



Rules of the Road

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

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1 Getting Started

1.1 Distributors Are Self-Employed

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

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

Employees may not engage in Distributor activities.

Distributors must ensure that they personally provide the customer service obligations set out in the **Customer Service Rule**.

1.2 No Debt or Forced Purchases

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

2 Selling Products

2.1 Prohibited Locations

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

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

2.2 Retail Order Forms and Records

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

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

2.3 Customer Refunds

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

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

Distributors should refer Preferred Customers to the Company for refunds.

2.4 High-Pressure Sales

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

2.5 Modifications to Products, Labels and Materials

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

2.6 Presentations and Directions for Use

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

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

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

2.7 Identification

When selling or promoting Herbalife® products or promoting the business opportunity Distributors must identify themselves as an Herbalife Independent Distributor.

3 Advertising

3.1 Claims

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

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

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

3.2 Herbalife's Intellectual Property

Herbalife makes copyright materials available for use by Distributors and grants a limited revocable license to use Herbalife's trademarks so long as:

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

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

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

3.3 Broadcasting Prohibited

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

4 Sales and Marketing Plan Fundamentals

4.1 One Distributorship Permitted Per Person

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

4.2 Proper Purchasing

Distributors may not place or pay for orders in another Distributor's or Preferred Customer's name unless Herbalife has written permission from that person.

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

During the first twenty-four (24) months of the Distributorship, the Personally Purchased Volume (PPV) is limited. Distributors may place orders up to 5,000 Volume Points per calendar month in Austria. After 24 months, Distributors may only place orders up to 20,000 Volume Points per calendar month in Austria. The definition of Volume Points is published in [Herbalife's Sales and Marketing Plan](#): https://hrbl.me/SMP_de-AT.

4.3 Responsibility for Conduct of Others Assisting with Distributorship

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

4.4 Period of Inactivity

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

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

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

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

4.5 10 Retail Customers

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

The following count as Customers:

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

4.6 70%

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

5 Sponsoring and Leadership

5.1 TAB Team Agreement

When a Distributor reaches the TAB Team, they must sign a TAB Team Agreement form before they become eligible to be paid a Production Bonus.

5.2 No Interfering

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

5.3 Association with Herbalife

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

5.4 Solicitation of other Opportunities

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

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

5.5 Sale of Business Tools Not for Profit

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

6 Direct Selling

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

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

6.1 Sales & Marketing Plan Manipulation

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

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

Required Training

Distributors who surpass a volume threshold of 2,500 volume points in a single month will be required to undertake a required training on Sales and Marketing Plan Manipulation. If the training is not taken within 30 days, the Distributorship's buying privileges, and sponsoring opportunity may be suspended.

Violations and Sanctions

Given the fundamental importance of the integrity of the Sales & Marketing Plan, every attempt to manipulate the Sales & Marketing Plan will cause a loss of trust on the part of Herbalife, which will entitle to an immediate termination upon first violation without prior written warning.

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

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

6.2 Customer Service

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

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

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

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

6.3 Organization Leadership & Training

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

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

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

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

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

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

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

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

6.5 Distributor Website and Applications

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

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

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

6.6 Transfer of Distributor Website

Distributors who intend to sell Herbalife® products via a website that was previously owned by another Distributor or a former Distributor must seek prior written consent from Herbalife prior to operating the website in connection with their Herbalife business, by submitting the [Transfer of Distributor Website Consent Form \(“Consent Form”\)](#).

Failure to comply with this Rule may lead to serious sanctions to your Distributorship, including, but not limited to, suspension of buying privileges and termination of your Distributorship.

6.7 Search Engine Advertising and Optimization

Distributors may not create confusion between the Distributor’s independent website and the official Herbalife websites on any search engine result.

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

Distributors using paid search engine ads must ensure that the following wording is visible somewhere within the ad: **“Herbalife Independent Distributor”**.

