



ISRAEL RULES OF CONDUCT

Introduction

Congratulations! As an Herbalife Nutrition Independent Distributor, you are now part of a community of like-minded people who are committed to our “mission for nutrition”. As global leaders in the nutrition industry, we have the responsibility to operate with ethics and integrity. As such, please review these Rules of Conduct¹ to help you on your journey.

Before you start your business, take the time to read and understand each Rule. Because we know some aspects of running a business can be complicated, there is a team of people here at Herbalife Nutrition standing by to help you. If you have questions, you can reach them at (972) 03-9431155.

Whatever your goals for your business we hope you find your Herbalife Nutrition Distributorship rewarding. We thank you for your passion and commitment to improve people's lives.

Best wishes for your success,

Your Herbalife Nutrition Team

¹ Herbalife Nutrition has the sole and absolute discretion to change the Rules of Conduct and issue other rules, policies and advisories from time to time (altogether the “Rules”). However, the changes and new Rules will be prospective, which means they will not be applied to past behavior. Herbalife Nutrition may impose any corrective action or sanction to address any breach of the Rules, and we reserve the right to waive, fully or partially, any breach of any Rule.

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1.1 APPLYING TO BECOME A DISTRIBUTOR

An individual applying to become an Herbalife Nutrition Independent Distributor (“Applicant”) must:

1. Be sponsored by an Herbalife Nutrition Independent Distributor (“Sponsor”);
2. Purchase the Herbalife Nutrition Distributor Pack (HDP);
3. Fill out and submit an Herbalife Nutrition Distributorship Application and Agreement (“Application”); and
4. The applicant’s residence address must be in a country or territory in which Herbalife Nutrition has approved operations;²
5. Have the Application accepted by Herbalife Nutrition.³

1.1.1 Restrictions on Purchase Requirements

The only required purchase to become a Distributor is the HDP which is sold to a new Distributor at cost without markup or profit to the Sponsor.

The HDP may not be combined with other products, services or materials. Sponsors may not require Distributors to purchase:

- An inventory of products.
- Materials, products or services, whether or not produced by Herbalife Nutrition.
- Admission tickets to attend seminars, meetings or other events.

1.1.2 Debt Discouraged

One of the benefits of an Herbalife Nutrition business is that it is inexpensive: The only required expense is the purchase of a HDP. Distributors are encouraged to build their business debt-free. Distributors who elect to retail products and/or build Distributor organizations don’t need to invest in large inventories or incur burdensome debt.

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

1.1.3 One Distributorship Permitted Per Person

An individual may own, operate, and support only one Distributorship, except as permitted by the Married Couples and Distributors who Marry, Separation, Divorce, and Dissolution of Life Partner Relationship and Inheritance Rules. (See Rules [2.1.4](#), [2.3](#) and [2.4](#)) If an individual submits more than one Distributorship Application, the first Application received and accepted is the valid Distributorship.

1.1.4 Annual Distributorship Services Fee

Distributors are charged an Annual Distributorship Services Fee (“Fee”) for Herbalife Nutrition computer processing and other services. The Fee must be received from the Distributor and may not be paid by another Distributor. If a Distributor does not pay the Fee by the anniversary date of the original Application, the Distributorship is terminated. Herbalife Nutrition tries to remind Distributors by electronic mail of the deadline for payment. However, the Distributor is responsible for paying the Fee on time.

1.1.5 Acceptance/Rejection of Fee

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

1.1.6 Communications with Herbalife Nutrition

Distributors must provide a permanent home or business address to Herbalife Nutrition and keep all contact information current in Herbalife Nutrition’s records. All documents and statements submitted to Herbalife Nutrition must be complete, truthful, and submitted in a timely manner.

² The most updates list of open countries and territories is available on [Herbalife.com](https://www.herbalife.com).

³ Herbalife Nutrition reserves the right to accept or reject any Application in its sole and absolute discretion. Until the Application is accepted, the Applicant is granted a revocable license to buy and sell Herbalife Nutrition products.

