

HERBALIFE VIETNAM SINGLE MEMBER LIMITED LIABILITY COMPANY

RULES OF CONDUCT

Table of contents

Definitions	7
Chapter 1 Getting Started.....	8
1.1 APPLYING TO BECOME A MEMBER.....	8
1.1.1 No Requirements for Purchasing Products, Services	9
1.1.2 Debt Prohibited	9
1.1.3 One Membership Permitted Per Person.....	9
1.1.4 Maintaining Multi-level Marketing Agreement.....	9
1.1.5 Communications with Herbalife.....	9
1.1.6 Proper Purchasing	10
1.1.7 Payment	10
Chapter 2 Membership Particulars	10
2.1 MEMBERSHIP ELIGIBILITY	10
2.1.1 Members Must Be Individuals.....	10
2.1.2 Multiple Memberships Prohibited	10
2.1.3 Membership Minimum Age	11
2.1.4 Married Couples and Members Who Marry	11
2.1.5 Spouse as a Joint Member	11
2.1.6 Activities of a Spouse	11
2.1.7 Joint Membership	12
2.1.8 Former Membership Participant	12
2.1.9 Disclosure of Former Membership.....	12
2.1.10 Period of Inactivity	12
2.2 ASSIGNING YOUR MEMBERSHIP	13
2.2.1 Assignment of Membership	13
2.2.2 Restrictions on Assignment.....	13
2.2.3 Status and Benefits.....	13
2.2.4 Responsibility After Assignment	14
2.3. DIVORCE OF A MARRIED COUPLE IN A JOINT MEMBERSHIP.....	14
2.3.1 Disposal of the Joint Membership after divorce	14
2.4 INHERITANCE	14
2.5 TERMINATION OF MEMBERSHIP (VOLUNTARY TERMINATION OF AGREEMENT).15	
2.5.1 Resignation	15
Chapter 3 Business Activities.....	15
3.1 OPERATING YOUR BUSINESS	15
3.1.1 General Compliance	15
3.1.2 Members are Self-Employed.....	15
3.1.3 Maintaining Reputation and Image of Herbalife.....	16

3.1.4 Violations of Rules of Conduct	16
3.1.5 No Association of Other Organizations with Herbalife.....	16
3.1.6 No Inducement to Sell Other Products or Services	16
3.1.7 Limitations and Important Points for Top Achievers Business Team (“TAB Team”).....	16
3.1.8 Sales & Marketing Plan Manipulation	17
3.1.9 Debts Owed to Herbalife	18
3.1.10 Interviews or Statements to Media.....	18
3.1.11 Conduct Regarding Harassment/Discrimination.....	18
3.1.12 Responsibility for Vendors.....	18
3.1.13 Responsibility for Conduct of Others Assisting with Multi-level Marketing Business Activities	18
3.2 INTERNATIONAL BUSINESS.....	19
3.2.1 Activities in Countries or Territories Not Yet Open	19
3.2.2 Activities in Open Countries or Territories.....	19
3.2.3 Herbalife-Related Activities in Vietnam	19
3.2.4 Activities in China.....	19
3.2.5 Personal Consumption.....	20
3.2.6 Prohibited Countries	20
3.2.7 Office of Foreign Assets Control (“OFAC”) List.....	20
3.3 BUSINESS TOOLS	20
3.3.1 Issuance and Distribution of Business Tools	21
3.3.2 Leads	21
3.3.3 Written Permission for Distribution	21
3.3.4 Notice to Cease Use or Sale of Business Tools.....	21
Chapter 4 Selling.....	21
4.1 SALES TO CONSUMERS.....	21
4.1.1 Unpermitted Locations for Product Distribution	21
4.1.2 Members’ Offices	22
4.1.3 Providing and Maintaining Retail Receipts/Records	22
4.1.4 Customer Refund Policy.....	22
4.2 PAYMENTS AND ADJUSTMENTS.....	22
4.2.1 Product Distribution.....	22
4.3 SELLING PRACTICES.....	22
4.3.1 Members as Brand Ambassadors.....	22
4.3.2 Product Sales to Non-Members for Resale.....	22
4.3.3 Modifications to Labels and Materials	22
4.3.4 No Resale of Samples or Daily Use Portions	22
4.3.5 Presentations and Directions for Use	23

4.3.6 Product Storage.....	23
4.3.7 Customer Service	23
4.4 EXCHANGE, RETURN AND INVENTORY REPURCHASE.....	23
4.4.1. Exchange, Return and Inventory Repurchase applicable to Members	23
4.4.2. Exchange and Return applicable to Customers	24
Chapter 5 Sponsoring and Leadership	25
5.1 SPONSORING RESPONSIBILITIES.....	25
5.1.1 Training	25
5.1.2 Independent Relationship	25
5.1.3 Preparation of Document for Member	25
5.2 MAINTAINING LINES OF SPONSORSHIP	25
5.2.1 Inducement to Change Sponsors	25
5.2.2 Sponsorship Correction.....	25
5.2.3 Change of Sponsorship	26
Chapter 6 Marketing Your Business.....	26
6.1 CLAIMS AND REPRESENTATIONS	26
6.1.1 Lawful, Truthful and Not Misleading.....	27
6.1.2 Weight-Loss Claims	27
6.1.3 Product Claims.....	27
6.1.4 Earnings Claims	27
6.1.5 Size and Placement of Disclaimers	28
6.1.6 Home-Based Business Claims	28
6.1.7 Claims Regarding Relationship Between Herbalife and Herbalife Members	28
6.1.8 Opportunity Claims	28
6.2 USE OF HERBALIFE INTELLECTUAL PROPERTY	29
6.2.1 Definitions	29
6.2.2 Copyrighted Materials.....	29
6.2.3 Trademarks, Trade Dress and Trade Names.....	30
6.2.4 Trade Secrets.....	30
6.2.5 Use Limited to Herbalife Business.....	30
6.2.6 Herbalife's Addresses	30
6.2.7 Prohibited Use of Third Parties Intellectual Property	30
6.2.8 Termination of Membership	30
6.2.9 Name and Images of Mark Hughes.....	30
6.3 ADVERTISING AND PROMOTIONS.....	30
6.3.1 Advertising Restricted	31
Chapter 7 Use of the Internet and Electronic Marketing	31
7.1 MEMBER CONDUCT	31

7.1.1 Standard of Personal Conduct.....	31
7.1.2 Unauthorized Computer Access	31
7.1.3 Consumer Data.....	31
7.2 MEMBER WEBSITES	31
7.2.1 Email Addresses	31
7.3 PROHIBITION OF SALES THROUGH ONLINE CHANNELS.....	32
7.4 EMAIL	32
7.4.1 Requirements and Restrictions.....	32
7.4.2 Government Notice to Discontinue Emailing.....	32
7.5 SOCIAL MEDIA	32
7.6 TELEMARKETING	32
Chapter 8 Enforcement Procedures.....	33
8.1 COMPLAINT SETTLEMENT	33
8.1.1 Inquiry	33
8.1.2 Sanctions	33
8.1.11 Conduct Regarding Harassment/Discrimination.....	35
8.1.3 Corrective Measures	37
8.1.4 Requests for Reconsideration (unrelated to Terminations).....	37
8.1.5 Termination of a Membership (Termination of the Multi-level Marketing Agreement)	37
8.1.6 Appealing a Termination	38
Chapter 9 Additional Legal Provisions.....	38
9.1 Damages	38
9.2 Waiver and Delay.....	38
9.3 Severability	38
9.4 Choice of Law and Forum.....	38
9.5 Release of Liability.....	38
9.6 Claims for Damages Between Members	39
Chapter 10 Privacy and Data Protection.....	39
Appendix A Procedures.....	40
1. Procedures for execution of Multi-level Marketing Agreement.....	40
2. Procedures for fundamental training provided to multi-level marketing participants and issuance of Membership Card.....	40
3. Procedures for placing order, payment and delivery	44
4. Procedures for exchange, return, inventory repurchase and refund to multi-level marketing participants and Customers	45
5. Procedures for settlement of multi-level marketing participants' complaint	48
6. Procedures for termination and liquidation of Multi-level Marketing Agreement.....	49
Appendix B Relevant Forms	51

1. Add Spouse Request Form51

2. TAB Team Production Bonus Acknowledgment Form51

Annex C – Review of Qualification Process for TAB Members52

Definitions

Applicant: An individual submitting a Multi-level Marketing Agreement to become a Herbalife Member.

Member: An individual who has a valid Multi-level Marketing Agreement with Herbalife

Membership: An identification number provided to each individual when submitting a Multi-level Marketing Agreement to become a Herbalife Member. Membership is also the Agreement Number. Membership shall be used to identify the Member in all transactions with Herbalife.

Business Tool: A sales aid which has not been provided by Herbalife.

Earnings Claim: Any statement regarding a Member's actual or potential income.

Lifestyle Claim: A form of Earning Claim with Herbalife which is expressed in spoken, written forms or images which may include dwelling-house, vehicles or vacations.

Former Membership Participant: A former Herbalife Member, spouse, or anyone else who participated in a Membership.

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

Leads: Includes prospects for Herbalife® products or Herbalife business opportunity.

Materials: Includes Rules of Conduct, Sales & Marketing Plan and List of Goods To Be Sold In Multi-Level Marketing Mode issued by Herbalife Vietnam in accordance with the laws.

Member Services: A department providing support services to Herbalife Members which may be reached at +84 28 3827 9191.

Period of Inactivity: A waiting period, according to which, a Former Membership Participant is not permitted to take part in multi-level marketing activities with Herbalife under a new Sponsor (See Rule 2.1.10).

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

Sales & Marketing Plan: The Herbalife's Sales & Marketing Plan, which is used to determine commissions, bonuses and other economic benefits that a Member is entitled to basing on business results produced by themselves and other Members in their organization.

Sponsor: The Member who brings another individual into Herbalife as a Member.

Telemarketing: The act of selling, soliciting, marketing, promoting, or providing information about a product or service using a telephone, cell phone, text message, fax machine, auto dialer, pre-recorded or artificial voice recording, or like device.

Assignee: An individual to whom a Membership is assigned by a Herbalife Member.

Assignor: A Herbalife Member who assigns his/her Membership to another.

1.1 APPLYING TO BECOME A MEMBER

An individual applying to become a Herbalife Member (“Applicant”) is required to fully satisfy the following conditions:

1. Being an individual who is at least 18 years old with full civil act capacity in accordance with the laws;
2. Being sponsored by a Herbalife Member (the “Sponsor”);
3. Meeting all requirements applicable to multi-level marketing participants as required by current local laws and regulations;
4. Filling out all information and submitting a Multi-level Marketing Agreement (the “Agreement”); and
5. Being an individual who does not fall in one of the following cases:
 - a. A person subject to any form of imprisonment or having been convicted of manufacture of, trade in counterfeit goods and/or prohibited goods, false advertising, customer misleading, property appropriation through swindling, trust abuse for property appropriation, illegal property holding, violation of regulations on multi-level marketing;
 - b. Foreigners and Vietnamese overseas and non-Vietnamese nationals who are not permitted to do business in Vietnam shall not become a Herbalife Member and execute the Multi-level Marketing Agreement with Herbalife in Vietnam;
 - c. A multi-level marketing participant used to be sanctioned for the following violations in which the period that no administrative violation is deemed having been handled against him/her has not expired:
 - i. Requesting the others to make a deposit or pay a certain amount for execution of the Multi-level Marketing Agreement;
 - ii. Providing false or misleading information about benefits of multi-level marketing participation, properties and effects of products, activities of multi-level marketing companies;
 - iii. Organizing workshops, conferences, trainings on multi-level marketing without written authorization from the multi-level marketing companies;
 - iv. Soliciting, enticing, bribing multi-level marketing participant(s) of other companies to join his/her company’s organization;
 - v. Taking advantage of title, powers, social position, occupation in order to encourage, request, solicit, entice the others to participate in multi-level marketing organization or purchase goods to be sold in multi-level marketing mode;
 - vi. Conducting multi-level marketing business in a city/province where the company has not been granted registration certificate of multi-level marketing activities;
 - vii. Organizing workshops, conferences, trainings, presentation of multi-level marketing activities conducted by himself/herself or other entities, individuals when registration certificate of multi-level marketing activities has not been granted;
 - viii. Taking part in activities launched by multi-level marketing entities, individuals who have not been granted registration certificate of multi-level marketing activities.
 - d. Individual who used to be the partner in the case of a partnership, the owner in the case of a private enterprise or single member limited liability company, the member in the case of a limited liability company with two or more members, the shareholder in the case of a joint stock company, or the legal representative of the enterprise whose registration certificate of multi-level marketing activity was revoked pursuant to Decree 42/2014/ND-CP of the Government dated 14 May 2014 regulating multi-level marketing activities or Decree 40/2018/ND-CP dated 12 March 2018 on management of multi-level marketing activities, as amended and supplemented by Decree 18/2023/ND-CP dated 28 April 2023, as amended and supplemented from time to time (“**Decree 40/2018/ND-CP**”).
 - e. An officer, public servant in accordance with the laws on officers and public servants;
 - f. An individual subject to period of inactivity as specified in Chapter 2, Section 2.1.10 – Period of Inactivity in the Rules of Conduct.

Herbalife reserves the right to accept or reject the Multi-level Marketing Agreement submitted by any Applicant in its discretion.

1.1.1 No Requirements for Purchasing Products, Services

Either prospective or existing Members are not required to purchase any product nor services produced or provided by Herbalife or not.

1.1.2 Debt Prohibited

Members are prohibited from incurring debts to build their business. Members who elect to retail products and/or build Member organizations don't need to invest in large inventories or incur burdensome debt.

Herbalife strongly prohibits incurring debt or obtaining loans to pursue the Herbalife opportunity. Money loaned or granted for any purpose not specifically related to Herbalife (including educational loans or grants) shall not be used in the operation of a Herbalife business.