6.8 Prohibited Commercial Practices

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

6.9 Leads and Referrals

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

Distributors must not provide Leads to a downline Distributor automatically, systematically, or otherwise without ensuring:

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

7 Nutrition Points and Offices

7.1 Leased or Purchased Business Locations

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

- Been a Distributor for at least 90 days.
- Achieve 7,500 or more Total Volume after qualifying to Fully Qualified Supervisor level.
- Complete the process required by Herbalife.
- Register their Location with Herbalife online at [MyHerbalife.com](#).

7.2 Multiple Points

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

7.3 Distributors may not Charge for Nutrition Point Advice

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

7.4 Responsible Point Operator

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

The primary Point operator must designate another Distributor to be responsible when they are not present.

7.5 Sharing Point Premises

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

7.6 Product Retailing

In order to retail products packaged but not labelled individually, Distributors must provide a flyer with a QR code to access any required information included on the product label for the product sold.

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

7.7 Product Preparation

Distributors must prepare products served in Nutrition Points in accordance with acceptable preparation practices and make the product label and allergen information available to customers upon request. No product claims may be made if mixtures are not prepared according to the product label.

Only Herbalife® products and add-ons such as fruits, vegetables, and flavours are permitted to be served, sold, or promoted in the Point. Individual tablets may not be sold or served, and selling repackaged and dry product is also prohibited.

7.8 Delivery

Distributors may not:

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

7.9 The Sale of Points for Profit Prohibited

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

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

7.10 Commercial Point Exterior Signage and Name

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

If a Distributor uses an exterior sign they may not:

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

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

7.11 Commercial Point Exterior

The doors and windows must be covered; so Herbalife branding and Point activities cannot be visible from the outside.

The following are not allowed on the Point's exterior and covering:

- Display Herbalife branding (names, logos, etc.);
- Imply that Herbalife® products are available for purchase;
- Feature “Before & After” photographs or comparative pictures; and
- No two Points may have identical or substantially similar coverings or exterior.

7.12 Indoor Satellite Point

Operators may host activities for the employees of a business establishment provided those activities and consumptions are:

- in an enclosed room (e.g., break room)
- not combined with the business activity operating at the location.

7.13 Outdoor Satellite Point

While Point Operators may host activities and sell consumptions at an outdoor location (e.g., beach, park), the following are prohibited:

- Promoting or advertising products for sale
- Exterior signage

7.14 Advertising an Outdoor Satellite Point

Advertising to the general public is allowed provided the invitation information is limited to the following:

- Name of the Operator
- Services
- Phone number and/or email address

8 Competitive Challenges

8.1 Competitive Challenges (Weight Loss Challenges or Body Transformation Challenges)

Competitive Challenges, such as, Weight Loss Challenges, Body Transformation Challenges, Marathons or similar are **prize competitions or promotional contests** based exclusively on skill and the performance of the Participant.

The winner is never determined on the basis of luck or chance, but by objective, judging criteria.

8.2 Fees and Other Purchases

Distributors may not profit from the collected Participation fees.

No other payment or purchases shall be payable by the Participant unless, this requirement is included within the ***Terms and Conditions for the Challenge***.

8.3 Prize Limit

While there is no limit on the duration of a Challenge:

- For Challenges lasting 21 days or longer the maximum prize value (monetary or non-monetary) per individual cannot exceed € 1,000.
- For Challenges lasting 10-20 days the maximum prize value (monetary or non-monetary) per individual cannot exceed € 500.
- For Challenges shorter than 10 days, winners can only be recognized and be awarded with Herbalife® products, consumables, or recognition.

Advertisements may not promote the total value of all prizes (total prize fund) being awarded higher than € 10,000 and must include the value of the total prize one individual can win.

8.4 No Unhealthy Practices

Challenges must

- foster a safe and healthy environment that prevents Participants from engaging in unhealthy and unsafe practices and should allow them to achieve their goal while respecting a balanced body transformation.
- not have targets that could harm Participants and shall ensure that Participants do not take part in Challenges in an irresponsible manner, particularly in a way that could pose a threat to a customer's health.
- not be promoted as a competition by which the Participants aim to lose as much weight as possible and cannot encourage the Participants to lose more weight than is considered healthy.