1.1.7 Proper Purchasing

Non-Supervisor Distributors may only purchase Herbalife Nutrition products directly from Herbalife Nutrition, from their Sponsor, or their first upline Fully Qualified Supervisor. Note: only orders placed with the Company count towards qualification to become Qualified Producer or Supervisor. All products must be delivered within a reasonable amount of time after sale. Fully Qualified Supervisors may only purchase products from Herbalife Nutrition. Distributors may not place or pay for orders on behalf of other Distributors and Preferred Customers.⁴

1.1.8 Payment

Submitting Payments:

Distributors must ensure that all payments submitted to Herbalife Nutrition are authorized and sufficiently funded. Distributors may not use the credit cards, personal checks or any other form of payment from their Distributors, Preferred Customers, retail customers or other individuals to pay for orders purchased from Herbalife Nutrition.

Distributors are financially liable for payments that are rejected for any reason.⁵

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

Accepting Payments:

When accepting payments online or via mobile, Distributors:

- **Must Incorporate a secure payment system.** For example:
 - Square, Flint, Spark Pay, iZettle or PayPal Here⁶
- **Must Implement appropriate security measures to protect Customer information⁷ from unauthorized disclosure, access or compromise.** For example:
 - Never emailing or text messaging Customer information, as these communication methods are not secure.
 - Always storing Customer information in a centralized and protected location.
 - Regularly purging Customer information, and only keep a minimal amount of Customer data.
 - Properly disposing hard copies of Customer information by shredding, burning or pulverizing the data.
 - Staying up to date with and complying with data protection standards provided by law.
- **Must Comply with the latest Payment Card Industry Security Standard (PCI-DSS) applicable for credit and debit card payments.⁸** Using a payment solution that is up to date with the security standards required by PCI-DSS will ensure the transmission, processing, and storage of the Customer's debit and credit card data is handled consistently with the payment card industry's required best practice security standards.

The Distributor is responsible for compliance with all data protection laws applicable to the processing of personal data including sensitive personal data collected via the Distributor's own website and must be authorised to lawfully process Customer's personal data and will be legally responsible for maintaining confidentiality and reporting any data breaches.

⁴ This rule applies unless Herbalife Nutrition requests and receives written authorization from the Distributor and Preferred Customers for payment to be made by another person. Written authorization may only be given for one specific order.

⁵ A Distributor whose payment is returned for insufficient funds may be surcharged by Herbalife Nutrition.

⁶ The secure payment systems provided as an example are for small to medium size businesses.

⁷ Customer information includes: names, addresses, Email addresses, phone numbers, and credit card information.

⁸ Examples of protective security standards required by PCI include, but are not limited to firewalls, and data encryption. Visit <https://www.pcisecuritystandards.org/> for more information regarding the PCI-DSS requirements.

2.1 DISTRIBUTORSHIP ELIGIBILITY

2.1.1 Distributors Must Be Individuals

Herbalife Nutrition only accepts Applications for Distributorship in the name of individuals. However, Distributors may have their Herbalife Nutrition earnings paid to a partnership or corporation by submitting a written request to the Herbalife Nutrition Member Services Department ("Member Services").⁹ The Distributorship will remain in the name of the individual, and the earnings of the Distributorship will be reported in the name and tax identification number of the individual Distributor.

2.1.2 Dual Distributorship

If Herbalife Nutrition determines that a Distributor, spouse, Life Partner, or other individual participating in a Distributorship has submitted more than one Application, or has worked or assisted in the development of another Distributorship, Herbalife Nutrition has the sole and absolute discretion to:

- Terminate or place conditions on one or both of the Distributorship.
- Impose penalties or sanctions on the Distributorships and/ or Sponsors.
- Adjust the volume and compensation of either or both sponsoring organizations for any period prior to the transfer or deletion of the Distributorship.
- Take other action it deems appropriate.

In cases of dual Distributorships and similar violations, the Distributor may be allowed to continue as a Distributor, but must do so in the proper line of sponsorship as determined by Herbalife Nutrition. Herbalife Nutrition will determine the disposition of the deleted Distributorship's downline lineage.