1.1.3 One Membership Permitted Per Person

An individual may own and operate only one Membership. If an individual submits more than one Multi-level Marketing Agreement, only Membership stated in the first Multi-level Marketing Agreement is the valid Membership.

1.1.4 Maintaining Multi-level Marketing Agreement

The term of the Multi-level Marketing Agreement is one year from the Effective Date and can be renewable on annual basis. In order to renew the Multi-level Marketing Agreement, a Member may simply purchase any product with volume points in the List Of Goods To Be Sold In Multi-Level Marketing Mode directly from Herbalife during the effective term of Multi-level Marketing Agreement or submit a completed Multi-level Marketing Agreement Renewal Request Form to Herbalife within 2 months prior to the expiration date of Multi-level Marketing Agreement. The Member is responsible for renewing the Multi-level Marketing Agreement on time.

Where a Member is qualified at Supervisor level or higher (as specified in the Sales & Marketing Plan), his/her Agreement shall be renewed to the year in which the Supervisor Requalification period expires¹.

1.1.5 Communications with Herbalife

Members are responsible for providing and updating their contact details (e.g., email, phone number) in a sufficient and accurate manner within 10 days upon any change, and other information and documents upon Herbalife's request for the purposes of (i) supervision and administration of Members, (ii) resolution of complaints and disputes and/or (iii) submission to competent state authorities in accordance with the laws.

Members must provide Herbalife with their address (permanent, residential address or alike) as shown in the valid Identity Card/Citizen Identity Card/ Identity Card (or whatever it is called by the laws from time to time, collectively referred to as the Identity Card) and contact address if different from the address recorded in the Identity Card.

¹ Please refer to the determination of Supervisor Requalification period in the Sales & Marketing Plan.

Communications between Members and Herbalife shall be via email, telephone, unless otherwise provided by the laws. Members are responsible for the ability to communicate and respond in the aforesaid manner within 30 days upon a correspondence is sent out by Herbalife.

Failure by Members to provide correct and contactable email and phone number or give response after Herbalife's communication efforts (at least 05 calls (in at least 03 different days) and 03 emails within 30 days) shall be deemed non-compliance with Communications with Herbalife Rule. In this case, Herbalife reserves the right to terminate the Multi-level Marketing Agreement with such Members.

1.1.6 Proper Purchasing

Non-Supervisor Members may only purchase Herbalife® products directly from Herbalife, from their Sponsor, or their first upline Supervisor. Please note that only orders directly placed with Herbalife count towards qualification of the Member stated in the Sales and Marketing Plan.

The Members at the supervisor or higher level may only purchase products from Herbalife.

Members may not place or pay for orders on behalf of other Members.

1.1.7 Payment

Members must ensure that all payments submitted to Herbalife are authorized and sufficient.

Members are financially liable for payments that are rejected for any reason.

Herbalife may restrict a Member's buying privileges for violations of this provision and make volume and earning adjustments to settle disputed charges.

1.1.8 Preservation of Multi-level Marketing Agreement

Members must preserve their Multi-level Marketing Agreement throughout its effective term and within 2 years upon the expiry thereof.

Chapter 2 Membership Particulars

2.1 MEMBERSHIP ELIGIBILITY

2.1.1 Members Must Be Individuals

Herbalife only accepts Multi-level Marketing Agreement in the name of individuals (See Rule 1.1). Earnings arising out of Membership will be reported in the name and tax identification number of the Member executing Multi-level Marketing Agreement.

Members must provide Herbalife with a valid bank account in their names where earnings will be paid.

2.1.2 Multiple Memberships Prohibited

The Company does not allow a Member to have more than one Membership. If Herbalife determines that a Member, spouse, other individual participating in a Membership has executed more than one Multi-level Marketing Agreement, Herbalife is entitled to:

- Terminate one or all of the Memberships.
- Impose penalties or sanctions on the Members and/or Sponsors as specified in Chapter 8.

- Adjust the volume and compensation of one or more related sponsoring organizations for any period prior to the assignment or termination of the Membership.

In cases where this rule is violated, the Member may be allowed to continue as an Herbalife Member, but must do so in the proper line of sponsorship as determined by Herbalife. Herbalife will determine the disposition of the terminated Membership's downline lineage.

2.1.3 Membership Minimum Age

A person must be at least 18 years old to be eligible to submit a Multi-level Marketing Agreement or participate in another Member's Herbalife business.

2.1.4 Married Couples and Members Who Marry

Married couples may participate in only one Joint Membership. If two Members marry each other, then within one month as from the date as recorded in the Marriage certificate, the couple must relinquish one of their Memberships and become joint Members in the other by completing and submitting the Add Spouse Request Form together with the original copy of the Membership Record and Membership Card of the Member with relinquished Membership. As from the date of submission, the remaining Member ID of the couple shall become the Joint Member ID number of both the Member and the Member's spouse, and Herbalife shall further issue the new Membership Card to the Member's spouse under the Joint Membership Card with the name and details of the Member's spouse. The only exception to this Rule is when each Membership is at Supervisor level or greater at the time of marriage. In this case, each spouse may continue to operate his or her individual Membership, each remaining in the original line of sponsorship without establishing any Joint Membership.

2.1.5 Spouse as a Joint Member

A Member may request that Herbalife adds the name of a spouse to their Member Record as a Joint Member, thereby the spouses have only one Sponsor. The Add Spouse Request Form shall only be valid upon receipt and acceptance by Herbalife. After the Member's spouse has completed the Fundamental Training, Herbalife will issue the Membership Card to the Member's spouse under the Joint Membership Card with the name and details of the Member's spouse. From the time the Member's spouse is issued the Membership Card, the Member ID of the Member shall automatically become the Joint Membership ID number of the Member and the Member's spouse.

2.1.6 Activities of a Spouse

If a Member's spouse participates in operating/supporting the Member's Multi-level Marketing business activities (*), the Member is responsible for registering his/her spouse as a Joint Member as specified in Rule 2.1.5 Spouse as a Joint Member so that both such Members shall jointly operate the Multi-level Marketing business as well as be responsible for the Joint Membership.

Failure to register his/her spouse as a Joint Member before they participate in operating/supporting the Member's Multi-level Marketing business activities for any reason would result in sanctions for General Business Practices Issues specified in Rule 8.1.2.

Additionally, while operating/supporting the Member's Multi-level Marketing business activities, if the Member's spouse engages in any activities, and those activities would be considered a violation of the Rules of Conduct if carried out by the Member, the Member will be subject to the corresponding sanctions specified in Rule 8.1.2.

(*) A Member's spouse shall be deemed to be operating/supporting the Member's Multi-level Marketing business activities if they undertake one or more of the following actions with the purpose of gaining business benefits and advantages for the Member: (i) organize event or conduct training about Herbalife's products and/or Herbalife's business opportunity; (ii) place orders under the Membership's ID; (iii) sell Herbalife products to prospects or

customers; (iv) promote or advertise products or business opportunity of Herbalife to prospects or customers; (v) disclose confidential information related to Herbalife business activities without Herbalife's prior written consent.

For example: The Member's Spouse organized/participated in training, covering content such as Herbalife Products, Sale & Marketing Plans, Business Opportunity to participants who are prospects and/or Downline Members for the purpose of promoting or supporting the Member's Multi-level Marketing business activities.

2.1.7 Joint Membership

A Membership only allows for the participation of two Members (referred to as the Joint Membership) when they are a married couple² or used to be a married couple, currently operating a Joint Membership and jointly maintaining such Joint Membership after divorce³.

The liability of two Members who operate a Membership together shall be joint so that both such Members shall be responsible, and shall accept liability for, and shall be bound by, any act or omission of either Member and any payment by Herbalife to one such Member shall be deemed as payment to both such Members.

All transactions between the Company and this Joint Membership shall only be performed with the consent of the Member entering into the Multi-level Marketing Agreement. The Joint Membership shall have only one bank account being registered with Herbalife under the name of the Member entering into the Multi-level Marketing Agreement. Members in a Joint Membership shall be solely responsible for their distribution of benefits paid by Herbalife to the Joint Membership; the Company shall neither determine nor intervene in such distribution.

Any addition or removal of either Member operating a Joint Membership shall only be made upon written request from the Member entering into the Multi-level Marketing Agreement in respect of such Membership. Herbalife reserves the right to accept or reject this request.

2.1.8 Former Membership Participant

A Former Membership Participant (meaning a former Member, spouse, or an individual who participated in a Membership) must fulfill the Period of Inactivity requirements before resubmitting a Multi-level Marketing Agreement or participating in a Membership to do business under another Sponsor. (See Rule 2.1.10)

2.1.9 Disclosure of Former Membership

If a Former Membership Participant submits a new Multi-level Marketing Agreement, such person must notify Herbalife at the time of submission and provide the former Membership ID and activity in another Membership (if any). The Multi-level Marketing Agreement may be terminated if the Member fails to do so or makes misrepresentations regarding it.

2.1.10 Period of Inactivity

The Period of Inactivity means a waiting period during which a Former Membership Participant (meaning a former Member, spouse, or an individual who participated in a Membership) may not enter into the Multi-level Marketing Agreement to participate in Herbalife business under a new Sponsor.

The Period of Inactivity shall be:

- 01 year for a Former Membership Participant at lower level than the World Team (as specified in the Sales & Marketing Plan) as at the expiry of his/her Agreement,
- 02 years for a Former Membership Participant at the World Team level or higher (as specified in the Sales & Marketing Plan) as at the expiry of his/her Agreement.

² Please refer to Rules 2.1.4 and 2.1.5 above.

³ Please refer to Rule 2.3.1

During any Period of Inactivity, the Former Membership Participant may not:

- Be involved in a Herbalife business in any way.
- Sell any Herbalife® products or Materials.
- Sponsor or offer the Herbalife opportunity.
- Promote, assist or support the operation of any Membership.
- Attend any Herbalife or Member trainings or meetings.
- Purchase products other than for personal use.

The Period of Inactivity:

	Lower level than World Team	World Team level or higher
Effective Date of the Agreement	January 01, 2020	January 01, 2020
Termination date of the Agreement	August 28, 2021	August 28, 2021
Period of Inactivity	August 28, 2021 through August 27, 2022	August 28, 2021 through August 27, 2023
The date on which the Member would be eligible to enter into an Agreement to do business under a different Sponsor	August 28, 2022	August 28, 2023

After the Period of Inactivity, the Former Membership Participant may submit a new Multi-level Marketing Agreement to do business under another Sponsor.

Exception to Period of Inactivity

If the Former Membership Participant wishes to submit a new Multi-level Marketing Agreement to do business in the downline organization of (i) the former Sponsor or (ii) the nearest active upline of that Sponsor in case such Sponsor has terminated his/her Agreement, the waiting period may be waived by Herbalife.

2.2 ASSIGNING YOUR MEMBERSHIP

2.2.1 Assignment of Membership

The assignment of Membership is not permitted without prior written consent by Herbalife. Such assignment shall take effect on the date Herbalife officially notifies about its consent to this assignment. Herbalife does not impose any charges on the assignment of Membership.

A Member may not assign a Membership in order to circumvent the Rules of Conduct or the law. If Herbalife becomes aware that the former Member (Assignor) and/or spouse has engaged in conduct or activity that would violate the Rules of Conduct after granting the assignment request, Herbalife may apply sanctions to the assigned Membership.

2.2.2 Restrictions on Assignment

A Membership can only be assigned to an individual who is not a Member, except as allowed by Rule 2.4. Herbalife will not consider an assignment request if the proposed Member (Assignee) has been involved in the Herbalife business in any way without fulfilling Rule 2.1.10 regarding the Period of Inactivity. The Assignee must also fully meet all requirements set forth in Rule 1.1.

2.2.3 Status and Benefits

(Not applicable in Vietnam)

2.2.4 Responsibility After Assignment

(Not applicable in Vietnam)

2.3. DIVORCE OF A MARRIED COUPLE IN A JOINT MEMBERSHIP

2.3.1 Disposal of the Joint Membership after divorce

After divorce, the Members in a Joint Membership may elect to continue operating under their Joint Membership or designate either of them to operate such Joint Membership.

1. In case where the Members elect to continue operating under their Joint Membership after divorce, the Membership of both Members shall remain as it was before divorce, including the Member entering into the Multi-level Marketing Agreement and the Joint Member. Earnings resulting from the Joint Membership shall be paid to the bank account of the Member entering into the Multi-level Marketing Agreement. Any changes in relation to bank account and the Membership in such Joint Membership shall only be made with the consent of the Member entering into the Multi-level Marketing Agreement.
The two Members shall agree and distribute the earnings on their own; the Company shall neither determine nor intervene in such distribution.
When both Members maintain their Membership in the Joint Membership, their new spouse (if any) shall not be permitted to become a Herbalife Member. Please refer to the exception as specified in Rule 2.1.4.
2. In case where either of the Members does not wish to maintain his/her Membership in the Joint Membership, they may designate the other as a sponsor for the downline organization of such Joint Membership. Earnings resulting from downline organization of the Joint Membership shall be paid to the bank account of such designated Member. The two Members shall agree and distribute the earnings on their own; the Company shall neither determine nor intervene in such distribution.

Removal of Membership from the Joint Membership after divorce

- The divorced Member who wishes to relinquish his/her Membership in the Joint Membership shall take steps to remove his/her Membership from the Joint Membership. Only then, that Member shall be permitted to do business under another Membership, that is independent from this Joint Membership.
- When entering into a new Agreement, the Member must comply with Rule 2.1.10 regarding the Period of Inactivity. Rule 2.1.10 shall be waived in case a Member is added to the Joint Membership with his/her new spouse.

Relinquishment of Membership in the Joint Membership

- A Member may relinquish his/her Membership in the Joint Membership by serving a written request for relinquishment of the Membership on the Member Services. Such written request must be consented to and signed by the Member entering into the Multi-level Marketing Agreement in respect of the Joint Membership.

2.4 INHERITANCE

The Membership of a deceased Member may be assigned to an heir, subject to applicable laws, the Rules of Conduct and Herbalife's approval.