8.5 Terms and Conditions for the Challenge

Distributors must provide official Terms and Conditions for the Challenge to all Participants, which includes all applicable conditions or information related to entering and participating in the Challenge and make available before or at the time of entry and throughout the Challenge.

The minimum age for participation in a Challenge is 18.

9 International Business

9.1 Activities in Countries or Territories Not Yet Open

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

9.2 Exporting of Products

Distributors must always comply with all Herbalife rules and standards, and all applicable laws and regulations, including those relating to product content, product registration and regulations, product labelling, customs, duties, taxes, and consumer protection and advertising in the country where the products are sold.

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

9.3 Activities in China

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

9.4 Prohibited Countries/Regions and Persons

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

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

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

10 General Conduct

10.1 Compliance with Applicable Laws and Rules

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

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

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

10.2 Truthful Submissions and Communications with Herbalife

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

10.3 Maintaining Reputation and Image of Herbalife

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

10.4 Conduct Regarding Harassment, Discrimination, and Inappropriate Conduct

Herbalife prohibits harassment, unlawful discrimination, and inappropriate conduct.

10.5 Cooperating with Herbalife's Reviews

Distributors are required to cooperate with Herbalife's reviews.

10.6 No Anti-Competitive Behaviour

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

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

10.7 Game Promotions

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

11 Administrative

11.1 Distributorship Eligibility

11.1.1 Distributorship Minimum Age

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

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

11.1.2 Recognition of Spouse or Life Partner

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

Distributors must inform their spouse or Life Partner that they have provided this information to Herbalife and must refer them to Herbalife's online Privacy Policy for further information.

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

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

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

11.2 Transferring Your Distributorship

11.2.1 Assignment, Sale, or Transfer of Distributorship

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

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

11.2.2 May Only Be Sold, Assigned or Transferred to a Non-Herbalife Distributor

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

11.2.3 Status and Benefits

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

11.2.4 Responsibility After Transfer

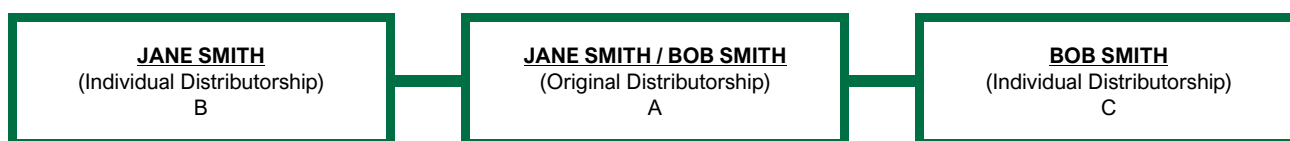
After transfer of the Distributorship:

- The Transferee shall be responsible to Herbalife for any and all violations of the Rules committed by or on behalf of the Transferor in connection with the Distributorship.
- For a period of six months following the effective date of the transfer, acts by the Transferor and/or the Transferor’s spouse, or Life Partner which would violate the Rules if the Transferor were still a Distributor, shall be treated as though the violations were the Transferee’s violation.

11.3 Separation, Divorce, and Dissolution of Life Partner Relationship

11.3.1 Establishing a New Distributorship

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



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

Herbalife must receive the following documents to establish new Distributorship:

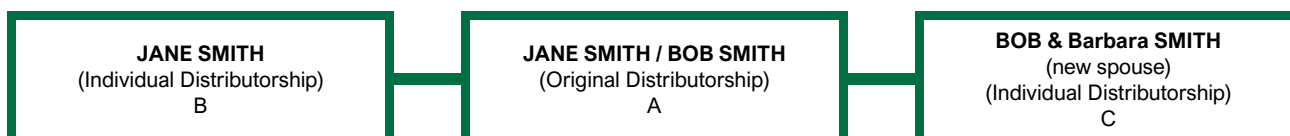
From a Divorcing Couple

- Newly completed and signed Agreements, for the Distributor and the spouse, sponsored by the Sponsor of the original Distributorship.
- A signed and notarized Divorce and Separation Form.
- A copy of the Petition for Dissolution of Marriage, Settlement Agreement, or final divorce judgment.
- Newly completed and signed TAB Team Production Bonus Agreement Forms, for the Distributor and spouse, reflecting the ID number of the new separate Distributorship (TAB Team level Distributorships only).