2.1.3 Distributorship Minimum Age

A person must be at least 18 years old to apply for Distributorship or participate in another Distributor's Herbalife Nutrition business.¹⁰

2.1.4 Married Couples and Distributors Who Marry

Married couples and Life Partners¹¹ may participate in only one Distributorship. If two Distributors marry each other, one Distributorship must be relinquished. If two Distributors enter into a Life Partner relationship with each other one Distributorship must be relinquished. The only exception to this Rule is when each Distributorship is at Supervisor level or greater at the time of marriage or entering into the Life Partner relationship. In this case, each spouse or Life Partner may continue to operate his or her individual Distributorship.

2.1.5 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 recognition¹² purposes.

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 impacted¹³

2.1.6 Activities of a Spouse or Life Partner

A Distributor is responsible for the acts of their spouse or Life Partner, whether or not the spouse, or Life Partner participates in the Distributorship and whether or not the Distributor was aware of the spouse's or Life Partner's actions. The spouse and Life Partner must comply with the Rules and laws related to the Herbalife Nutrition business. For example, a Distributor will be responsible if their spouse or Life Partner solicits or promotes another Multilevel Marketing (MLM) or direct-selling opportunity to any Herbalife Nutrition Independent Distributor, Preferred Customer or customer.

⁹ Member Services may be reached by calling (972) 03-9431155.

¹⁰ Minimum age requirements vary from country to country. For age requirements in other countries, contact Member Services.

¹¹ Life Partner: A person designated by an Herbalife Nutrition Distributor as their Life Partner on the "Add Life Partner Request Form". Forms are available through Member Services.

¹² As an example recognition allows Herbalife Nutrition event attendance and recognition for new business and Marketing Plan achievements.

¹³ 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.

Herbalife Nutrition reserves the right to terminate a Distributorship if the spouse or Life Partner engages in activities which, in Herbalife Nutrition's opinion diminish, damage, or weaken the reputation of Herbalife Nutrition or its products.

2.1.7 Former Participant in Distributorship

A Former Participant (meaning a former Distributor, spouse, Life Partner or an individual who participated in a Distributorship) must fulfill the Period of Inactivity requirements before reapplying for Distributorship or Preferred Customership under a different Sponsor or assisting any other Distributorship. (See Rule [2.1.9](#))

2.1.8 Disclosure of Former Distributorship or Preferred Customership

If a Former Participant applies for a new Distributorship or Preferred Customership, the Former Participant must notify Herbalife Nutrition at the time of application and provide the former Distributorship or Preferred Customership ID number. A Distributorship or Preferred Customership may be terminated if the Distributor does not inform Herbalife Nutrition of activity in another Distributorship or Preferred Customership or makes misrepresentations about his activity in the other Distributorship or Preferred

2.1.9 Period of Inactivity

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

Distributor - Waiting Period:

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

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

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

Exception to Period of Inactivity

- If the Former Participant wishes to apply for a new Distributorship or Preferred Customership under the original Sponsor and that Sponsor has remained in the original organization, Herbalife Nutrition may waive the waiting period.
- If the Preferred Customer has no order activity during any 180 consecutive day period after Herbalife Nutrition'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 Distributors who convert to Preferred Customer.]