1. If the heir is a Member and chooses to own and operate the Membership acquired by inheritance, the heir must relinquish his/her Membership and then conduct the procedure to take over the Membership of the deceased Member within 60 days from the date that the heir makes the request for inheritance of the Membership of the deceased Member. In this case, the Period of Inactivity (as specified in Rule 2.1.10) shall be waived.
2. If the heir is not a Member, he/she must undertake all procedures to become a Member and fulfill the terms and conditions as prescribed under Chapter 1 of the Rules of Conduct.

Related to all aspects of inheritance, Members must contact Member Services directly. Other issues not provided herein shall be resolved in accordance with the applicable laws of Vietnam.

2.5 TERMINATION OF MEMBERSHIP (VOLUNTARY TERMINATION OF AGREEMENT)

2.5.1 Resignation

A Member may relinquish a Membership (also known as voluntary termination of the Multi-level Marketing Agreement) by submitting a written request for termination of Multi-level Marketing Agreement to the Member Services.

The Multi-level Marketing Agreement shall be terminated in accordance with Procedures for termination and liquidation of Multi-level Marketing Agreement as set out in the Rules of Conduct.

Chapter 3 Business Activities

3.1 OPERATING YOUR BUSINESS

3.1.1 General Compliance

a) Herbalife has the following responsibilities:

- Complying with regulations on signing of the Multi-level Marketing Agreement in writing and handing-over the agreement to the Member in accordance with the Rules of Conduct;
- Complying with the regulations on fundamental training for the Member in accordance with the Rules of Conduct within 30 days since the signing date of the Multi-level Marketing Agreement;
- Complying with the responsibilities for maintaining the revenue ratio from selling goods to consumers who are not the Members in accordance with the Rules of Conduct, the Sales & Marketing Plan, and the laws. The revenue prescribed in this point is the revenue generated from when the Members make sales to consumers or when Herbalife makes sales to consumers through introduction codes of the Members;
- Assuming other responsibilities in accordance with the laws on the management of multi-level marketing business activities and other relevant laws.

b) Members have the following responsibilities

- Preserving the Multi-level Marketing Agreement in accordance with the Rules of Conduct;
- Participating in the Fundamental Training Program for the Member in accordance with the Rules of Conduct within 30 days since the signing date of the Multi-level Marketing Agreement;
- Assuming other responsibilities in accordance with the laws on the management of multi-level marketing business activities and other relevant laws.

In each country where Members conduct Herbalife business, they must comply with all laws and the Rules of Conduct that pertain to the conduct of the Herbalife business. Members are to carefully study the Rules of Conduct and explain it to their downline Members.

In addition, Members shall not encourage other Members to violate the terms of their Multi-level Marketing Agreement, the Rules of Conduct or the laws.

3.1.2 Members are Self-Employed

A Member, as a self-employed independent contractor, shall decide among other things, the schedule, how much time Member wishes to devote to his/her business, expenses and methods of operation. As an independent contractor, a Member is not an employee, agent, franchisee, fiduciary or beneficiary of Herbalife or any other

Member and is not allowed to claim himself/herself as an employee, agent, franchisee, fiduciary or beneficiary of Herbalife or any other Member. A Member will have no rights or benefits that an employee of Herbalife may have nor make any claim that he/she has any rights or benefits that an employee of Herbalife may have.

3.1.3 Maintaining Reputation and Image of Herbalife

No Member shall engage in any conduct (whether or not in connection with the Herbalife business) that involves dishonesty, crime, or moral turpitude, or that Herbalife determines, in its discretion, could affect, impact, or harm the reputation, image, products, Intellectual Property or goodwill of Herbalife, the Members in general or the Member with whom he/she may disagree.

3.1.4 Violations of Rules of Conduct

Whenever there is any violation of the Herbalife's Rules of Conduct, Herbalife may take actions or measures in accordance with Chapter 8 "Enforcement Procedures" of the Rules of Conduct, unless otherwise stipulated by the Laws of Vietnam.

3.1.5 No Association of Other Organizations with Herbalife

Herbalife meetings may not be used as a forum to express personal beliefs unrelated to Herbalife or promote any other commercial or non-commercial organization, company, event or individual. Herbalife is an equal opportunity business and does not discriminate because of gender, race, religion, national, origin, ancestry, color, age, marital status, medical condition/disability, sexual orientation, gender identity, gender expression, veteran status or political affiliation.

3.1.6 No Inducement to Sell Other Products or Services

During the course of a Membership, the Member or spouse may not solicit or promote the products or business opportunity of another Multi-level Marketing or direct-selling company to any Member or customer.

3.1.7 Limitations and Important Points for Top Achievers Business Team ("TAB Team")

Herbalife TAB Team Members shall not be a distributor or representative of any other Multi-level Marketing or direct-selling company or otherwise participate in or promote the products, services or earnings opportunity associated with any such company. In case of violation of this provision, the Member will be subject to the corresponding sanctions specified in Rule 8.1.2.

Herbalife TAB Team Members shall not own more than 5% of the capital contribution of any company participating in a Multi-level Marketing or direct-selling company.⁴ In case of violation of this provision, the Member will be subject to the corresponding sanctions specified in Rule 8.1.2.

TAB Team Members need to fully complete and submit the TAB Team Production Bonus Acknowledgment Form (as per the template provided in Appendix B Relevant Forms) in order to qualify to receive Production Bonus.

In case a Member has not yet submitted a valid TAB Team Production Bonus Acknowledgment Form when first time being eligible to receive Production Bonus, the Production Bonus amount generated in that first month will be held by Herbalife and paid to the Member after a valid TAB Team Production Bonus Acknowledgment Form is submitted to Herbalife.

⁴ This regulation includes direct or indirect participation of a Member, through any individual, organization or method, capital contribution of a company engaged in direct sales or Multi-level Marketing.

If, in the following Volume Months, the Member still has not submitted the TAB Team Production Bonus Acknowledgment Form while continuing to meet the eligibility criteria for receiving Production Bonus, the generated Production Bonus amount will be paid to the nearest upline who is qualified. The Member will only receive the Production Bonus generated from the time which they submit a valid TAB Team Production Bonus Acknowledgment Form.

In addition, to preserve the integrity of the Sales & Marketing Plan, Herbalife will conduct a review of the qualification process for TAB Members and above levels. Herbalife will contact the Members as well as customers whose volumes contributed to the Member's qualification to analyze and verify any violations of the Rules of Conduct related to product purchase and sales, sponsorship, and general business practices during the qualification period.

In the event that any violations are discovered, the sales volume from the orders related to the violations will not be recognized, which may result in the remaining sales volume being insufficient to meet the qualification requirements. In such cases, the Member will have to go through the qualification process again, starting from the month following the month in which the order related to the violation is discovered.

Furthermore, in some cases, even after a Member has been recognized as qualified, Herbalife may discover violations of the Rules of Conduct related to the orders that contributed to the Member's qualification sales volume. The sales volume from the orders related to the violations will not be recognized, which may result in the remaining sales volume being insufficient to meet the qualification requirements. In such cases, the qualification result will be withdrawn.

Please refer to Appendix C - Review of Qualification Process for TAB Members for more details.

3.1.8 Sales & Marketing Plan Manipulation

Improper enrollment practices () and other attempts to manipulate the Sales & Marketing Plan (**) are serious violations of the Rules of Conduct. This includes teaching, enabling or encouraging others to engage in such activities.

(*) Improper Enrollment Practices to manipulate the Sales & Marketing Plan: Any deliberate attempt to gain compensation or recognition under the Sales and Marketing Plan by filling out, submitting or encouraging the submission of an application dossier for signing the Multi-level Marketing Agreement with information which is false, inaccurate, uncomplete or untruthful. It also encompasses encouraging an Applicant to sign the Multi-level Marketing Agreement with Herbalife using misleading promises.

() Other attempts to manipulate the Sales & Marketing Plan:** Any deliberate attempt to gain compensation or recognition under the Sales and Marketing Plan through personally engaging in, or coordinating or facilitating, the purchase and sales of products in violation of product distribution and retail rules⁵. Additionally, it also includes manipulating the allocation of volume to other Members with the purpose of facilitating qualifications in accordance with the Sales and Marketing Plan.

Examples of improper enrollment practices to manipulate the Sales & Marketing Plan

⁵ Including Rules 4.1.1 Unpermitted Locations for Product Distribution, 4.2.1. Product Distribution, 4.3.2 Product Sales to Non-Members for Resale, 7.3 Prohibition of Sales Through Online Channels.

- Filling out Multi-level Marketing Agreement with false or misleading information.
- Forging signature or signing the Multi-level Marketing Agreement on behalf of the prospective Member.
- Promising a prospective Member that the Sponsor or upline will provide prospective Member with downline Members for recruitment once he/she becomes a Member.

Examples of other attempts to manipulate the Sales & Marketing Plan

- Purchasing products in another Member's name (except as expressly allowed in the Rules of Conduct).
- Purchasing products in unreasonably large quantities without evidence of personal use or resale to customers.
- Discouraging a downline Member from placing orders so that the upline gains the benefit under the Sales & Marketing Plan.

3.1.9 Debts Owed to Herbalife

If a Member owes Herbalife a debt⁶ and until it is paid in full, Herbalife reserves the right to (i) deduct the amount owed from any amount payable to the Member, (ii) withhold payment of monies owed, and (iii) withhold recognition for any qualification.

3.1.10 Interviews or Statements to Media

From time to time, reporters may be interested in interviewing Members about Herbalife® products or business. While interest expressed in the products and business is appreciated, only Herbalife or its designee is permitted to speak with or write to the press or any other media for, or on behalf of or in the name of Herbalife or any of its subsidiaries.

If a Member is asked for a media interview or statement about Herbalife, the Member shall forward the media request to the Herbalife Corporate Communications Department ("Corporate Communications")⁷.

Likewise, Members are not allowed to offer to be interviewed or to knowingly invite the press or media to an Herbalife meeting or event without securing prior approval from Corporate Communications.

3.1.11 Conduct Regarding Harassment/Discrimination

Any form of unlawful discrimination and harassment at Herbalife's workplace is prohibited.

3.1.12 Responsibility for Vendors

When using the services of a non-Herbalife vendor, the actions or omissions of the vendor will be considered actions or omissions of the Member for purposes of compliance with the Rules of Conduct and applicable law. Members must ensure that the vendor's services comply with the Rules of Conduct and all applicable laws.

3.1.13 Responsibility for Conduct of Others Assisting with Multi-level Marketing Business Activities

A Member shall be responsible for the conduct of any organization/individual, who is not a Joint Member if Herbalife has grounds to determine: (i) The activities of such organization /individual support Member's *Multi-level Marketing business activities; (ii) Such activities which if conducted by the Member would constitute a

⁶ Such debts may include any amounts owed to Herbalife in relation to product purchases, adjustments to earnings for inventory repurchases from downline Members, fines due to violations of the Rules of Conduct, payments returned for insufficient funds, and past due Fees.

⁷ Corporate Communications may be reached by emailing to dichvuthanhvien@herbalife.com or by calling +84 28 3827 9191.

violation of the Rules of Conduct and/or regulations of the laws related to the Herbalife's business; and (iii) Member knew or should have known about such activities and took no reasonable steps to stop such activities.

* Supporting the Multi-level Marketing business activities may include one or more of the following: (i) organize event or conduct training on behalf the Member; (ii) place orders under the Membership's ID; (iii) sell Herbalife products to prospective Members or customers; (iv) promote or advertise products or business opportunity of Herbalife to prospective Members or customers; (v) disclose confidential information related to Herbalife business activities without Herbalife's prior written consent in order to gain business benefits and advantages for Member.

If the organization/individual, who is not a Joint Member engages in any activities, and those activities would be considered a violation of the Rules of Conduct if carried out by the Member, the Member will be subject to the corresponding sanctions specified in Rule 8.1.2.

3.2 INTERNATIONAL BUSINESS

3.2.1 Activities in Countries or Territories Not Yet Open

A Member may not engage in any business activity relating to Herbalife in any country not yet officially opened for business by Herbalife⁸.

3.2.2 Activities in Open Countries or Territories

Herbalife® products are formulated and labeled in compliance with each country's product and labeling requirements. For that reason, the Member shall not be allowed to ship, sell or distribute products produced and labeled for one country in another country.

3.2.3 Herbalife-Related Activities in Vietnam

Only Vietnamese nationals may register to become Members of Herbalife and therefore do multi-level marketing business⁹ in Vietnam. Foreign nationals and overseas Vietnamese and non-Vietnamese nationals may not do business in Vietnam.

3.2.4 Activities in China

Non-Chinese nationals may not do business in China. No Member may ship (or arrange for shipment) or bring any Herbalife® product into China even for personal use, consumption or as a gift.

Members registered in China may not purchase, sell or distribute Herbalife® products outside of China.

⁸ Prohibited acts, efforts, or attempts include:

- Approaching government authorities regarding the importation, exportation or distribution of Herbalife® products.
- Registering or licensing Herbalife Intellectual Property, products or its Sales & Marketing Plan.
- Gifting, selling, or distributing Herbalife® products.
- Promoting Herbalife® products or business opportunity.
- Holding meetings relating to Herbalife, its products or business opportunity.
- Sponsoring or recruiting residents of, or visitors from, a country not yet open.
- Publicizing that Herbalife will soon be open or that Herbalife® products will soon be available. This includes prospecting for customers or new Members by any electronic communications, distribution of literature, or in person.

⁹ Do multi-level marketing business in Vietnam:

- Means a form of business runs through a network of participants at different levels and branches, which allows participants to enjoy commissions, bonuses and other economic benefits from their business results and other's business results in the network;
- Includes organization of conference, workshop, training on multi-level marketing in provinces/cities; and
- Carry out marketing and sales in multi-level marketing method in provinces/cities.

3.2.5 Personal Consumption

A Member may only purchase assorted products with total value of up to 1,000 Volume Points per Volume Month to carry with them while traveling. Products purchased for personal consumption purposes shall only be permitted to use for the Member's own need or to be shared with other immediate family members.