From Partners in Dissolution of Life Partner Relationship

- Newly completed and signed Agreements, for the Distributor and Life Partner, sponsored by the Sponsor of the original Distributorship.
- A signed and notarized Dissolution of Life Partner Relationship Form from both parties. (If both parties do not provide the signed and notarized Form, a court order indicating that the relationship has ended, will be required.)
- Newly completed and signed TAB Team Production Bonus Agreement Forms, for the Distributor and Life Partner, reflecting the ID number of the new separate Distributorship (TAB Team level Distributorships only).

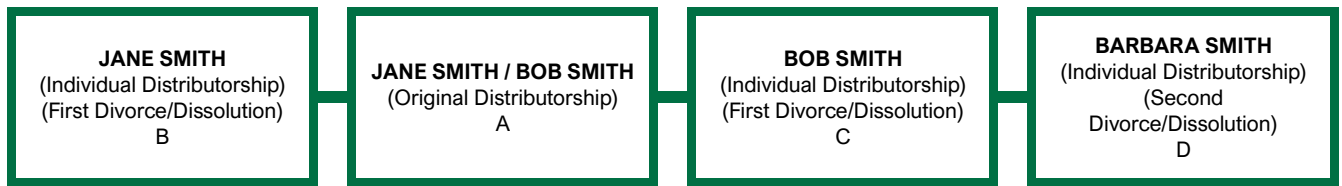
If a Distributor remarries or designates a new Life Partner, that person’s new spouse or Life Partner may be added to the Distributor’s new separate Distributorship to support the Distributor in the business and for recognition purposes.



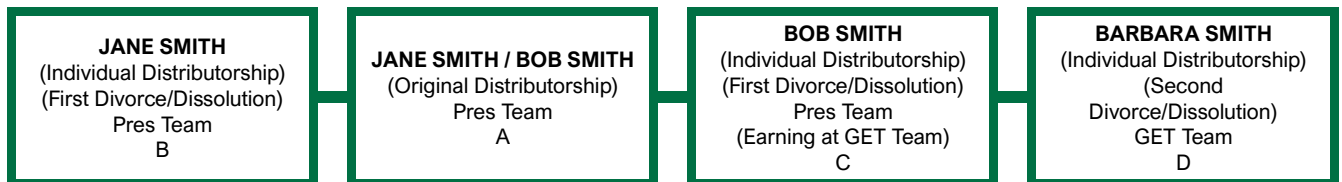
More than one Dissolution or Divorce:

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

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



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



11.3.2 Requests to Modify the Original Distributorship

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

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

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

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

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

If after a Distributor transfers their Distributorship and decides to establish a new Distributorship:

- The new Distributorship must operate independently from their original Distributorship.
- Advancement within the Sales & Marketing Plan, Royalty Overrides, Production Bonuses, and other earnings will be based solely on the achievements of the new Distributorship.

For Herbalife to accept the new Agreement:

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

11.3.3 Joining Under a Different Sponsor/Participating in another Distributorship

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

From a Divorcing Couple

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

From Partners in Dissolution of Life Partner Relationship

- A newly completed and signed Agreement.
- Signed and notarized Dissolution of Life Partner Relationship Form from both parties. (If both parties do not provide the signed and notarized Form, a court order indicating that the relationship has ended, will be required.)