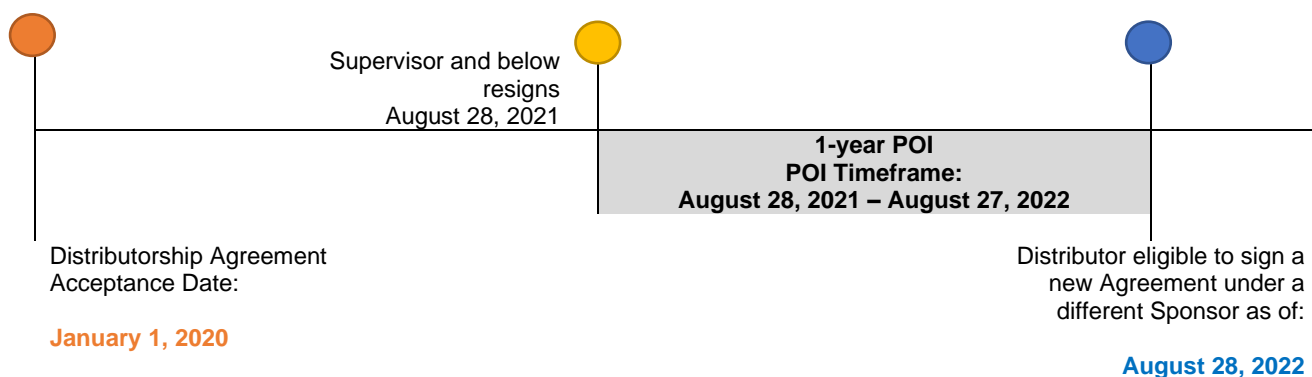
Failure to observe the POI may result in the reactivation of the original Application and/or extension of the waiting period. If a Distributor converts to a Preferred Customer, then back to a Distributor, the Distributor is still required to complete their original POI prior to changing Sponsors.

The POI is calculated as follows:

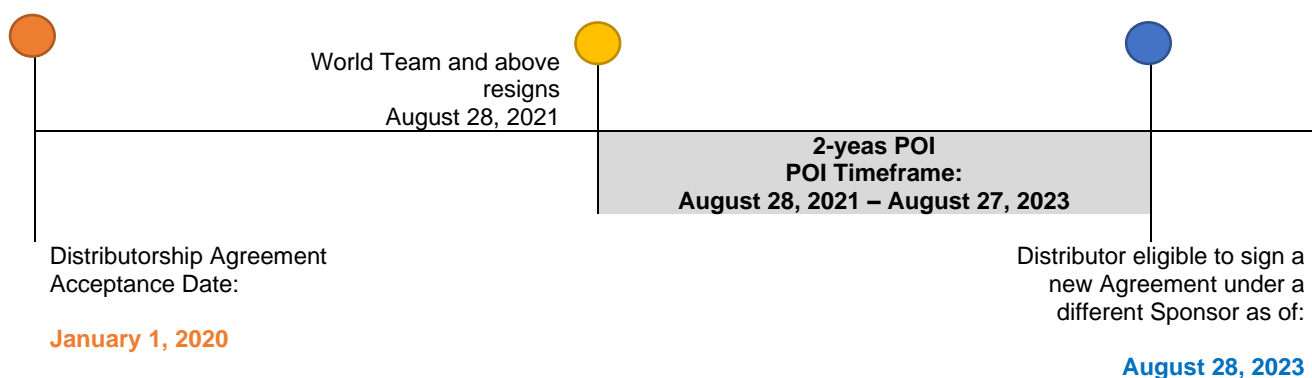
Example 1: Distributor Resigns		
	Supervisors and Below status (1-Year POI)	World Team and Above status (2-Years POI)
Distributorship Agreement Acceptance Date:	January 1, 2020	January 1, 2020
Distributor resigns:	August 28, 2021	August 28, 2021
POI Timeframe	August 28, 2021 - August 27, 2022	August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

