

PERIOD OF INACTIVITY

The Period of Inactivity (“POI”) is a waiting period where Former Participants (meaning a former Member, Preferred Customer, spouse, Life Partner, or an individual who assisted in a Membership) may not participate in the Herbalife business in any way prior to signing a new Membership or Preferred Customer Agreement under a different Sponsor.

Member Waiting Period:

- Supervisors and below: one year (from resignation or expiration of the Annual Membership Services Fee)
- World Team and above: two years (from resignation or expiration of the Annual Membership Services Fee)

Preferred Customer – Waiting period

- 180 consecutive days of inactivity on a rolling basis from the date of the original application, last renewal, or last order whichever is later. Resignation may also re-start POI.

Member Who Converts to Preferred Customer - Waiting Period

- Conversion at Supervisors and Below: one year from conversion date
- Conversion at World Team and above: two years from conversion date

A Member who converts to Preferred Customer and wants to change their Sponsor must fulfill the Preferred Customer waiting period as well as the waiting period applicable to their Membership level at the time of their conversion to Preferred Customer, prior to signing a new Agreement. These waiting periods may run concurrently, but the later of the two must be fulfilled (see example 4 and 5).

During the waiting period, Former Participants may not:

- Be involved in an Herbalife business in any way.
- Sell any Herbalife products or Materials.
- Sponsor or offer the Herbalife opportunity or Preferred Customer Program.
- Promote, assist or support any Membership.
- Attend any Herbalife or Member trainings or meetings.
- Visit Nutrition Clubs, unless they are only acting as a customer and are not involved in the Herbalife opportunity in any way.
- Purchase products utilizing the discount offered through the Preferred Customer program or Herbalife Membership.

After the POI, the Former Participant may apply for a new Membership or Preferred Customership under a different Sponsor.

Exception to Period of Inactivity

- If the Former Participant wishes to apply for a new Membership or Preferred Customership under the original Sponsor and that Sponsor has remained in the original organization, Herbalife may waive the waiting period.
- If the Preferred Customer has no order activity during any 180 consecutive day period after Herbalife’s acceptance of the Preferred Customership Agreement, the Preferred Customer may sign a new Preferred Customership Agreement under a different Sponsor. [note: This exception does not apply to Members who convert to Preferred Customer.]

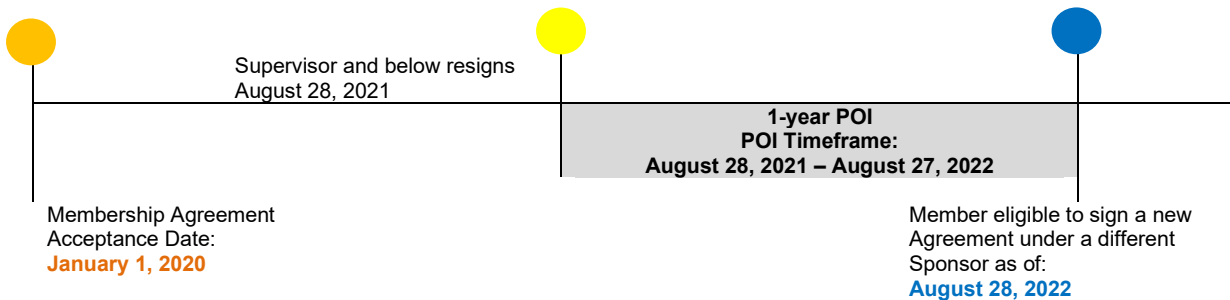
Failure to observe the POI may result in the reactivation of the original Application and/or extension of the waiting period. If a Member converts to a Preferred Customer, then back to a Member, the Member is still required to complete their original POI prior to changing Sponsors.

The POI is calculated as follows:

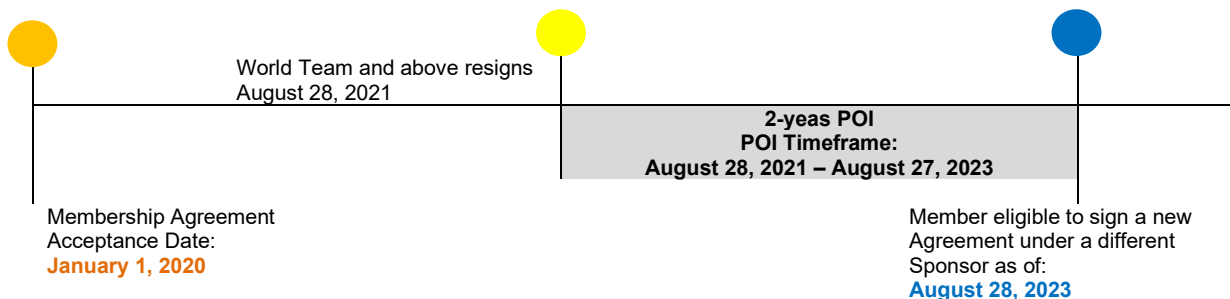
Example 1: Member Resigns		
	Supervisors and Below status (1-Year POI)	World Team and Above status (2-Years POI)
Membership Agreement Acceptance Date:	January 1, 2020	January 1, 2020
Member resigns:	August 28, 2021	August 28, 2021
POI Timeframe	August 28, 2021 - August 27, 2022	August 28, 2021 - August 27, 2023
Member eligible to sign a new Agreement under a different Sponsor as of:	August 28, 2022	August 28, 2023

