalife is committed to protecting Members’ privacy wherever Members’ information is used and Herbalife International of America, Inc., has certified to the EU-US Safe Harbor Agreement, committing to a level of protection equal to that in your country.

Members have a right to access their personal information and a right to have incorrect information corrected. If Members want to exercise those rights, they should contact Member Services in their country, check their account information online at www.myherbalife.com/mn-MN or send an email to privacy@herbalife.com.

From time to time, Herbalife may give Members PII relating to Members’ downline. Members may only use this PII to develop their Herbalife business relationship with their downline, unless they have received consent from the downline Member to use his or her PII for other purposes. Members must abide by applicable data protection laws, including international data transfer restrictions. Once Herbalife has given PII to a Member, he or she is responsible for it and must keep it strictly confidential.

Herbalife will give Members materials about its products and services to help Members develop their business and Herbalife may also send Members commercial information about Herbalife or its business partners. Members may refuse such business development and promotional tools via the tick box on the Membership Application and Agreement Form or by contacting Herbalife at Member Services at +976 77008891.

** When a Member terminates his or her Member relationship, Herbalife must keep some of the Member’s information for accounting purposes and for the calculation of earnings under the Sales & Marketing Plan.*

*** A list of Herbalife subsidiaries can be found online at www.myherbalife.com/mn-MN, or at www.herbalife.mn.*

10.13 Definitions

Application and Agreement: The Herbalife Membership Application and Agreement and the entire contractual relationship between the Member and Herbalife, including the Sales & Marketing Plan, the Rules of the Road and other documents posted on MyHerbalife.com.

Association: In a divorce, or dissolution of a Life Partner relationship, the combination of volume between the original Membership and the separate Membership of the divorced couple or the former Life Partners, for the purpose of earnings percentage calculation.

Business Tool: A sales aid not provided by Herbalife .

Claim: Any statement, story, image or video about Herbalife® products, or the Herbalife business opportunity.

Club: Healthy Lifestyle Club.

Commercial Club: A Club in a non-residential location.

Company: Herbalife Distribution Ltd.

Customer: Preferred Customers and Retail Customers

Fee: Annual Membership Services Fee.

General Public: People whom a Member has not had prior personal contact with in any manner.

Herbalife Intellectual Property: Includes Herbalife copyrighted materials, trademarks, trade names, branding, and trade secrets.

HMP: Herbalife Member Pack. An HMP is a Business Starter kit for Herbalife Members.

Herbalife® Products: Includes all products soled by Herbalife, and preparations made by Independent Associates using those products.

Herbalife Satisfaction Guarantee: Herbalife 30-day money-back product guarantee for all customers.

Leads: Prospects for Herbalife® products or the Herbalife business opportunity.

Life Partner: A person designated by an Herbalife Member as their Life Partner on the “Add Life Partner Request Form”

Lifestyle Claims: A form of Earnings Claim. Any expressed or implied claim suggesting that a Member can attain a certain lifestyle, or purchase certain items, by participating in the Herbalife business opportunity.

Lineage Reports: These reports contain information regarding other Members and Preferred Customers within a Member’s downline, such as their name and contact information, their Herbalife Identification Number, and business metrics such as their level or rank, volume and sales statistics.

Materials: Herbalife produced literature and sales aids.

Member: An individual whose Herbalife Application and Agreement for Membership has been accepted and entered into Herbalife records.

Membership: A Member’s Herbalife independent business.

Member Services: Herbalife Member Services Department which may be reached at +976 1800 1101.

Healthy Lifestyle Clubs: Healthy Lifestyle Clubs provide a supportive community setting for people who wish to focus on good nutrition through the consumption of Herbalife® products.

Healthy Lifestyle Club Operator: also known as “Operator” is a Herbalife Member who operates a Healthy Lifestyle Club.

Personal Information: Information about a person such as first and last name, mailing address, city, state, zip code, telephone number, email address, credit card, and banking information.

Preferred Customer: A Preferred Customer is entitled to purchase Herbalife® product directly from Herbalife at a discount. A Preferred Customer is not allowed to (1) sell Herbalife® product or services; (2) recruit or sponsor others to be Herbalife Independent Associate or Preferred Customers; or (3) receive compensation under the Sales & Marketing Plan.

Review Committee: The committee that reviews an appeal of a termination decision. Consists of an appointed representative from each of the Sales Department, the Member Services Department, and the Legal Department.

Rules of the Road: The Herbalife Member Rules, policies and advisories that Herbalife issues from time to time.

Sales & Marketing Plan: Outlines the specific milestones and benefits that Members can strive to achieve.

Sponsor: The Member who brings another individual into the Herbalife business and Preferred Customership Programme.

Third-Party Sites: Auction Sites and Third-Party Online Marketplaces.

Transferee: The Member to whom a Membership is transferred.

Transferor: The former Member who is transferring his or her Membership to another.