A Member may not (directly or indirectly) ship or procure the shipment of products from one country to another, even for personal consumption.

3.2.6 Prohibited Countries

A resident of a "Prohibited Country" shall not be permitted to become a Herbalife Member¹⁰.

Additionally, 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:

- (i) a resident of, or operating businesses in, a Prohibited Country;
- (ii) engaged in sales to individuals residing in a Prohibited Country; or
- (iii) owned or controlled by an entity located in, or an individual ordinarily residing in, a Prohibited Country.

Business activities may include:

- promoting the Herbalife opportunity;
- sponsoring Members or customer; or
- promoting or selling Herbalife® products.

Violation of this Rule shall result in termination of the Membership.

3.2.7 Office of Foreign Assets Control ("OFAC") List

Members may not conduct any business activities (See Rule 3.2.6) with any person, entity, or organization included on the list of Specially Designated 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. The OFAC List can be found at <https://www.treasury.gov/resource-center/sanctions/SDN-List>.

3.3 BUSINESS TOOLS

Herbalife makes available free promotional literature and other sales aids for Members to use. Therefore, Herbalife does not encourage the use of sales aids produced by third parties. The phrase "Business Tools" as used here refers to the tools in support of Members' retail sales and/or Herbalife business development that are not issued and provided by Herbalife.

All Business Tools and the Members who issue, sell and use the same must comply with the Rules and applicable laws¹¹.

¹⁰ The list of Prohibited Countries is updated from time-to-time, and can be found on vn.MyHerbalife.com. Additional requirements may apply for citizens of Prohibited Countries residing outside of the Prohibited Country. Please contact Member Services at +84 28 3827 9191 for more information.

¹¹ Including any laws in relation to protection of consumers' data, privacy, restrictions on telemarketing in any way and marketing on the Internet.

3.3.1 Issuance and Distribution of Business Tools

Only Members qualified at President level or higher may issue, distribute “Business Tools” in their downline organization and solely for the purpose of:

- Selling Herbalife® products.
- Building Herbalife business.
- Training and promoting the purchase of the Member’s downline.

In order to comply with the laws on multi-level marketing, all the “Business Tools” must be reviewed and approved by Herbalife prior to being used and distributed in the organization. Herbalife shall not be responsible for any Business Tools which are not approved by Herbalife. The issue, distribution and use of unapproved Business Tools shall be deemed violation of the Rules of Conduct.

Members who are permitted to issue, distribute Business Tools shall be responsible for complying with this rule in their entire organization.

3.3.2 Leads

The term “Leads” refers to prospects for Herbalife® products or opportunity.

Members may generate Leads for their own use and share those Leads at no cost to their downline Members, provided that they comply with Herbalife’s Rules of Conduct and any privacy and data protection laws in Vietnam. However, Members may not sell Leads to other Members and Members may not purchase Leads from any source.

3.3.3 Written Permission for Distribution

Members may not sell Business Tools to their non-downline Member or to a downline Member below a President’s Team Member without prior written consent from the purchasing Member’s immediate upline President’s Team Member.

If such consent is revoked, these sales must be promptly discontinued unless Herbalife agrees otherwise.

3.3.4 Notice to Cease Use or Sale of Business Tools

If a Business Tool violates its Rules of Conduct, the law, or the legal rights of others, or that it represents a risk of damage to Herbalife’s reputation, brand or image, Herbalife shall have the right (without liability) to require the Member to cease the sale or use of the Business Tool and make appropriate indemnification in favor of Herbalife with regard to any damage or loss (if any).

Chapter 4 Selling

4.1 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 other supports.

4.1.1 Unpermitted Locations for Product Distribution

Members are not allowed to display or sell Herbalife products in pharmacies, grocery stores, department stores, markets, convenience stores, supermarkets, shopping centers, salons, schools, booths and kiosks (permanent or temporary).

At fairs, Members are not allowed to sell Herbalife products but are allowed to display Herbalife products.

4.1.2 Members' Offices

Members may sell Herbalife® products in their offices, provided they are not advertised for sale and the office appearance, signage or location does not invite persons who are passers-by to purchase Herbalife® products. Members who are doctors or health care professionals may sell, but not display, Herbalife® products in their professional offices.

4.1.3 Providing and Maintaining Retail Receipts/Records

A Member must provide a completed Herbalife Retail Order Form to all retail customers when a sale is completed; this must list the products sold, the sales price, and the name, address and telephone number of the Member and the customer. Members are required to keep their copies of all Retail Order Forms and other records of product distribution for a period of two (2) years from the selling date. If it is necessary, Herbalife has the right to request copies and to verify the transactions and the terms and conditions of the sale or service provided by the Member.

4.1.4 Customer Refund Policy

Herbalife® products have a 30-day money-back guarantee for the retail customer. The 30-day period begins on the date the customer receives the product. When a customer requests the guarantee be honored, the Member must respond quickly and courteously. They must offer the customer a choice of a full refund of the purchase price or full credit for exchange of other Herbalife® products in accordance with the return procedures. The Member must honor the customer's choice.

4.2 PAYMENTS AND ADJUSTMENTS

To qualify for monthly Royalty Overrides, Production Bonuses or other bonuses offered by Herbalife, Members must meet sales production and Royalty Point requirements that are fully defined in the Sales & Marketing Plan.

4.2.1 Product Distribution

Members may purchase products for selling and distribution to customers and downline Members, or for Members' and their immediate families' own personal consumption, not for the primary purpose of advancement in the Sales & Marketing Plan. For example: a Member purchases an unreasonably huge amount of products without justifying his/her purpose such as for personal consumption, sales to customers or downline Members.

4.3 SELLING PRACTICES

4.3.1 Members as Brand Ambassadors

A Member shall always be courteous and considerate and may not engage in high-pressure selling.

4.3.2 Product Sales to Non-Members for Resale

No Member may sell or otherwise provide Herbalife® products to non-Members to resell them.

A Member shall be deemed to violate this rule in case any products purchased by him/her from Herbalife or any other Member are found to be sold by a Non-Member third party. A Member shall also be deemed to violate this rule in case any products purchased by him/her from Herbalife or any other Member are found to be sold by any Member being in breach of Rule 4.1.1 or Rule 7.3.

4.3.3 Modifications to Labels and Materials

A Member may not delete, add, modify or alter any labels, literature, material, or packaging for Herbalife® products or literature.

4.3.4 No Resale of Samples or Daily Use Portions

Products which are not packaged and labeled for individual sale as individual units or single servings are not permitted for resale.

4.3.5 Presentations and Directions for Use

Presentations of Herbalife® products must be complete and truthful and consistent with information on product labels and accompanying literature.

When selling or providing samples, a Member 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.

4.3.6 Product Storage

Members are responsible for properly storing and following storage instructions provided on Herbalife® product labels.

Proper storage of products includes:

- Keeping products properly sealed; and
- Maintaining products in a cool dry place and out of direct sunlight.

4.3.7 Customer Service

Members must provide their current contact information to their Customers and let Customers know that they are available to answer questions, provide advice, and respond to concerns. Members must respond to any such questions or concerns. Members should consult their materials, refer to and use available educational tools, or contact Member Services directly in responding to questions or concerns. In addition, Members must deliver all products to Customers within a reasonable amount of time after sale.

4.4 EXCHANGE, RETURN AND INVENTORY REPURCHASE

4.4.1. Exchange, Return and Inventory Repurchase applicable to Members

a. Exchange: Within 30 (thirty) days from the date a Member receives products from the Company, such Member may return them, whether used or not, to Herbalife in exchange for others if the products being requested for exchange meet the following conditions:

- Being with intact package, stamps and labels, expired or unexpired;
- Enclosed with the corresponding invoice;
- Price of exchanged products shall not be higher than that of products being requested for exchange.

Herbalife shall not refund any payments in case of exchange.

b. Return upon Member's request: Within 30 (thirty) days from the date a Member receives products from the Company, such Member may return them, intact package, stamps and labels, expired or unexpired whether used or not, to Herbalife to receive a refund of payment. The products being requested for return must be enclosed with the corresponding invoice.

c. Inventory repurchase in case of Agreement termination: Within 30 (thirty) days from the termination date of Multi-level Marketing Agreement, a Member may request Herbalife to repurchase the products provided that the products being requested for repurchase shall meet the following conditions:

- Being with intact package, stamps and labels, expired or unexpired;
- Enclosed with the corresponding invoice; and
- Being received by the Member within 12 months prior to submission date of inventory repurchase request documents to Herbalife.

When (b) or (c) happens, the cost of shipping and handling paid on the original order will not be refunded. Herbalife will arrange pick up and will pay shipping charges for the products returned to Herbalife by the Member.

Herbalife will refund the entire amount that the Member has paid for products. In addition, Herbalife will deduct

the amount of Royalty Overrides, Commissions, Production Bonuses and any other earnings or benefits paid on the returned products from the relevant Members, and adjust qualifications as necessary.

4.4.2. Exchange and Return applicable to Customers

a. Exchange: Within 30 (thirty) days from the date a Customer receives products from the Member, such Customer may return them, even the products without intact package, stamps and labels, expired or unexpired, whether used or not, to the Selling Member in exchange for others if the products being requested for exchange meet the following conditions:

- Enclosed with the corresponding documents;
- Price of exchanged products shall not be higher than that of products being requested for exchange.

b. Return: Within 30 (thirty) days from the date a Customer receives products from the Member, such Customer may return them, even the products without intact package, stamps and labels, expired or unexpired, whether used or not, to the Selling Member to receive a refund of payment. The products being requested for return must be enclosed with the corresponding documents.

Chapter 5 Sponsoring and Leadership

5.1 SPONSORING RESPONSIBILITIES

5.1.1 Training

One of the Sponsor's principal roles is to stay informed of the Rules of Conduct and to advise and train downline Members. Although all Members are provided with adequate knowledge through the Fundamental Training Program, a Sponsor is still responsible for providing downline Members, at no cost upon request, with correct principles about:

- Herbalife® products and their usage.
- Herbalife's Rules of Conduct.
- Herbalife's Sales & Marketing Plan.
- Policies in relation to products.

A Sponsor may request the upline Supervisors or TAB Team Members for their support in the training of downline Members. In case where the upline Members are unable to support the Sponsor in responding to the queries of downline Members, such Sponsor may forward these queries to the Company for proper answer.

A Sponsor may not request his/her personally sponsored Members to pay any costs for training or any relevant facilities except for the case where an express explanation is given that the sponsored Members may elect to attend the training or not and such costs are announced in advance. If the sponsored Member refuses to attend such fee-based training, the Sponsor shall provide basic information free of charge as necessary for Herbalife business.

5.1.2 Independent Relationship

A Sponsor must maintain and uphold the independent relationship with a downline Member. The Sponsor may not participate in or interfere with the business of downline Members and may not suggest or develop an employee/ employer relationship with downline Members.

5.1.3 Preparation of Document for Member

The Sponsor must ensure that the Multi-level Marketing Agreement has been filled out by the sponsored person, and submit it to Herbalife in a timely manner.

5.2 MAINTAINING LINES OF SPONSORSHIP

The Sponsor/Member relationship is the foundation of the Sales & Marketing Plan. The Rules of Conduct 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 discretion of Herbalife.

5.2.1 Inducement to Change Sponsors

A Member may not interfere with the relationship between another Member and their Sponsor. For instance, a Member may not attempt to induce another Member to change their Sponsor.

5.2.2 Sponsorship Correction

A Member who wishes to request a sponsorship correction must complete and submit a Change of Sponsorship Request Form and Change of Sponsorship Consent Form from the current Sponsor and written consent from the

new Sponsor¹². All those documents must be notarized. Sponsorship correction request will only be considered if all the following conditions are satisfied:

- Sponsorship details provided in the Multi-level Marketing Agreement were in error;
- The request is made within 90 days from the effective date of the Multi-level Marketing Agreement;
- The current and proposed Sponsor are in the same Linage;
- The Member has not qualified as a Supervisor;
- The Member making the request has not yet sponsored any other Members;

5.2.3 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 certain exceptional circumstances.

A Member who wishes to request a Sponsorship change is required to complete and submit to Herbalife Member Services the following documents¹³:

- Change of Sponsorship Request Form;
- Change of Sponsorship Consent Form from the current Sponsor, signed by all Royalty Override and Production Bonus earners in the upline, up to and including the active President's Team Member earning a 7% Production Bonus, that is validly notarized.
If the current and proposed Sponsors share the same upline Sponsor and both of them are at equal status and receive equal payment under the Sales & Marketing Plan, the Member requesting the change only needs to obtain the validly notarized Change of Sponsorship Consent Form from the current Sponsor.
- Validly notarized written consent from the new Sponsor.

The request for a change of Sponsorship is only reviewed by Herbalife if the current and proposed Sponsors are within their upline President's Team organization.

If Herbalife approves the change, the requesting Member will not be allowed to keep his/her downline Members, including inactive ones.

If the request for a change of sponsorship is denied, the Member may relinquish their Membership and comply with the Period of Inactivity before resubmitting the Multi-level Marketing Agreement to do business under a different Sponsor.

Chapter 6 Marketing Your Business

6.1 CLAIMS AND REPRESENTATIONS

The Rules of Conduct shall be applied to claims and representations that a Member might make when introducing the Herbalife business opportunity or products, or when training or sharing information with others.

¹² Change of Sponsorship Request Form, Change of Sponsorship – Upline Written Response and Change of Sponsorship - Written Consent from Proposed Sponsor may be obtained from the Member Services. These forms and all other specified documentation must be submitted to Herbalife Member Services in order for Herbalife to consider the request.

¹³ Change of Sponsorship Request Form, Change of Sponsorship – Upline Written Response and Change of Sponsorship - Written Consent from Proposed Sponsor may be obtained from the Member Services. These forms and all other specified documentation must be submitted to Herbalife Member Services in order for Herbalife to consider the request.