Example 1: Member Resigns

Member at Supervisor and below status resigns



Member at World Team and above status resigns

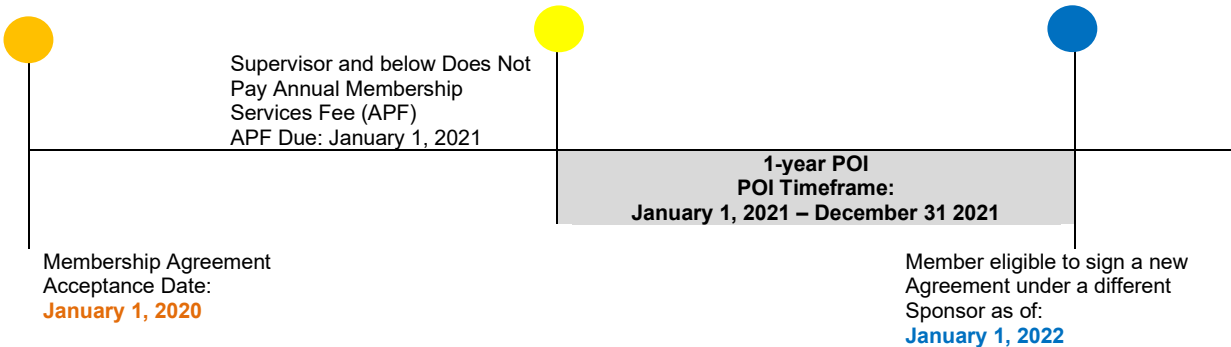




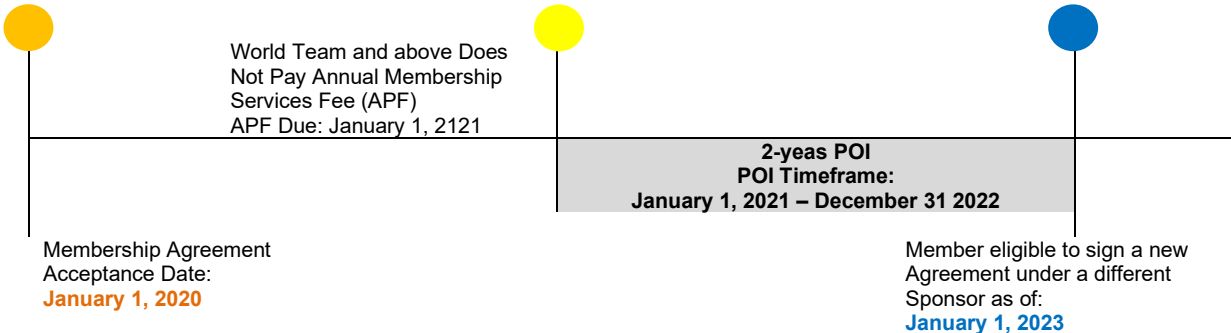
Example 2: Member Does Not Pay Annual Membership Services Fee (APF)		
	Supervisors and Below status (1-Year POI)	World Team and Above status (2-Years POI)
Membership Agreement Acceptance Date:	January 1, 2020	January 1, 2020
Member Does Not Pay Annual Membership Fee (APF) APF Due:	January 1, 2021	January 1, 2021
POI Timeframe	January 1, 2021 – December 31, 2021	January 1, 2021 – December 31, 2022
Member would be eligible to sign a new Agreement under a different Sponsor as of:	January 1, 2022	January 1, 2023

Example 2: Member Does Not Pay Annual Membership Services Fee (APF)