Example 1: Distributor Resigns

Distributor at Supervisor and below status resigns



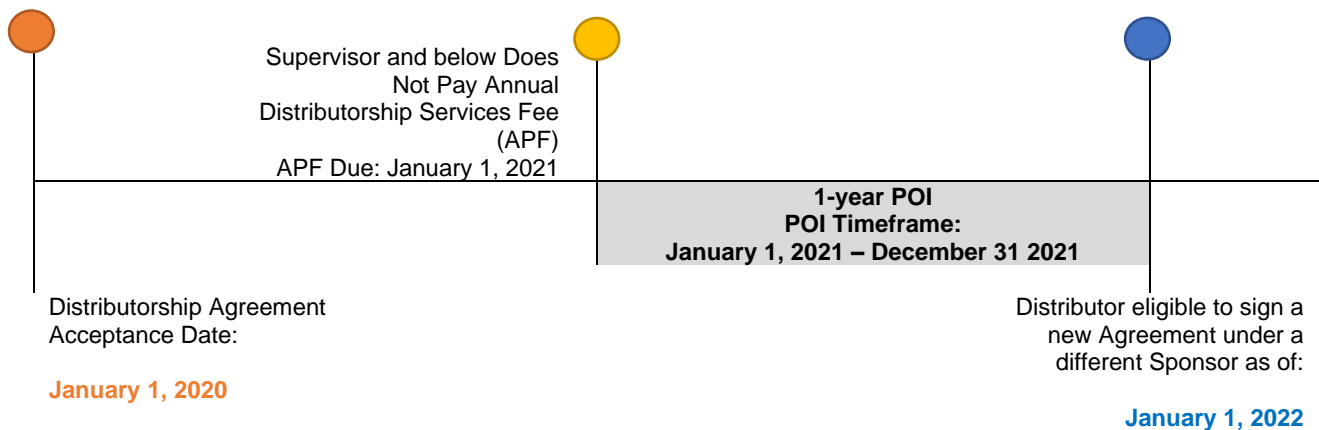
Distributor at World Team and above status resigns



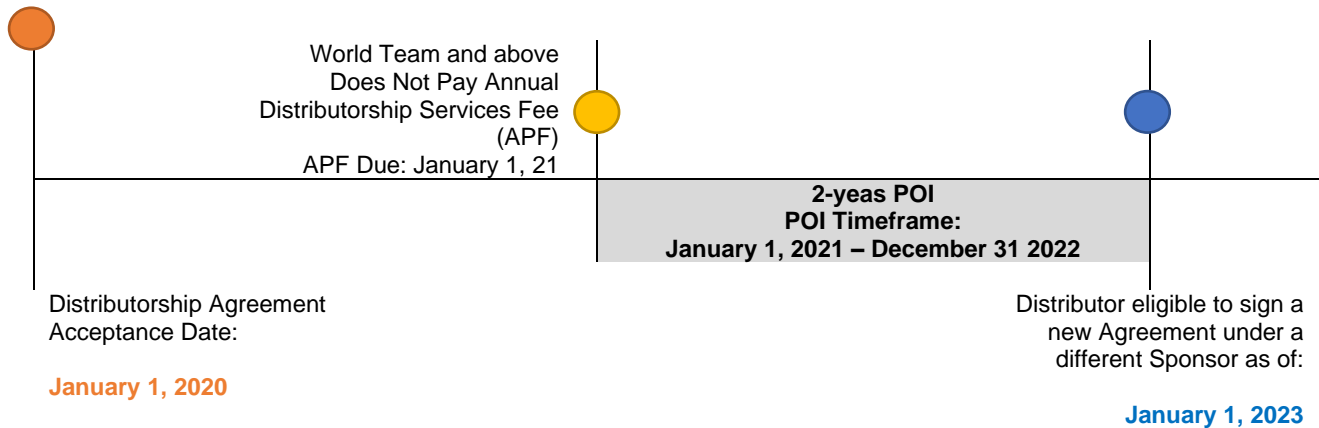
Example 2: Distributor Does Not Pay Annual Distributorship Services Fee (APF)		
	Supervisors and Below status (1-Year POI)	World Team and Above status (2-Years POI)
Distributorship Agreement Acceptance Date:	January 1, 2020	January 1, 2020
Distributor Does Not Pay Annual Distributorship Fee (APF) APF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

Example 2: Distributor Does Not Pay Annual Distributorship Services Fee (APF)