When sharing personal stories with others, Members are making claims, including simple statements about the benefits experienced while on an Herbalife® product or program or when discussing earnings from selling products, represents to others how products work, what products are for, or what people can achieve through the Sales & Marketing Plan. Customers perceive features and functions of products and the Sales & Marketing Plan because of claims. It's fine for Members to make claims provided they do so in compliance with the specific regulations established by law and the Rules of Conduct. Since the law in this area is subject to change, and as an accommodation to its Members, Herbalife shall provide Members with notifications of such changes and post updates of the Rules of Conduct at vn.MyHerbalife.com. Members are required to carefully review these advisories or changes in the Rules of Conduct.

6.1.1 Lawful, Truthful and Not Misleading

The following provisions shall apply to any claims and testimonials that may be made by a Member when promoting the products and Herbalife business opportunity or during the training or sharing information with other individuals.

All claims and testimonials must be lawful, truthful, and not misleading. Claims must be:

- Substantiated in writing before the claim is actually made.
- Consistent with claims made in then-current Herbalife Materials or product labels.

6.1.2 Weight-Loss Claims

When presenting the products or business opportunity, or sharing information with others, all weight-loss claims and representations, including testimonials, must:

- Refer to lowering caloric intake, eating a balanced diet consisting of healthy foods and engaging in regular physical activity.
- Be accompanied by the following disclaimer:
These results are not typical, individual results will vary.

6.1.3 Product Claims

When presenting the products or business opportunity, or sharing information with others, Members **MUST**:

- Make only those claims permitted by product labeling or in Herbalife Materials.
- Accompany all claims with the approved disclaimers.

Members **MUST NOT**:

- State that Herbalife® products prevent, treat, or cure diseases/medical conditions or discuss any experience with medications.
- Use the name of the Ministry of Health of Vietnam or other regulatory agencies when representing the Herbalife® products.

6.1.4 Earnings Claims

When presenting the products or business opportunity, or sharing information with others, Members are responsible for understanding and following the laws relating to earnings claims and testimonials in each jurisdiction in which they intend to conduct business.

Any statement regarding a Member's actual or potential income is considered to be an "Earnings Claim". Lifestyle Claims (for example, claims related to cars, pools, vacations, etc.) are also Earnings Claims.

- In the Herbalife Branded Materials, Earnings Claims must be accompanied by the following disclaimer:

Income applicable to the individuals (or examples) depicted and not average. Please find the information about Herbalife Vietnam Members' incomes at vn.MyHerbalife.com.

- In the Herbalife Unbranded Materials, Earnings Claim must be accompanied by the following disclaimer:

Income applicable to the individuals (or examples) are for illustration purposes only and not average.

Members who use the example of a particular Member to introduce the distribution activities must provide written consent to personal information disclosure by such Member and clearly state the name, age, address, participation period, and incomes earned of that particular Member, such information must be accompanied by supporting documents.

6.1.5 Size and Placement of Disclaimers

When presenting the products or business opportunity, or sharing information with others, through presentations the following applies:

Audio Presentations (whether live or previously recorded)

The disclaimers must be made orally in conjunction with the claim.

Visual Presentations (whether live or previously recorded)

If presented on stage or in a video, the disclaimer must be legible and be presented in close proximity to the claim. If on-screen, the disclaimer must appear long enough and in large enough font for an average reader to read it completely.

Written Presentations

The disclaimer must be displayed in:

- A color that contrasts with the color of the background (e.g., black on white);
- Close proximity to the claim (the disclaimer must appear on the same page or screen as the claim); and
- A font at least 75% as large as the size of the font used for the claim but not smaller than 10-point type and in large enough font for an average reader to be able to read it completely.

6.1.6 Home-Based Business Claims

When promoting the Herbalife opportunity, Members may not misrepresent the extent to which the activities of a Member needs to be conducted solely in the home. Members should emphasize that personal interaction is fundamental to direct selling.

6.1.7 Claims Regarding Relationship Between Herbalife and Herbalife Members

The Herbalife opportunity provides Members the potential to earn income, but under no circumstances is it a “job”. Herbalife Members are self-employed independent contractors. As such, Members may not claim, represent or imply that they are employed by, speak for, or provide any kind of consulting services to Herbalife. Nor may they suggest that their independent Herbalife business is a job.

For example, Members may not use the terms “job”; “salary”; “employment” (or any similar term) when promoting the opportunity.

Members may not market the Herbalife opportunity using any form of advertising including “Help Wanted” ads, employment bulletin boards, and Internet job search engines.

6.1.8 Opportunity Claims

When offering, promoting or talking about the Herbalife opportunity, Members may not:

- Misrepresent the Herbalife opportunity as a franchise¹⁴ or offer a franchise in connection with an Herbalife Membership; or
- State or imply that:
 - Sponsoring Members is as important as sales to Customers;
 - A Member can primarily benefit by sponsoring other Members;
 - A Member is required to sponsor other Members;
 - A Member can be successful with little or no effort;
 - Members have to buy Herbalife® products, materials or Business Tools; or
 - Royalty Overrides, Production Bonuses or other benefits may be obtained primarily from the purchase of products rather than the sale of products.

6.2 USE OF HERBALIFE INTELLECTUAL PROPERTY

Maintaining the integrity of the Herbalife brand is one of Herbalife's primary responsibilities. This Section is meant to help Members understand the significance of Herbalife intellectual property. Herbalife continuously polices the marketplace for improper, inconsistent and inappropriate use of its intellectual property, including trademarks, logos, slogans, and copyrights, among other things. Such dedicated monitoring ensures Herbalife's hard-earned reputation as a high-quality producer of global nutrition products is retained.

6.2.1 Definitions

Copyrighted materials: Herbalife owns the copyright to all printed material, internet content, and audio and video recordings produced by or for it.

A trademark is a proprietary name or symbol that identifies Herbalife as the source of the products and services being sold and provided by Members. For example, Herbalife® and the Tri-Leaf logo are Herbalife trademarks, as are many product brands, such as Cell-U-Loss® or Herbalifeline®.

A trade name is a business name which Herbalife has the exclusive right to use. For example, Herbalife International of America, Inc., and Herbalife Vietnam Single Member Limited Liability Company are trade names. Members may not register trade names that include the word HERBALIFE or other Herbalife brand names.

Trade dress includes the characteristics of the visual appearance of a product or its packaging that signify the source of the product to consumers. For example, it includes the design of some of Herbalife's® products and packaging.

A trade secret is confidential information that is not made known outside of Herbalife and has commercial value. Trade secrets held by Herbalife include formulas, vendor relationships, branding and product development projects not yet in the marketplace, business plans, processes, and compilations of data identifying or relating to other Members, including genealogies.

Herbalife Intellectual Property includes Herbalife copyrighted materials, trademarks, trade names and trade secrets.

6.2.2 Copyrighted Materials

Herbalife owns the copyright to all printed material, Internet content, and audio and video recordings produced by or for it. Members must follow any conditions that apply to the Copyrighted Materials.

¹⁴ Herbalife does not have territories or franchises, and an Herbalife Membership is not a franchise.

Members must ensure that all Herbalife copyrighted materials must be accompanied by the following statement: *“Reproduced with the permission of Herbalife. All rights reserved.”*

Herbalife reserves the right to withdraw its consent to use of its copyrighted materials at any time in its sole and absolute discretion.

6.2.3 Trademarks, Trade Dress and Trade Names

For use in presentations or other business related materials (excluding advertising which is restricted - See Rule 6.3.1).

Members may only use those trademarks, trade names and trade dress which Herbalife makes available for downloading.

- Herbalife trademarks and trade names may only be obtained from Herbalife.
- Members must always identify themselves clearly as Independent Herbalife Members.
- Members may not alter the trademarks and trade dress in any way, except to resize them. Resizing items is permitted only if the image remains clear in all details and does not diminish the perception or quality of Herbalife® products and services.
- Members must include the following statement: *“Trademarks and designs are the property of Herbalife International, Inc., or its licensors. Used by permission of Herbalife.”*

Herbalife reserves the right to withdraw its consent to Member use of these items at any time at its sole and absolute discretion.

6.2.4 Trade Secrets

A Member will hold trade secrets in confidence and may not disclose them at any time, even after termination of the Multi-level Marketing Agreement.

6.2.5 Use Limited to Herbalife Business

Members may use Herbalife Intellectual Property solely for the purpose of conducting their Herbalife business, provided that such use is not contrary to Rule 6.3.1 on advertising or any other rule or the law.

6.2.6 Herbalife’s Addresses

The addresses of any Herbalife offices may not be used, published, or promoted by any Member as their own.

6.2.7 Prohibited Use of Third Parties Intellectual Property

Members may not use third parties’ copyrighted materials, trademarks, trade names, product names (or any variations), text, photo images, videos, or graphics owned or created by third parties in presentations or other business related materials, unless they have obtained prior written consent from the owner. All third party intellectual property must be properly referenced as the property of the third party, and Members must adhere to any restrictions and conditions that the owner of the intellectual property places on the use of its property.

6.2.8 Termination of Membership

If an Herbalife Membership becomes terminated for any reason, the Member must immediately discontinue his/her use of Herbalife Intellectual Property.

6.2.9 Name and Images of Mark Hughes

Name or images of Mark Hughes (the founder of Herbalife) shall not be used in any advertisements.

6.3 ADVERTISING AND PROMOTIONS

6.3.1 Advertising Restricted

All forms of advertising mentioned below about the Herbalife business opportunity or the Herbalife products are restricted and shall only be done in accordance with the policies and materials approved by Herbalife and registered with the competent state authorities.

This includes both advertising activities conducted in Vietnam or conducted outside Vietnam for use or publication in Vietnam. The restriction includes both branded and unbranded advertising. It covers every form of advertising media, for example television, radio, newspapers, magazines, business cards, flyers, signs, leaflets, phone books, personal or corporate web sites, social media web sites such as YouTube and Facebook, banner or other advertising anywhere on the internet, online retail web sites such as Yahoo, Amazon and eBay, and unsolicited phone calls or emails without the acceptance of the recipient.

The restriction applies as well to advertising done indirectly. In general, this means that Members may not use non-Members (or others) to advertise. And, Members may not advertise events, products or services which are seemingly or actually unrelated to Herbalife if the intent or the effect is to use these as means to entice and establish contact with members of the public for the purpose of promoting the Herbalife products or opportunity.

Violation of this rule by Members could threaten Herbalife's official permission and practical ability to do business in Vietnam and, as a result, the businesses and livelihood of Herbalife Members unless otherwise stipulated by the laws of Vietnam.

Chapter 7 Use of the Internet and Electronic Marketing

7.1 MEMBER CONDUCT

7.1.1 Standard of Personal Conduct

Members may not publish, post or distribute any materials on or via the Internet, whether or not in connection with Herbalife that are, in Herbalife's judgment, defamatory, libelous, disparaging, threatening, offensive, harassing, abusive, obscene or pornographic, in addition to prohibitions imposed by laws.

7.1.2 Unauthorized Computer Access

Members may not:

- Interfere or take any action that results in interference with or disruption of:
 - vn.MyHerbalife.com
 - other websites maintained by Herbalife.
- Gain or attempt to gain access to computer systems or networks connected to these sites without prior written permission from Herbalife.

7.1.3 Consumer Data

Members may not sell, trade, or use consumer or site user information including email addresses, except in connection with the Herbalife® products or opportunity. If any person or entity requests that their information not be used, the Member must immediately honor such request.

7.2 MEMBER WEBSITES

As indicated in Rule 6.3.1 Advertising Restricted - the use of personal websites is prohibited.

7.2.1 Email Addresses

Members may not use Herbalife Intellectual Property in their Email addresses.

Examples of Herbalife Intellectual Property terms that may not be used:

- Herbalife
- Herbalife® product names

Any Member violating this Rule must transfer the email account to Herbalife on Herbalife's request and at no cost to Herbalife. Herbalife reserves its other rights and remedies.

7.3 PROHIBITION OF SALES THROUGH ONLINE CHANNELS

Selling products through e-commerce websites, e-commerce platforms, and social networks (collectively referred to as "Online Channels") not operated by Herbalife may weaken the personal relationships that Members must develop with their customers, as well as the Herbalife brand and the image Herbalife establishes for its products. Therefore, Members are not permitted to solicit, promote, offer, and/or sell Herbalife® branded products through Online Channels not operated by Herbalife.

A Member is deemed in violation of this rule if any product they have purchased is found being sold through Online Channels not operated by Herbalife.

7.4 EMAIL

As indicated in Rule 6.3.1 Advertising Restricted - the use of email for purposes of advertising the Herbalife® products or opportunity is prohibited.

7.4.1 Requirements and Restrictions

As Advertising is restricted by Rule 6.3.1, Members may not send email messages in breach of Rule 6.3.1. Any other type of email message sent by Members regarding Herbalife must meet the following conditions:

- a. Members must disclose the origin of any email message:
 - i. Source, destination and routing information attached to the message (including the originating domain name and originating email address) must be accurate.
 - ii. The "From" line of each message must accurately identify the Member who initiated the message.
- b. The "Subject" line of each message must not be misleading.

7.4.2 Government Notice to Discontinue Emailing

Members must immediately discontinue email activity if they receive any notice from a governmental authority regarding their email practices. Members must promptly report all such notices to Herbalife by calling Member Services at +84 28 3827 9191 within 24 hours after such notice is received.

7.5 SOCIAL MEDIA

As stated in Rule 6.3.1 Advertising Restricted, the use by any Member of social networking websites, including but not limited to X, YouTube, MySpace and Facebook, and online communities (like blog sites) etc. to promote the Herbalife business opportunity, the Herbalife® products and use as a platform for Herbalife sales activities is restricted and shall only be done in accordance with the policies and materials approved by Herbalife and registered with the competent state authorities.

7.6 TELEMARKETING

Members may not use Telemarketing to introduce, advertise Herbalife products or business opportunity.