Member at Supervisor and below status



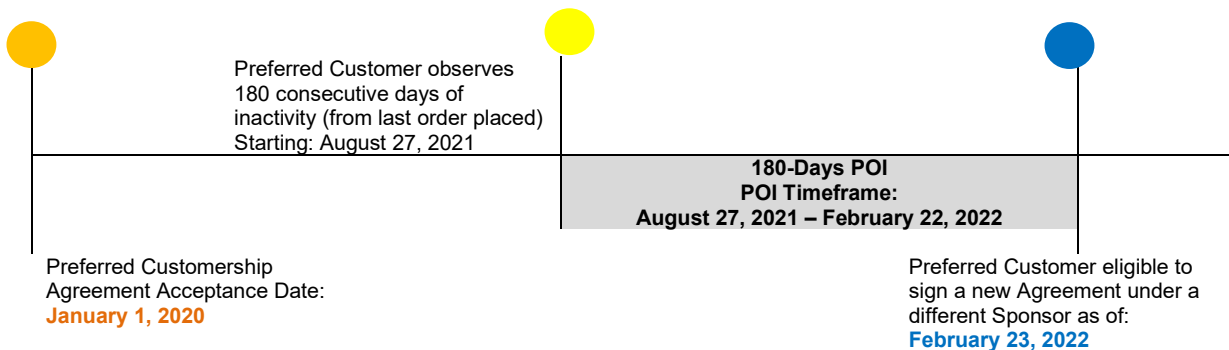
Member at World Team and above status



Example 3: Preferred Customer – POI Required to Change Sponsor

	Preferred Customer observes 180 consecutive days of inactivity from last order placed
Preferred Customership Agreement Acceptance Date:	January 1, 2020
Preferred Customer - 180-Days - POI (from last order placed) Starting:	August 27, 2021
180-Days - POI Timeframe:	August 27, 2021 - February 22, 2022
Preferred Customer eligible to sign a new Agreement under a different Sponsor as of:	February 23, 2022

Example 3: Preferred Customer – POI Required to Change Sponsor



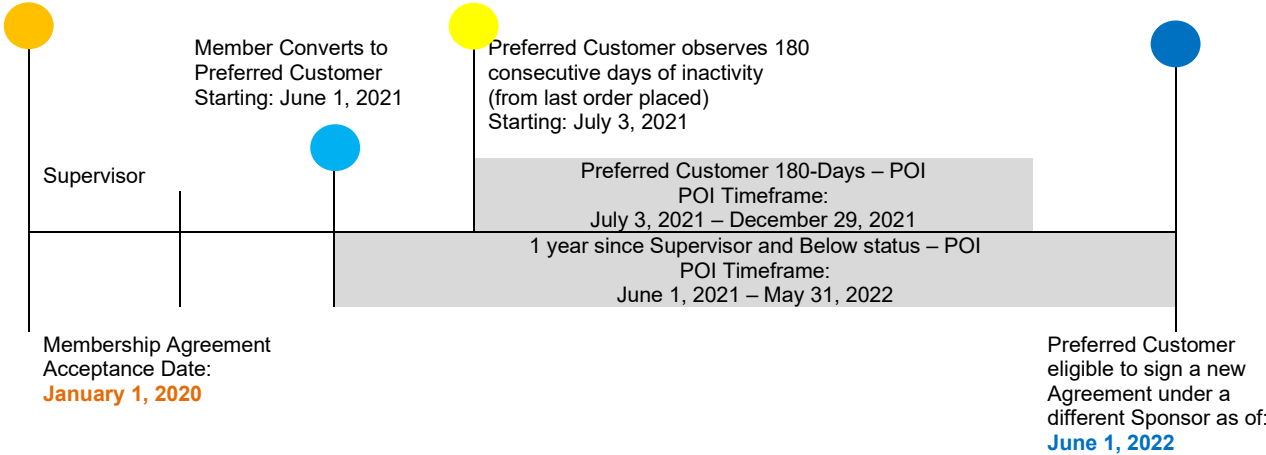
Example 4: Member Who Converts to Preferred Customer - POI Required to Change Sponsor (when the conversion status waiting period is later than the Preferred Customer waiting period)

	Supervisor and below status (1-Year POI)	World Team and above status (2-Years POI)
Membership Agreement Acceptance Date:	January 1, 2020	January 1, 2020
Member Converts to Preferred Customer Starting:	June 1, 2021	June 1, 2021
Preferred Customer observes 180 consecutive days of inactivity (from last order placed) Starting:	July 3, 2021	January 1, 2022
Preferred Customer 180-Days - POI Timeframe:	July 3, 2021 - December 29, 2021	January 1, 2022 - June 29, 2022
Membership status at time of conversion - POI Timeframe:	1-Year POI June 1, 2021 - May 31, 2022	2-Years POI June 1, 2021 - May 31, 2023
Preferred Customer eligible to sign a new Agreement under a different Sponsor as of:	June 1, 2022	June 1, 2023