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

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

** Forms and Applications are available through Member Services.*

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

Total Volume: The individual Distributorships will receive Volume Point credit from the original Distributorship to combine with their own Volume Points (“Association”). This will determine the eligibility to receive Royalty Overrides, qualifications, re-qualifications and/or Production Bonuses.

For the purpose of Royalty Override percentage eligibility, the original Distributorship will combine volume with each of the individual Distributorships, plus its own Volume.

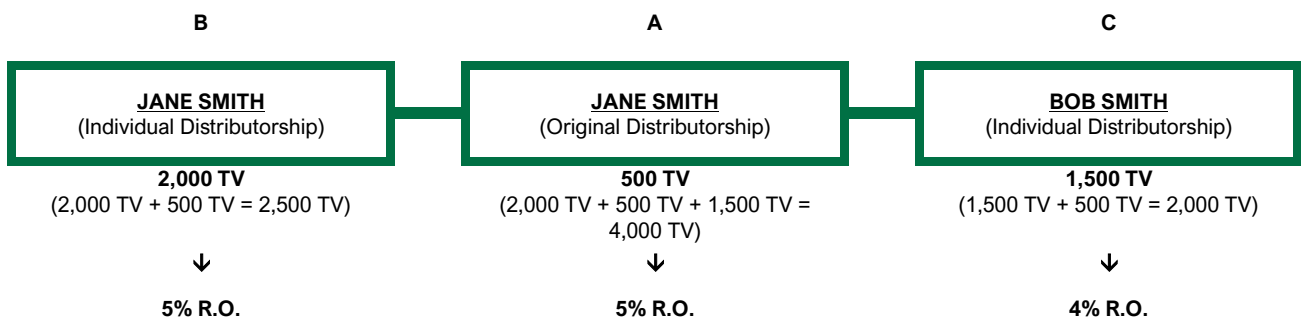
Production Bonus eligibility for the original Distributorship will be determined based on the achievement of the highest individual Distributorship.

Example:

Volume Points

Volume for B and C will be as follows:

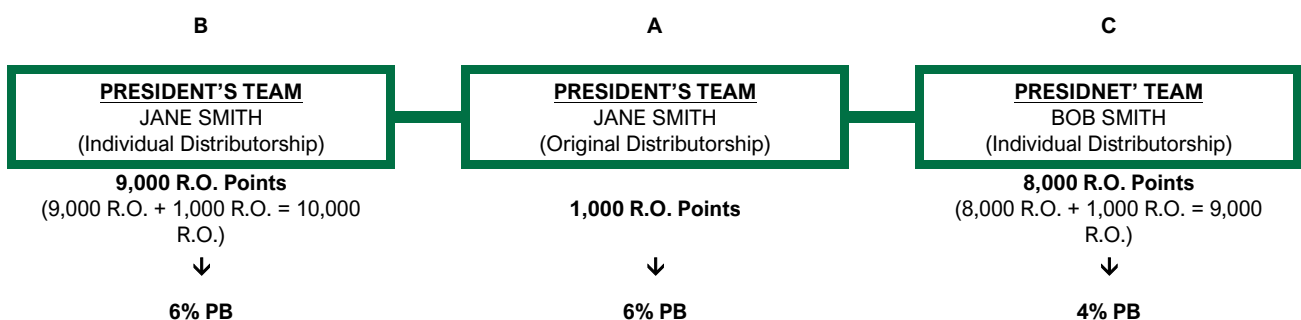
B + A and C + A



Royalty Points

The Royalty Override Points for Production Bonus purposes are combined as follows:

B + A and C + A



Requirements: Each individual Distributorship must comply with the 10 Retail Customers Rule, the 70% Rule, and any other requirements to earn Royalty Overrides.

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

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

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

11.4 Inheritance*

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

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

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

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

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

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

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

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

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

11.5 Resignation

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

11.6 Sales to Consumers

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

11.7 Payments and Adjustments

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

^{*} [Earnings Certification Forms](#) are available on [MyHerbalife.com](#).