The rules set out in the Rules of Conduct 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 Rules of Conduct violations may be resolved by educating the Members about the Rules of Conduct and business practices, there are instances where violations of the Rules of Conduct merit more severe penalties.

Members are strongly encouraged to promptly report alleged violations of the Rules of Conduct 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. However, Herbalife reserves the right to conduct an inquiry at any time. Herbalife shall not be liable for indemnity against loss of profits suffered by the Member due to business interruption during the complaint inquiry and settlement.

8.1 COMPLAINT SETTLEMENT

Members should report suspected violations in writing, via email or telephone¹⁵. Required information includes the nature of the complaint and the factual details that support the allegations¹⁶.

8.1.1 Inquiry

If Herbalife determines in its 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.
- Sponsoring privileges.
- Payment for Royalty Overrides.
- Payment for TAB Team Production Bonus.
- 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.

Herbalife reserves the right to publish the violating Member's name, violation, and penalty as per local laws' requirements.

8.1.2 Sanctions

Violations of the Rules of Conduct may result in legal or regulatory challenges for Herbalife and endanger the business for all Members. For this reason, penalties may be substantial.

Principles for handling violations:

- Violations shall only be handled for those acts that violate the Rules of Conduct.
- Each act shall only be classified into one group.
- Depending on the nature, level of violation and consequences that resulted or could result, Herbalife shall determine the specific form of handling violations in each grade.

¹⁵ Please refer to Procedures for settlement of multi-level marketing participants' complaint.

¹⁶ Factual details include names, addresses and telephone numbers of persons involved as well as dates, time, places, etc.

- If Herbalife determines that other Members encourage, assist or jointly commit the violation, Herbalife may also request those Members to be liable for this violation.
- Within 03 years from the effective date of the 1st decision on handling the violation for each violation, if the Member re-commits the same violation which has been handled (2nd time violation, 3rd time violation, etc.), 1 grade higher than the one provided in the latest decision on handling the violation shall be applied. Each subsequent 3-year period, if the Member re-commits the same violation which has been handled previously, the 1st violation in each subsequent 3-year period shall be handled in accordance with the following table and if the Member re-commits the same violation which has been handled, 1 grade higher than the one provided in the latest decision on handling the violation shall be applied.
- If a Member repeats a violation which he has previously committed without having been handled, Herbalife only handles the latest violation detected by Herbalife.

In addition to the specific sanction in each Rule, Herbalife shall also impose the following sanctions:

No.	Group	Violations	Below TAB	GET & MT	PT & above
1	Advertising Issues	6.2 USE OF HERBALIFE INTELLECTUAL PROPERTY 6.3.1 Advertising Restricted 7.2 MEMBER WEBSITES 7.4.1 Requirements and Restrictions 7.5 SOCIAL MEDIA 7.6 TELEMARKETING	The 1st grade	The 1st grade	The 1st grade
2	Consumer and DS Protection Issues	1.1.1 No Requirements for Purchasing Products, Services 1.1.2 Debt Prohibited 1.1.7 Payment 4.3.3 Modifications to Labels and Materials 4.3.4 No Resale of Samples or Daily Use Portions 4.3.5 Presentations and Directions for Use 4.3.6 Product Storage 4.3.7 Customer Service 4.4.2 Exchange and Return applicable to Customers 5.2.1 Inducement to Change Sponsors 5.2.2 Sponsorship Correction 5.2.3 Change of Sponsorship 6.1 CLAIMS AND REPRESENTATIONS	The 1st grade	The 1st grade	The 1st grade

No.	Group	Violations	Below TAB	GET & MT	PT & above
3	General Business Practices Issues	2.1.6 Activities of a Spouse ¹⁷ 3.1.2 Members are Self-Employed 3.1.3 Maintaining Reputation and Image of Herbalife 3.1.5 No Association of Other Organizations with Herbalife 3.1.9 Debts Owed to Herbalife 3.1.10 Interviews or Statements to Media 3.1.11 Conduct Regarding Harassment/Discrimination 3.1.12 Responsibility for Vendors 3.3 BUSINESS TOOLS	The 1st grade	The 1st grade	The 1st grade
4	Top Achievers Business Team (“TAB Team”) Limitations	3.1.7 Limitations and Important Points for Top Achievers Business Team (“TAB Team”)	Not applied	The 3rd grade	The 3rd grade
5	Marketing Plan Manipulation	3.1.8 Sales & Marketing Plan Manipulation 4.2.1 Product Distribution 7.3 PROHIBITION OF SALES THROUGH ONLINE CHANNELS 4.1.1 Locations Where Product Distribution Is Not Permitted 4.3.2 Product Sales to Non-Members for Resale	The 1st grade	The 3rd grade	The 3rd grade
6	Buying / Selling Out Of Line	1.1.6 Proper Purchasing 4.1 SALES TO CONSUMERS (except Rule 4.1.1)	The 1st grade	The 3rd grade	The 3rd grade
7	Product Export / Import	3.2.2 Activities in Open Countries or Territories 3.2.5 Personal Consumption	The 1st grade	The 3rd grade	The 3rd grade
8	Activity in Unopen Country	3.2.1 Activities in Countries or Territories Not Yet Open 3.2.6 Prohibited Countries	The 2nd grade	The 3rd grade	The 3rd grade

¹⁷ As prescribed under Rule 2.1.6, when participating in/supporting the Member’s multi-level marketing business activities, if the Member’s spouse performs an act that, if performed by the Member, is considered a violation of the Rules of Conduct, the Member will be subject to the corresponding sanction provided under Rule 8.1.2.

No.	Group	Violations	Below TAB	GET & MT	PT & above
9	DD violation	1.1.3 One Membership Permitted Per Person 2.1.2 Multiple Memberships Prohibited 2.1.4 Married Couples and Members Who Marry 2.1.7 Joint Membership 2.1.8 Former Membership Participant 2.1.9 Disclosure of Former Membership 2.1.10 Period of Inactivity 2.2.2 Restrictions on assignment ¹⁸	The 3rd grade	The 3rd grade	The 3rd grade
10	Import Herbalife products to China market	3.2.4 Activities in China	The 4th grade	The 4th grade	The 4th grade
11	Membership Eligibility	1.1 APPLYING TO BECOME A MEMBER 1.1.5 Communications with Herbalife 3.2.3 Herbalife - Related Activities in Vietnam 2.1.1 Members Must Be Individuals 2.1.3 Membership Minimum Age 2.2.2 Restrictions on assignment ¹⁹	The 4th grade	The 4th grade	The 4th grade
12	Solicitation	3.1.6 No Inducement to Sell Other Products or Services	The 4th grade	The 4th grade	The 4th grade
13	Infraction of law	3.1.1 General Compliance	In accordance with the laws and the Rules of Conduct	In accordance with the laws and the Rules of Conduct	In accordance with the laws and the Rules of Conduct

The 1st grade

- Warning; and/or
- Suspension of all Member rights and privileges; and/or
- Restriction of certain rights including, without limitation, the right to act as a speaker, MC or be honored in the Company's events.

The 2nd grade

18 Sanction for this Activity is applied when the Assignee is a Member.

19 Sanction for this Activity is applied when the Assignee is not a Member.

- Final warning; and/or
- Compulsory participation in the Company's required training/coaching course; and/or
- Suspension of all Member rights and privileges; and/or
- Restriction of certain rights including, without limitation, the right to act as a speaker, MC or be honored in the Company's events.

The 3rd grade

- Monetary sanctions; and/or
- Suspension of all Member rights and privileges; and/or
- Compulsory participation in the Company's required training/coaching course; and/or
- Restriction of certain rights including, without limitation, the right to act as a speaker, MC or be honored in the Company's events; and/or
- Disqualification from participation in the annual Mark Hughes Bonus; and/or
- Disqualification from participation in the Production Bonus program; and/or
- Permanent loss of lineage.

The 4th grade

- Termination of Membership (see "Termination of a Membership" below)

8.1.3 Corrective Measures

Volume and earnings adjustments resulting from corrective measures applicable to a Member with more than one Membership will not include activity occurring more than two years before the date the complaint was received by Herbalife.

8.1.4 Requests for Reconsideration (unrelated to Terminations)

Members may submit a request for Herbalife's reconsideration of a decision within 15 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 15-day period, the request will be denied, although Herbalife reserves the right to consider evidence submitted beyond the 15-day period in its discretion.

8.1.5 Termination of a Membership (Termination of the Multi-level Marketing Agreement)

Herbalife may, in its discretion, terminate a Membership (termination of the Multi-level Marketing Agreement) if a Member violates the Rules of Conduct and/or Member has been imposed with an administrative sanction by authority due to violation of current Multi-level Marketing regulations²⁰.

The termination is effective on the date specified in Herbalife's written notification to the Member which is in accordance with the laws.

A terminated Member²¹ may no longer:

- conduct business as a Member;
- represent himself as an Independent Herbalife Member;
- use Herbalife's trade name, logo, trademarks and other intellectual property; and

²⁰ Termination of a Membership means termination of the Multi-level Marketing Agreement, complete cancellation of a Membership and revocation of the Membership card and the Member's right to conduct the Herbalife business.

²¹ These prohibitions also apply to Members who resign or otherwise leave the Herbalife business during the inquiry process of Rules of Conduct violations.

- attend Herbalife trainings, meetings, social events or promotions, even as a spouse or guest of a Member.

8.1.6 Appealing a Termination

Members may submit a request for Herbalife's reconsideration of a termination decision within 15 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 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, 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.

Chapter 9 Additional Legal Provisions

References below to "Agreement" mean Multi-level Marketing Agreement and entire contractual relationship between Member and Herbalife.

9.1 Damages

Herbalife or the Member shall only be liable for damages caused to the other party in accordance with the laws of Vietnam.

9.2 Waiver and Delay

Herbalife may address Rules of Conduct violations or other breaches of the Multi-level Marketing Agreement with any Member. No failure, refusal or neglect of Herbalife to exercise any right, power or option under the Multi-level Marketing Agreement shall constitute a waiver of the provisions or a waiver by Herbalife of its rights at any time under the Multi-level Marketing Agreement.

9.3 Severability

If any provision in the Multi- Marketing Sale Agreement is found to be invalid, illegal, or unenforceable in any respect, it shall be severed from the Multi-level Marketing Agreement and have no effect on the remainder of the Multi-level Marketing Agreement, which shall remain in full force and effect. Such invalid provision shall be replaced with the most appropriate regulation.

9.4 Choice of Law and Forum

The Multi-level Marketing Agreement, and any dispute arising from the relationship between Herbalife and Members, shall be governed by the substantive laws of Vietnam without the application of conflict of law principles. Any dispute arising out of or in relation with the Multi-level Marketing Agreement shall be resolved by arbitration at the Vietnam International Arbitration Centre (VIAC) in accordance with its Rules of Arbitration. The place of arbitration shall be Ho Chi Minh City, Vietnam. The language to be used in the arbitral proceedings shall be Vietnamese.

9.5 Release of Liability

The Member shall indemnify Herbalife at all times against all actions, claims, losses, damages, costs and expenses (including legal costs and expenses) suffered by Herbalife arising out of violations of laws committed by such Member during his/her business.

9.6 Claims for Damages Between Members

Herbalife shall not be liable for all disputes, losses or damages that a Member causes to another Member which are not related to Herbalife.

Chapter 10 Privacy and Data Protection

Unless otherwise indicated, Herbalife may collect, use, and share any images, videos, sound records and other “Personal Information”, including those to identify a particular individual (e.g., your full name, mailing address, province/city, zip code, telephone number, email address, credit card information, and banking information) in accordance with its Confidentiality Policy published at vn.MyHerbalife.com.

Because of the unique nature of multi-level marketing activities, Members may receive Personal Information of the others directly from Herbalife, such as information regarding other Members in a Member’s downline, customers or referrals who express interest in Herbalife products or services, or individuals who use our online properties and mobile applications (“Sites”) provided that Herbalife is permitted by them to use such information. (The downline organization consists of all Members that were personally sponsored by a particular Member, and in turn, all other persons sponsored by the subsequent Members). Once Herbalife provides Personal Information to a Member, he/she is responsible for it and must keep it strictly confidential. Members may only use this Personal Information to develop their Herbalife business relationship with their downline, customers or referrals, unless they have received consent from the individual to use his or her Personal Information for other purposes.

One way that Herbalife shares information with Members is through Lineage Reports. These reports contain information regarding other Members 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. Lineage Reports are provided to Members in the strictest confidence and for the sole purpose of supporting the Members in further developing their Herbalife businesses. Lineage Reports, including all Personal Information and other data contained therein, constitute confidential, proprietary trade secrets of Herbalife. Members may not collect, distribute or gather confidential information or personal or aggregate information about other Herbalife Members or their customers, except in connection with their downlines and solely for the purposes of promoting their Herbalife businesses, and to manage, motivate and train their downlines.

Members may also collect Personal Information from individuals directly or by other means, such as when they collect contact and payment information from Customers to process product orders or collect information from Customers who attend the contests or challenges, provided that these activities are allowed in the market where such Member is doing business. Members must abide by applicable privacy and data protection laws, including international data transfer restrictions, with respect to all Personal Information obtained by the Member (from Herbalife or otherwise) in connection with the Member’s Herbalife business. In case a Member collects Personal Information and/or shares the collected Personal Information with Herbalife, the Member agrees to seek the consent from relevant parties in accordance with the laws. In addition, it is the Member’s responsibility to maintain the security of all Personal Information that he/she receives and shall only keep such information in accordance with the relevant laws. It is advised that the laws on protection of data and privacy normally set out stricter requirements on the consent, confidentiality and preservation in respect of certain special Personal Information, such as data concerning health, biometrics and children/minors.

Appendix A Procedures

1. Procedures for execution of Multi-level Marketing Agreement

1.1. Policy

In order to become a Member of Herbalife Vietnam, the Applicant must satisfy the following conditions as stipulated in Section 1.1 Applying to Become a Member of the Rules of Conduct.