Distributor at Supervisor and below status

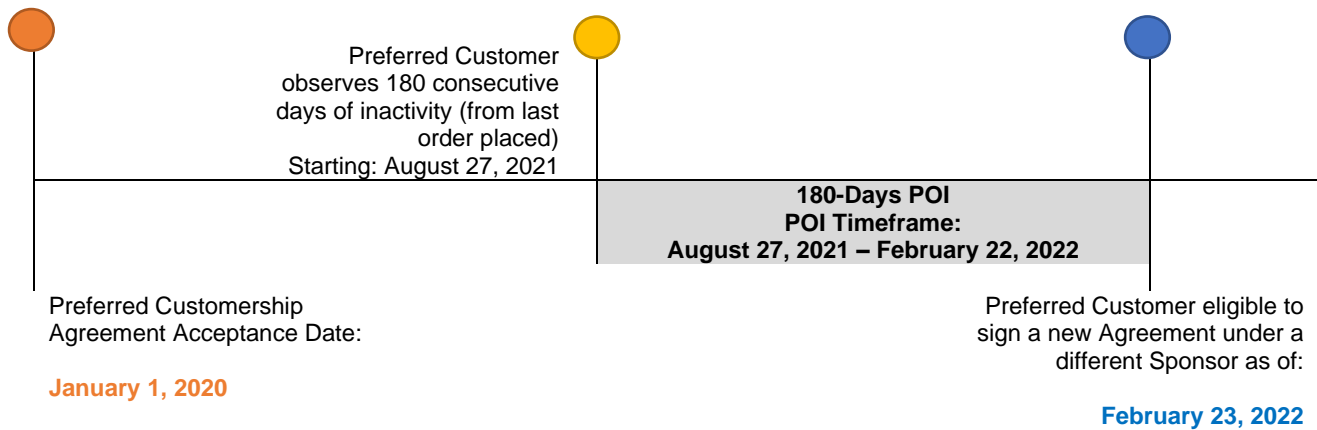


Distributor at World Team and above status



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

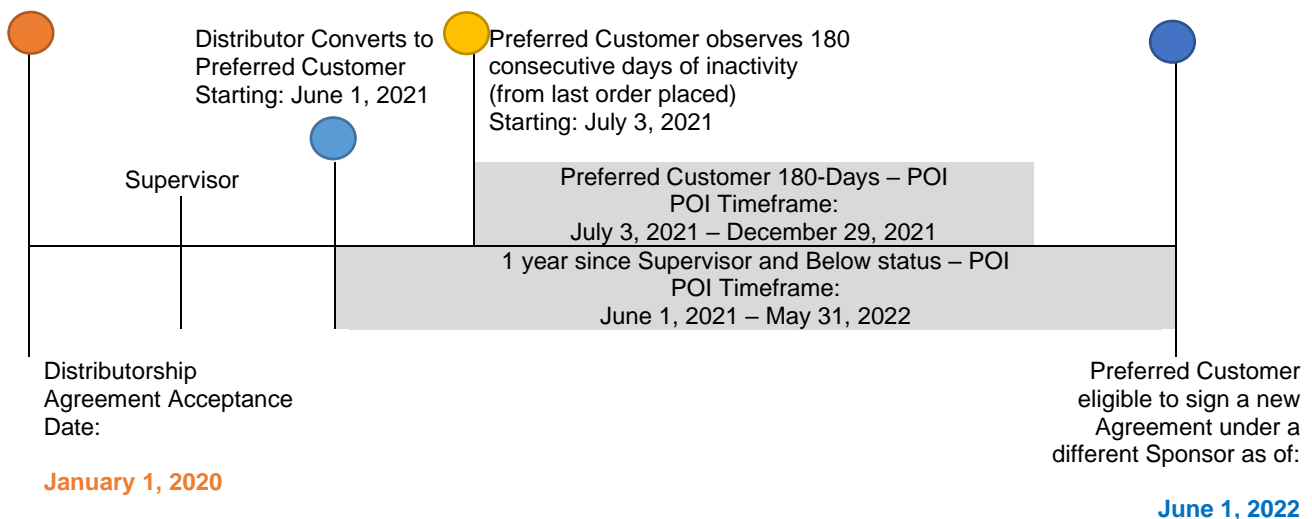
Example 3: Preferred Customer – POI Required to Change Sponsor