11.8 Maintaining Lines of Sponsorship

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

11.8.1 Sponsorship Correction

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

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

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

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

In place of notarization, each Distributor may submit their completed and signed forms individually through [MyHerbalife.com > Online Support](#). For Vietnam, all request forms must be notarized. Submissions via email without notarization will not be accepted.

11.8.2 Applying for Change of Sponsorship

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

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

A Distributor who wishes to request a sponsorship change should first consult with their upline to discuss and review the circumstances. Should the Distributor then wish to continue, they must complete and submit a "Change of Sponsorship Request" Form^{*} (signed by two witnesses) along with a "Change of Sponsorship Consent" Form (signed by two witnesses) from the current Sponsor, and 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. In addition, Herbalife must receive a [Change of Sponsorship Acceptance Form](#), (signed by two witnesses) from the proposed Sponsor.

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

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

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

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

In place of notarization, each Distributor may submit their completed and signed forms individually through MyHerbalife.com > Online Support. For Vietnam, all request forms must be notarized. Submissions via email without notarization will not be accepted.

11.9 Enforcement Procedures

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

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

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

11.9.1 Complaint Procedure

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

Distributors may not discourage a customer or Distributor from making a complaint or retaliate in any way.

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

11.9.2 Inquiry

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

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

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

- Buying privileges.
- Payment for 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 Distributor.

11.9.3 Sanctions

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

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

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

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

** Volume and earnings adjustments also includes corrective measures to resolve Sales & Marketing Plan Manipulation and Prohibition of Sales on Auction Sites and Third-Party Online Marketplaces violations.*

11.9.4 Requests for Reconsideration (unrelated to Terminations)

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

11.9.5 Termination of a Distributorship

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

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

A terminated Distributor ** may no longer

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

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

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

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

11.9.6 Appealing a Termination

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

The appeal will be reviewed by a committee comprised of an appointed representative from each of the Sales Department, the Member Services Department, and the Legal Department (the "Review Committee"). A majority of the Review Committee may uphold the termination, reinstate the Distributorship, 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.

11.10 Additional Legal Provisions

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

11.10.1 Damages

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

11.10.2 Waiver and Delay

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

11.10.3 Severability

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

11.10.4 Choice of Law and Forum

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

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

11.10.5 Indemnification

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

11.10.6 Claims Between Distributors

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

11.11 Privacy and Data Protection

Unless otherwise indicated, Herbalife collects, uses and shares “Personal Information” (e.g., your first and last name, mailing address, city, county, zip code, telephone number, email address, credit card, and banking information) in accordance with its Privacy Policy located at https://www.myherbalife.com/ed/de-at/pages/public/privacy_policy.html.

Because of the unique nature of multi-level marketing, Distributors may receive Personal Information about others directly from Herbalife, such as information regarding other Distributors and Preferred Customers in a Distributor’s downline, or Customers or referrals who express interest in Herbalife® products or services, or individuals who use our online properties and mobile applications (“Sites”). (The downline organization consists of all Distributors and Preferred Customers that were personally sponsored by a particular Distributor, and in turn, all other persons sponsored by the subsequent Distributors.) Once Herbalife provides Personal Information to a Distributor, he or she is responsible for it and must keep it strictly confidential.

Distributors may only use this Personal Information as a data controller to develop their Herbalife business relationship with their downline, Customers, or referrals.

Distributors may only use this Personal Information for other purposes if they have informed the individual and have secured a proper legal basis for this additional use. Examples of proper legal basis for use are:

- consent from the person,
- your compliance with a legal obligation,
- your execution of a contract with the person (such as an agreement to sell them products), or
- your legitimate business interest, provided this interest is not outweighed by the privacy interest of the person.

The use of data for marketing purposes requires express consent of the individual.

One way that Herbalife shares information with Distributors is through Lineage Reports. These reports contain information regarding other Distributors and Preferred Customers within a Distributor’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 Distributors in the strictest confidence and for the sole purpose of supporting the Distributors in further developing their Herbalife businesses. Lineage Reports, including all Personal Information and other data contained therein, constitute confidential, proprietary trade secrets of Herbalife.