1.2. Procedures

Step 1: Obtainment of the Multi-level Marketing Agreement (the “Agreement”)

The Applicant may obtain the hard copy of the Agreement from his/her Sponsor or Herbalife offices or download the electronic copy of the Agreement from the website vn.myHerbalife.com for printing. The Applicant is recommended to read carefully and understand thoroughly all the provisions, terms, his/her rights and responsibilities set out in the Agreement.

Step 2: Submission of application dossiers

After having reviewed the Agreement of Herbalife, the Applicant is required to fully and correctly fill out his/her personal information in the Agreement, sign and submit multi-level marketing application dossiers to Herbalife. An application dossier includes:

1. 02 copies of the Agreement with the signature of the registering Member;
2. 01 copy of the certified true copy of the Citizen Identity Card/ Identity Card.

Step 3. Consideration, approval of the Agreement

Within 05 business days from the receipt of multi-level marketing application dossiers, Herbalife shall check and approve the dossiers submitted by the Applicant.

In case the application dossiers are approved by Herbalife, a copy of the Agreement shall be delivered in person to the Member at Herbalife office or by post. If the Member receives the Agreement at the Herbalife’s office, the Member and the Herbalife’s representative will sign Agreement delivery minutes to serve as evidence that the Member has received the Agreement from Herbalife. If the Member receives the Agreement by post, Herbalife will use a guaranteed delivery service, and the delivery service provider will contact the Member at least 3 times to deliver the Agreement. If, after these 3 attempts, the delivery service provider is unsuccessful in delivering the Agreement to the Member, Herbalife will keep the Agreement at the Herbalife’s office, and the Member can contact Herbalife at any time to receive the Agreement at the Herbalife’s office or by post.

Note: In the event that the application dossier is not approved by Herbalife, the Applicant will have to re-implement the registration procedure to become a Member. In this case, after 1 year from the date the application dossier is not approved by Herbalife, the Applicant may register under a new Sponsor. This 1-year period does not apply if the Applicant registers under the original Sponsor.

2. Procedures for fundamental training provided to multi-level marketing participants and issuance of Membership Card

2.1. Policy

Within 30 days since the date that the Multi-level Marketing Agreement is signed and takes effect, the Member must complete the Fundamental Training Program provided at no cost by Herbalife in accordance with Decree 40/2018/ND-CP. In case the Member does not attend or does not complete Fundamental Training Program within such 30-day period, the Multi-level Marketing Agreement signed between the parties shall automatically terminate.

Herbalife may organize one of the two training forms that have been registered with competent authorities by

Herbalife for the new Herbalife Member (the “Attendee”): Remote training and In-class training as described below:

2.2. Procedures for Fundamental Training

2.2.1. Remote Training (Online Training)

2.2.1.1. Procedures for Training

Step 1. Log-in of e-learning account

The Member is only issued with his/her account in order to attend the Fundamental Training Program after the Multi-level Marketing Agreement is signed and takes effect. The Fundamental Training Program is displayed in the Training Center section in the Member account.

Notes: The Member may only place an order after completing the Fundamental Training Program.

Step 2. Selection of Fundamental Training Program

In the Training Center, the Fundamental Training Programs for Members and Member’s Spouse shall have the same contents and implementation procedures, but they are arranged in two separate programs to independently monitor the process of the Fundamental Training Programs for Members and Member’s Spouse, including:

- Fundamental Training Program for Members; and
- Fundamental Training Program for Member’s Spouse.

In the Introduction and evaluation mechanism section, Attendee will be introduced about the Trainer conducting the online training through slides, including: Full name, Multi-Level Marketing Legal Knowledge Certification Number, the issue date of the certification, and an image of the Multi-Level Marketing Legal Knowledge Certification so that the Attendee can verify the Trainer.

Only Trainers designated by Herbalife are allowed to log in the Trainer account and conduct fundamental training for Attendee. Trainer commits that only the Trainer logs in the Trainer account and does not hand over the account to others to conduct the training.


In case where there is only one Member participating in a Membership, he/she is required to complete the Fundamental Training Program for Members only.

In case where a Member registers his/her spouse to participate in a Joint Membership, the Member’s spouse shall complete the contents of the Fundamental Training Program for the Member’s Spouse. The Member’s spouse shall log in their Joint Membership and shall complete the contents of the Fundamental Training Program for the Member’s Spouse. The participation process and the results of the Fundamental Training Program of the Member’s Spouse shall be independently recorded with the participation process and results of the Fundamental Training Program of the Members as the primary Member in the Multi-level Marketing Agreement. In this case, the Member may only place an order after both the Member and the Member’s spouse have completed the Fundamental Training Program.

Notes: The Attendees must complete the Fundamental Training Program by themselves without any help from the others. The Attendees violating such regulations shall be deemed to breach the Rules of Conduct and shall be handled in accordance with regulations.

Step 3. Study and end-of-subject test

a. After selecting Fundamental Training Program, the Attendees may respectively choose each subject to study. Each subject shall be presented in form of slides with the voice.

- In order to ensure proper training duration and the participation of the Attendees, the system shall not move on to the next slides when the contents are being introduced. Only when the contents in a slide end, the Attendees may click  to move on to the next one.
- During the training process, the Attendees may pause the learning to close the program. The system shall

automatically record the Attendees' training progress. When the Attendees open it again, the system shall allow the Attendees to select whether to continue or start from the beginning.

b. At the end of each subject, the system shall display a notice about completion of theory part and ask the Attendees to take one of the two actions:

- If the Attendee still has questions, the Attendee selects "**Yes**" and proceed to the Discussion - Q&A section with the Trainer; or
- If the Attendee has no further questions for the Trainer, the Attendee selects "**No**" and move on to the End-of-Subject Test.

c. End-of-Subject Test shall be in the form of multiple choice questions. Attendees must give correct answers to at least 70% of the questions to complete each subject. Failure to do so, they must take another test until giving at least 70% correct answers. After the Attendees have completed the End-of-Subject Test and got required score, their completion of subject shall be recorded by the System.

Notes: The System does not limit the times of re-taking End-of-Subject Test.

d. After the Attendees have completed all the subjects and all of their questions and queries have been answered by the Trainer, the Attendees' completion of Fundamental Training Program shall be recorded by the System and the Attendee shall be issued with the Written confirmation of completion of content and duration of the Fundamental Training Program in the form of (i) data message that satisfies the requirements of the laws on electronic transactions, or (ii) a paper document certified by Herbalife.

In case Herbalife issues the Written confirmation of completion of content and duration of the Fundamental Training Program (the "Confirmation of Completion") in the form of a paper document, the Confirmation of Completion will be handed over to the Attendee at the office of Herbalife or by post.

- If the Member receives the Confirmation of Completion at the Herbalife's office, the Member and the Herbalife's representative will sign delivery minutes to serve as evidence that the Member has received the Confirmation of Completion from Herbalife.
- If the Member receives the Confirmation of Completion by post, Herbalife will use a guaranteed delivery service, and the delivery service provider will contact the Member at least 3 times to deliver the Confirmation of Completion. If, after these 3 attempts, the delivery service provider is unsuccessful in delivering the Confirmation of Completion to the Member, Herbalife will keep the Confirmation of Completion at the Herbalife's office, and the Member can contact Herbalife at any time to receive the Confirmation of Completion at the Herbalife's office or by post.

2.2.1.2. Record and Archive of Online Fundamental Training Program Result

At the end of the Fundamental Training Program, the System shall display the Attendees' training result on screen, including: Training duration, Training method and Training result being completed or not completed.

These contents shall be archived in the Company's computer system and exported as reports for archiving purposes in accordance with the laws.

2.2.2. In-class Training

2.2.2.1. Procedures for Training

Step 1. Registration for Fundamental Training Program

The Member shall, either by herself/himself or through his/her Sponsor, provide required information (Full name, Membership, Citizen Identity Card/ Identity Card, etc.) to register for in-class Fundamental Training Program following schedule published on the Herbalife's website or at Herbalife office.

Notes: Member's spouse, who registers to participate in a Joint Membership must complete the Fundamental Training Program in accordance with the laws.

Step 2. Participation in the Fundamental Training Program

- After completing the registration, Members shall directly participate in the Fundamental Training Program course that they have registered in Step 1.
- Training venue: Head office, a branch, representative office, business location of Herbalife, or at another place that Herbalife reserves the right to conduct the training in accordance with the laws.
- Attendees must comply with the rules of training course, participate in all training sessions.
- Attendees may discuss and exchange ideas during the training process. All questions shall be answered directly by the Trainer.

Step 3. Evaluation of training result

Herbalife shall check the Attendees' participation in the training and request the Attendees to sign the Attendance monitoring sheet.

Only the Attendees who have participated in full duration of the training courses shall be eligible for End-of-Course Test which aims at evaluating the absorption of knowledge. Such End-of-Course Test shall be in the form of multiple choice questions.

Attendees must give correct answers to at least 70% of the questions to complete the Fundamental Training Program and be issued with the Confirmation of Completion in the form of a paper document certified by Herbalife. Failure to do so, they must take another test. The times of re-taking the test shall be limited to 3, failing to meet required result at that 3rd test, the Attendees must start the Fundamental Training Program over again.

The Confirmation of Completion will be handed over to the Attendee at the office of Herbalife or by post.

- If the Member receives the Confirmation of Completion at the Herbalife's office, the Member and the Herbalife's representative will sign delivery minutes to serve as evidence that the Member has received the Confirmation of Completion from Herbalife.
- If the Member receives the Confirmation of Completion by post, Herbalife will use a guaranteed delivery service, and the delivery service provider will contact the Member at least 3 times to deliver the Confirmation of Completion. If, after these 3 attempts, the delivery service provider is unsuccessful in delivering the Confirmation of Completion to the Member, Herbalife will keep the Confirmation of Completion at the Herbalife's office, and the Member can contact Herbalife at any time to receive the Confirmation of Completion at the Herbalife's office or by post.

Notes: Member's spouse who registers to participate in a Joint Membership must complete the Fundamental Training Program in accordance with the laws. The Members may only place an order after both the Member and the Member's spouse have completed the Fundamental Training Program.

2.2.2.2. Record and Archive of In-class Fundamental Training Program Result

After each Training program, Attendance monitoring sheet and List of Attendees' information including name, Membership ID, training duration, training method, training location, and training result being completed or not completed of the Attendees shall be archived by Herbalife in accordance with the laws.

2.3. Procedures for Issuance of Membership Card

Step 1. Signing of the Commitment Form

After completing the Fundamental Training Program, the Member (and the Member's spouse, if any) shall fill out the Commitment Form as provided in Form No. 13 of Decree 40/2018/ND-CP, sign and deliver the original copy thereof to the Company (either by submitting directly to the Member Services or sending by post).

Step 2. Issuance of Membership Card

After receiving the Commitment Form from the Member, the Company shall print Membership Card and send it to the address that the Member has registered in his/her Multi-level Marketing Agreement by certified mail with receipt confirmation.

Notes:

- Member's spouse shall be issued with a separate Membership Card under the Joint Membership with his/her own name and details.
- Members may only conduct the activities of marketing, selling and developing organization of Herbalife after the Membership Card is issued.

3. Procedures for placing order, payment and delivery

3.1. Policy

Herbalife has various methods of placing order and payment for the Members. Members need to understand thoroughly and comply with Herbalife's procedures for placing order. The payment date of an order shall be the basis to determine the volume month of such order. Members need to place order and make payment of their own order.

3.2. Procedures for Placing Order, Payment and Delivery

3.2.1. Direct and Online Order

Step 1. Placing order

A Member may place an order in either of the following manners:

- Direct order: Placing order at Herbalife offices or via the Call Center
- Online order: A Member may use his/her Herbalife Member account to place order online.

Step 2. Verification of Member information and checking of order

Herbalife shall verify Member information:

- At Herbalife offices: A Member must present his/her Membership Card to Herbalife staff for verification.
- Via telephone: Herbalife staff shall request the Member to provide certain personal information for verification.
- Online: A Member is required to enter his/her username and password to log into the system.

The order shall be rejected if the Member fails to satisfy the above verification steps.

Step 3. Payment

After placing an order, the Member is required to make full payment of such order in cash or by other lawful methods of payment.

After receiving the full payment, Herbalife shall inform the Member to arrange for the delivery and receipt.

Step 4. Delivery – Receipt of products

Within 30 days from the receipt of the Member's full payment, Herbalife shall deliver products to the Member in either of the following manners:

- Herbalife makes delivery to the address registered by the Member and sends invoice to the Member after the information given in the delivery note is confirmed to be complete and correct.
- The Member picks up products at delivery points arranged by Herbalife.

Herbalife shall keep delivery documents signed by the receiver in order to confirm the date and time when the Member receives products.

Within the above-mentioned period, if products are not delivered to the address that the Member has registered in his/her order or the Member does not receive products from Herbalife, Herbalife shall cancel the order and return full payment to the Member or set off against the new order(s) subject to the Member's request.

3.2.2. Placing orders with vending machine

Step 1. Placing order

A Member shall use his/her Membership ID and PIN to log in and place order with the vending machine.

Step 2. Payment

After placing an order, the Member is required to make full payment of such order with his/her bank card (credit card or domestic payment card) via POS of the vending machine.

Step 3. Delivery – Receipt of products

Upon the full payment, the order receipt shall be printed by the vending machine. The Member shall get products from the pick-up box of the vending machine and value-added tax invoice shall be sent by Herbalife to the email address registered by the Member.

3.3. Control

According to regulation, the Member needs to place order and make payment for such order by himself/herself. Herbalife shall verify the customers in the ordering process to ensure compliance with this regulation.

4. Procedures for exchange, return, inventory repurchase and refund to multi-level marketing participants and Customers

4.1. Policy Applicable to Members

4.1.1. Conditions for Exchange, Return and Inventory Repurchase

4.1.1.1. Exchange

Within 30 (thirty) days from the date a Member receives products from the Company, such Member may return them, whether used or not, to Herbalife in exchange for others if the products being requested for exchange meet the following conditions:

- Being with intact package, stamps and labels, expired or unexpired;
- Enclosed with the corresponding invoice; and
- Price of exchanged products shall not be higher than that of products being requested for exchange.