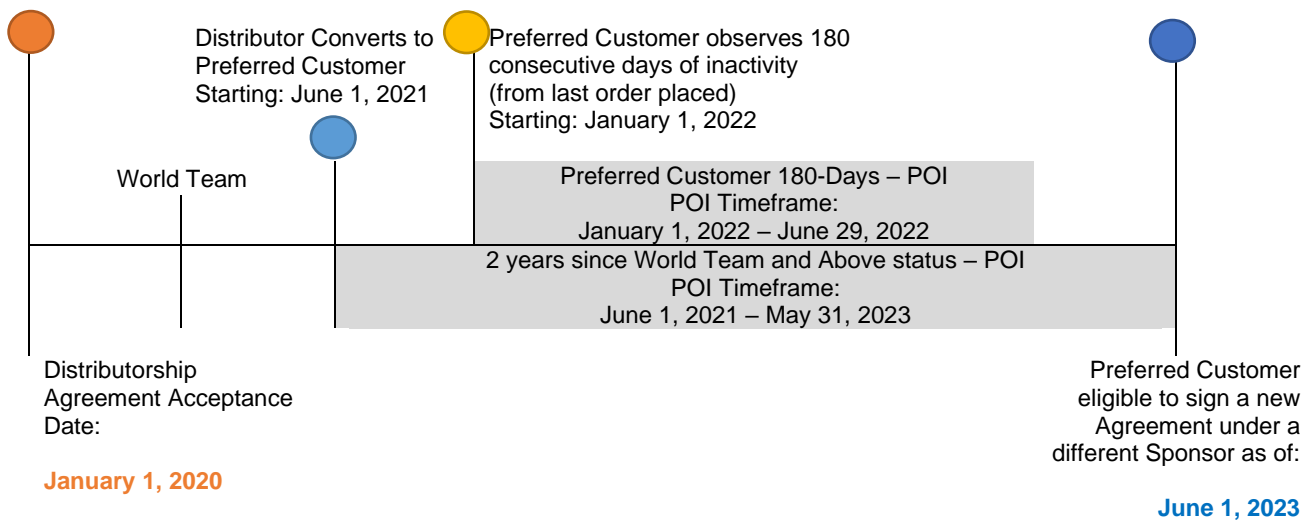
Example 4: Distributor Who Converts to Preferred Customer - POI Required to Change Sponsor (when the conversion status waiting period is later than the Preferred Customer waiting period)		
	Supervisor and below status (1-Year POI)	World Team and above status (2-Years POI)
Distributorship Agreement Acceptance Date:	January 1, 2020	January 1, 2020
Distributor 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
Distributorship 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: Distributor Who Converts to Preferred Customer - POI Required to Change Sponsor (when the conversion status waiting period is later than the Preferred Customer waiting period)