Distributors may not collect, distribute, or gather confidential information or personal or aggregate information about other Herbalife Distributors, their Customers, or the Preferred 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.

Distributors 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.

Distributors must abide by applicable privacy and data protection laws, including international data transfer restrictions, with respect to all Personal Information obtained by Distributor (from Herbalife or otherwise) in connection with the Distributor’s Herbalife business. In the event a Distributor collects Personal Information and/or shares Personal Information it collects with Herbalife, the Distributor agrees to provide all necessary notices and obtain all necessary consents under applicable law. Distributors may not use Personal Information for purposes other than the specific purpose in which it was collected, unless the individual has explicitly authorized them to do so or unless they have other proper legal basis for this additional use as pointed out above.

In addition, it is the Distributor’s responsibility to maintain the security of all Personal Information that he or she receives and to retain such information only for as long as required for the purposes for which it was collected or as required by law, whichever is longer.

Moreover, depending on applicable laws, individuals may have various rights with respect to their Personal Information, such as a right of access, rectification, restriction of or objection to processing, portability to another controller, and erasure. These rights are subject to limitations set out in law.

Please be aware that privacy and data protection laws often have stricter consent, security, and retention requirements for special categories of Personal Information, such as health and wellness data, biometric data, and data relating to children/minors. For example, Distributors may collect information related to health and wellness such as body weight and measurements and lifestyle (e.g., in connection with Wellness Evaluations or contests, such as Sweepstakes, Weight Loss Challenges, and Body Transformation Challenges) only if it has obtained express consent to do so, and such consent may be withdrawn by the individual at any time.

11.12 Definitions

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

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

Business Tool: A sales aid not provided by Herbalife.

Challenges: Weight-loss Challenge, Body Transformation Challenges, Marathons and similar.

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

Point: Nutrition Point.

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

Company: Herbalife International of America, Inc.

Competitive Challenges: Serve as an optional method of operation available to all Distributors. Competitive Challenges may include Skill-Based Contests (e.g., Weight-loss Challenges, Body Transformation Challenges, Marathons and similar) where determination of a prize winner is determined by judging criteria.

Customer: Preferred Customers and Retail Customers

Fee: Annual Distributorship Services Fee.

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

HDP: Herbalife Distributor Pack. An HDP is a Business Starter kit for Herbalife Distributors.

Herbalife® Products: Includes all products sold by Herbalife, and preparations made by Distributors using those products.

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

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

Lineage Reports: These reports contain information regarding other Distributors and Preferred Customers within a Distributor’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.

Lottery: Lotteries are strictly prohibited. A lottery is a promotion in which a prize is being offered and awarded, a winner is determined solely by chance, and money or information is required to enter. Raffles are lotteries; therefore, they are prohibited.

Marathons: Marathons are a great way to make small but consistent and constant healthy lifestyle changes. A Marathon team will compete with other teams to see who gets the best results. A Marathon consists of 9 people including one captain and have an average duration for 10 days. Participants can then re-join the Marathon until they achieve their desired nutrition result or to maintain it. Generally, as Marathons are of a short duration the prizes are normally recognition and non-cash prize alternatives.

Materials: Herbalife produced literature and sales aids.

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

Distributorship: A Distributor's Herbalife independent business.

Member Services: Herbalife Member Services Department which may be reached at 0800 71431.

Nutrition Point: Nutrition Points provide a supportive community setting for people who wish to focus on good nutrition through the consumption of Herbalife® products.

Nutrition Point Operator: also known as "Operator" is a Herbalife Independent Distributor who operates a Nutrition Point.

Participant: A person who participates in a Challenge.

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

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

Prize (Competitive Challenges): Something of value is being offered to all participants and awarded to winner(s) of the Challenge.

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

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

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

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

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

Transferee: The Distributor to whom a Distributorship is transferred.

Transferor: The former Distributor who is transferring his or her Distributorship to another.