Herbalife shall not refund any payments in case of exchange.

4.1.1.2. Return Upon Member's Request

Within 30 (thirty) days from the date a Member receives products from the Company, such Member may return them, with intact package, stamps and labels, expired or unexpired, whether used or not, to Herbalife to receive a refund of payment for such products. The products being requested for return shall be enclosed with the corresponding invoice.

4.1.1.3. Inventory Repurchase In Case Of Agreement Termination

Within 30 (thirty) days from the termination date of Multi-level Marketing Agreement, a Member may request Herbalife to repurchase the products provided that the products being requested for repurchase shall meet the following conditions:

- Being with intact package, stamps and labels, expired or unexpired;

- Enclosed with the corresponding invoice; and
- Being received by the Member within 12 months prior to submission date of inventory repurchase request documents to Herbalife.

In case of Return upon Member's request or Inventory repurchase in case of Agreement termination, the cost of shipping and handling paid on the original order will not be refunded. Herbalife will arrange pick up and will pay shipping charges for the products returned to Herbalife by the Member.

Herbalife will refund the entire amount that the Member has paid for products. In addition, Herbalife will deduct the amount of Royalty Overrides, Commissions, Production Bonuses and any other earnings or benefits paid on the returned products from the relevant Members, and adjust qualifications as necessary.

4.1.2. Procedures

4.1.2.1. Procedures for Exchange

Step 1. Notice and submission of exchange request documents

A Member who requests for exchange shall notify Herbalife Member Services and submit exchange request documents including:

- Written request for exchange (with the Member's signature);
- Corresponding invoice; and
- Product(s) to be exchanged.

Step 2. Review of documents and exchange of products

After receiving the exchange request documents, Herbalife shall check the validity of the same.

Within 10 (ten) business days from the receipt of sufficient and valid exchange request documents, Herbalife shall input data in the system as well as carry out internal procedures and deliver new products to the Member at the address that Member has provided without any additional charges.

4.1.2.2. Procedures for Return Upon Member's Request

Step 1. Notice and submission of return request documents

A Member who requests for return shall notify Herbalife Member Services and submit return request documents including:

- Written request for return (with the Member's signature);
- Corresponding invoice;
- Form of account information (Name of account holder must be the same as the Member's name); and
- Product(s) to be returned.

Step 2. Review of documents and repurchase of products

After receiving the return request documents, Herbalife shall check the validity of the same.

Within 30 (thirty) days from the receipt of complete and valid return request documents, Herbalife shall notify the Member of the quantity of products qualified to be repurchased and acknowledge the refund to the Member. After such acknowledgement and the Member has no queries, complaints against Herbalife, Herbalife shall make refund in such manner as agreed with the Member.

4.1.2.3. Procedures for Inventory Repurchase In Case Of Agreement Termination

Step 1. Submission of inventory repurchase request documents

A Member who requests Herbalife to repurchase his/her inventory shall send documents directly to Herbalife including:

- Written request for inventory repurchase;
- Corresponding invoice;
- Form of account information (Name of account holder must be the same as the Member's name); and
- Product(s) to be returned.

Step 2. Review of documents and notice of inventory repurchase

After the receipt of sufficient and valid documents and products, Herbalife shall notify the Member about the quantity of products qualified to be repurchased and acknowledge the refund to the Member.

Step 3. Inventory repurchase and refund

After both parties agree on the payment amount and quantity of products to be repurchased, and the Member has no queries, complaints against Herbalife, Herbalife shall make refund in such manner as agreed with the Member within 30 (thirty) business days since the termination date of the Multi-level Marketing Agreement.

4.2. Policy Applicable to Customers

4.2.1. Conditions for Exchange, Return

Within 30 (thirty) days from the date of receiving products by the customers, the Customers may exchange or return products which are even without intact package, stamps and labels, expired or unexpired or have been used in exchange for other products with lower or equal price as compared to products being requested for exchange or get a full refund of payment.

4.2.2. Procedures for exchange, return

Step 1. Customers shall contact the Member from whom they have purchased products (referred to as the "Selling Member") to proceed with exchange, return.

Step 2. Customers shall make available products that they wish to exchange/return, purchasing and selling documents between them and the Selling Member, and request for product exchange/return with the customer's signature.

Step 3. The Selling Member shall receive such products and exchange for the new ones or make refund to customers within 30 (thirty) business days from the receipt of sufficient products and relevant documents from the customers.

Step 4. The Selling Member shall proceed with the exchange, return at the Company within 30 days from the receipt of products from the customers.

- In case of exchange, the Member shall notify such exchange request to Herbalife Member Services accompanied with exchange request documents including:
 - Purchasing and selling documents between customers and the Selling Member, Written request for exchange (with the Member's signature) together with exchange request of the Customers;
 - Corresponding invoice; and
 - Product(s) to be exchanged.

Within 10 (ten) business days from the receipt of sufficient and valid exchange request documents, Herbalife shall input data in the system as well as carry out internal procedures and deliver new products to the Member at the address that Member has provided without any additional charges

- In case of return, the Member shall notify such return request to Herbalife Member Services accompanied with return request documents including:
 - Purchasing and selling documents between customers and the Selling Member, Written request for return (with the Member's signature) together with return request of the Customers;
 - Corresponding invoice;

- Form of account information (Name of account holder must be the same as the Member's name); and
- Product(s) to be returned.

Within 30 (thirty) days from the receipt of complete and valid return request documents, Herbalife shall notify the Member of the quantity of products qualified to be repurchased and acknowledge the refund to the Member. After such acknowledgement and the Member has no queries, complaints against Herbalife, Herbalife shall make refund in such manner as agreed with the Member

In case of refund for the returned products, Herbalife will deduct the amount of Royalty Overrides, Commissions, Production Bonuses and any other earnings or benefits paid on the returned products from the relevant Members, and adjust qualifications as necessary.

5. Procedures for settlement of multi-level marketing participants' complaint

5.1. Policy

In order to ensure Members' rights to the fullest extent, Herbalife offers many ways to receive complaints from its Members. When a Member's complaint is received, depending on its nature, the receiver shall forward such complaint to relevant division(s) for settlement as soon as possible. Herbalife is open to any complaints/claims and considers it as an important source of information in order to improve the quality of services to customers.

5.2. Procedures for Settlement of Members' Complaint

5.2.1. Receipt of Complaint

The Member Services acts as a contact point to receive complaints from the Members. Members may make a complaint in the following manners:

- At Herbalife offices: Members may directly contact the Member Services at Herbalife offices in Ho Chi Minh City, and Hanoi
- By post: Members may file a written complaint by post
- By email: Members may send a complaint to the email address: dichvuthanhvien@herbalife.com
- Via call center: Members may make a complaint by calling Herbalife call center at +84 28 3827 9191.

5.2.2. Steps for Complaint Settlement

Step 1: Receipt of Members' complaint

When a Member's complaint is received, the Member Services staff shall classify information into "Questions" with respect to simple questions which are somewhat similar to Herbalife's FAQ and not necessary to consult with relevant divisions, or "Complaints" with respect to other matters which are necessary to consult with relevant divisions.

- **Circumstance 1:** If the information received is classified as "Questions", the Member Services shall response to customers immediately.
- **Circumstance 2:** If the information received is classified as "Complaints", the Member Services shall record Members' complaint, confirm receipt thereof with such Members and expected schedule for complaint settlement (usually not more than 30 working days), and then forward such "Complaints" to relevant divisions.

Step 2: Complaint settlement

After receiving the complaint forwarded by the Member Services, relevant divisions shall be responsible for considering and coming up with proper solution to the Members' complaint and send it to the Member Services.

The complaint shall be settled within 30 working days from the receipt of "Complaints" by the Member Services. During the waiting period, the Member Services shall keep Members updated on the complaint settlement progress on a weekly basis. If the complaint settlement takes longer than the mentioned period, Herbalife shall

provide the Member with reasons and expected timeframe that is required to settle such complaint.

Step 3: Notification of complaint settlement result to Members

Immediately upon receiving response from relevant divisions, the Member Services shall notify Members of complaint settlement result in one of the following appropriate manners: by telephone (recorded), email, letter or meeting in person (having the working minutes signed by the representative of Herbalife and the Member or the summary of the working content sent by Herbalife to the Member after such meeting).

6. Procedures for termination and liquidation of Multi-level Marketing Agreement

6.1. Policy

A Member may terminate his/her Multi-level Marketing Agreement by sending a written request for termination of Multi-level Marketing Agreement to the Member Services at least 10 business days prior to the termination of the Multi-level Marketing Agreement.

Herbalife may terminate Multi-level Marketing Agreement with a Member if it determines that such Member or the person who participates in his/her Herbalife Membership violates the Multi-level Marketing Agreement, the Rules of Conduct or such Member has been imposed administrative sanction by competent authorities due to violation of applicable regulations on Multi-level Marketing.

In addition, the Multi-level Marketing Agreement shall automatically terminate in the following cases (i) the Member fails to renew his/her Multi-level Marketing Agreement in accordance with Rule 1.1.4 Maintaining Multi-level Marketing Agreement in the Rules of Conduct; (ii) Herbalife ceases its multi-level marketing activities; (iii) the Members withdraw the consent for Herbalife to process their personal information (As provided in Article 10.5 of the Multi-level Marketing Agreement); (iv) the Member does not participate or does not complete the fundamental training program within 30 days since the effective date of the Multi-level Marketing Agreement; or (v) Other cases in accordance with the laws.

6.2. Required Documents

- Written request for termination of Multi-level Marketing Agreement which is duly signed by the Member or his/her lawful representative; or Decision on termination of Multi-level Marketing Agreement by the Company in case where the Member or the person who participates in his/her Joint Membership violates the Multi-level Marketing Agreement;
- Document(s) evidencing power of authorization of the Member's lawful representative (in case where the written request for termination of Multi-level Marketing Agreement is signed by the Member's lawful representative) (if any);
- A copy of the Multi-level Marketing Agreement (if any);
- Membership Card (if any); and
- Inventory repurchase request documents (if any).

6.3. Procedures

6.3.1. Request for Termination by Members

Step 1: Notification of Multi-level Marketing Agreement termination

Within at least 10 (ten) business days prior to termination of the Multi-level Marketing Agreement, the Member shall file written request for termination of Multi-level Marketing Agreement together with the above documents to the Company.

Step 2: Liquidation of Multi-level Marketing Agreement

Upon receiving the written request to terminate the Multi-level Marketing Agreement and the above documents from the Member, the Member Services Department will notify the receipt and reconfirm the request with the Member by one of the following methods: phone, email, in writing or face-to-face meeting.

If no response from the Member is received within the next 5 (five) working days, the Member Services Department will officially liquidate the Multi-level Marketing Agreement as requested.

Within 30 (thirty) business days from the termination date of Multi-level Marketing Agreement, the parties shall fulfill all of their obligations under the Multi-level Marketing Agreement. The Agreement shall be automatically liquidated when the parties fulfill their obligations.

6.3.2. Request for Termination by Herbalife

Step 1: Notification of Multi-level Marketing Agreement termination

In case where a Member violates the Multi-level Marketing Agreement, Rules of Conduct or relevant provisions resulting in termination of the Multi-level Marketing Agreement, the Member Compliance Department shall notify such Member at least 10 (ten) business days prior to termination of the Multi-level Marketing Agreement.

Step 2: Liquidation of Multi-level Marketing Agreement

Within 30 (thirty) business days from the termination date of Multi-level Marketing Agreement, the parties shall fully perform all of their obligations under the Multi-level Marketing Agreement. The Agreement shall be automatically liquidated after the parties fulfill their obligations.

6.3.3. Automatic termination of Multi-level Marketing Agreement

Within 30 days from the Multi-level Marketing Agreement automatically terminates,

- The Multi-level Marketing Agreement shall be automatically liquidated if the parties make no request for performance of rights and obligations thereunder.
- In case where either party requests the other to perform the obligations under the Multi-level Marketing Agreement, within 30 (thirty) business days from the termination date of the Multi-level Marketing Agreement, the parties shall fulfill all the obligations under the Multi-level Marketing Agreement. The Agreement shall be automatically liquidated after the parties fulfill their obligations.

6.4. Notification of Multi-level Marketing Agreement termination and revocation of Membership Card

On a monthly basis, the Company shall publish the list of Members who terminate the Multi-level Marketing Agreement and revocation of Membership Card on its website in accordance with applicable regulations.

Appendix B Relevant Forms

1. Add Spouse Request Form

2. TAB Team Production Bonus Acknowledgment Form

Appendix C Review of Qualification Process for TAB Members

In order to preserve the integrity of the Sales & Marketing Plan, Herbalife will conduct a review of the qualification process for TAB Members and above levels. Herbalife will contact the Members as well as customers whose volumes contributed to the Member's qualification to analyze and verify any violations of the Rules of Conduct related to product purchase and sales, sponsorship, and general business practices during the qualification period.

In the event that any violations are discovered, the sales volume from the orders related to the violations will not be recognized, which may result in the remaining sales volume being insufficient to meet the qualification requirements. In such cases, the Member will have to go through the qualification process again, starting from the month following the month in which the order related to the violation is discovered.

Furthermore, in some instances, even after a Member has been recognized as qualified, Herbalife may discover violations of the Rules of Conduct related to the orders that contributed to the Member's qualification sales volume. The sales volume from the orders related to the violations will not be recognized, which may result in the remaining sales volume being insufficient to meet the qualification requirements. In such cases, the qualification result will be withdrawn.

The maximum time for implementation of the qualification review is 120 days, from the date on which Herbalife send a written notice of the qualification review to the Member. Through this extensive review process, Members can have the assurance that each member of the TAB Team has built their business on a solid foundation, contributing to Herbalife's and its Members' reputation, growth, and longevity.

REVIEW OF QUALIFICATION PROCESS