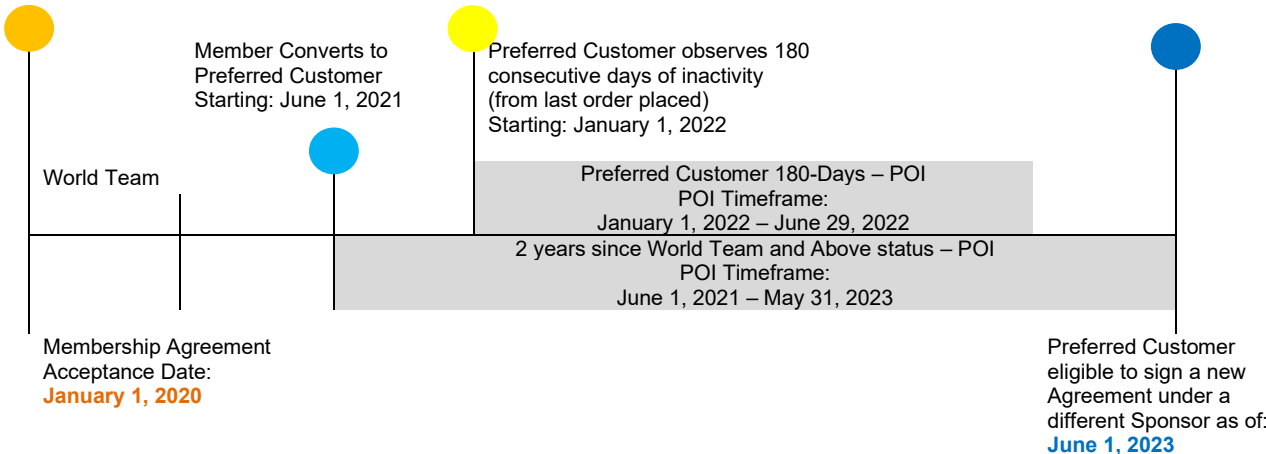


Example 4: Member Who Converts to Preferred Customer - POI Required to Change Sponsor (when the conversion status waiting period is later than the Preferred Customer waiting period)

Member at Supervisor and below status



Member at World Team and above status

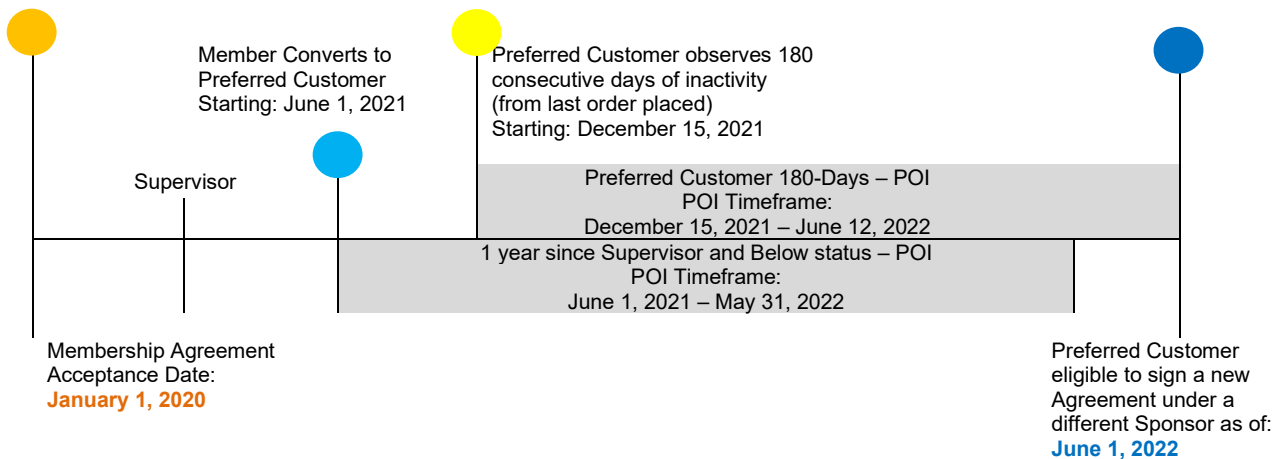


Example 5: Member Who Converts to Preferred Customer - POI Required to Change Sponsor (when the Preferred Customer waiting period is later than the conversion status waiting period)

	Supervisor and below status (1-Year POI)	World Team and above status (2-Years POI)
Membership Agreement Acceptance Date	January 1, 2020	January 1, 2020
Member converts to Preferred Customer Starting:	June 1, 2021	June 1, 2022
Membership status at time of conversion - POI Timeframe:	1-Year POI June 1, 2021 - May 31, 2022	2-Years POI June 1, 2022 - May 31, 2024
Preferred Customer observes 180 consecutive days of inactivity (from last order placed) Starting:	December 15, 2021	December 15, 2023
Preferred Customer 180-Days - POI Timeframe:	December 15, 2021 - June 12, 2022	December 15, 2023 - June 11, 2024
Preferred Customer eligible to sign a new Agreement under a different Sponsor as of:	June 13, 2022	June 12, 2024

Example 5: Member Who Converts to Preferred Customer - POI Required to Change Sponsor (when the Preferred Customer waiting period is later than the conversion status waiting period)

Member at Supervisor and below status





Member at World Team and above status