Distributor at Supervisor and below status



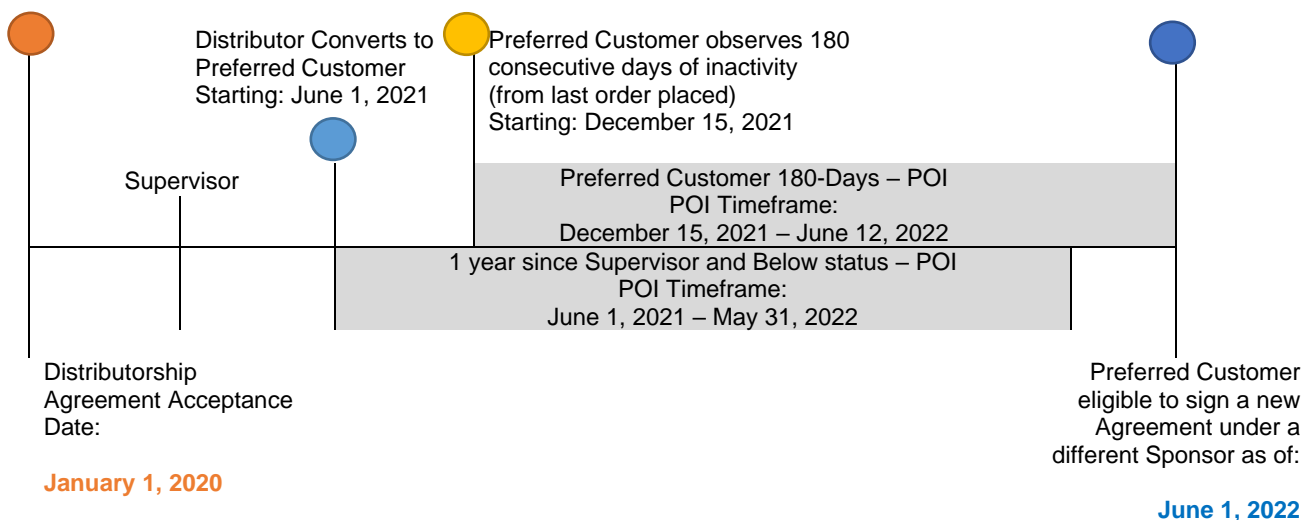
Distributor at World Team and above status



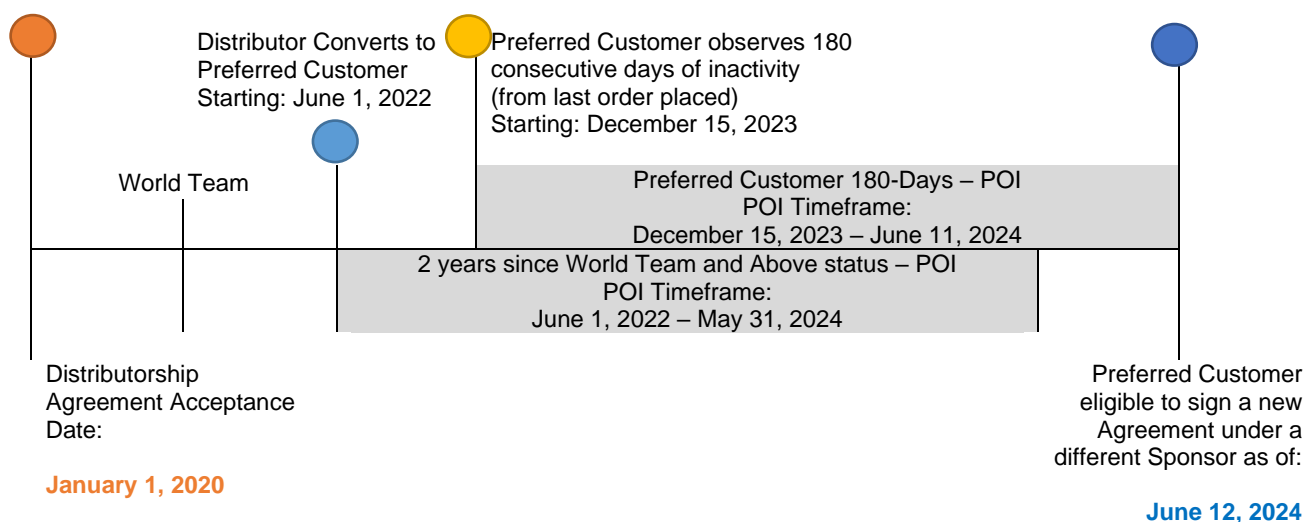
Example 5: Distributor Who Converts to Preferred Customer - POI Required to Change Sponsor (when the Preferred Customer waiting period is later than the conversion status waiting period)		
	Supervisor and below status (1-Year POI)	World Team and above status (2-Years POI)
Distributorship Agreement Acceptance Date	January 1, 2020	January 1, 2020
Distributor converts to Preferred Customer Starting:	June 1, 2021	June 1, 2022
Distributorship 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: Distributor Who Converts to Preferred Customer - POI Required to Change Sponsor (when the Preferred Customer waiting period is later than the conversion status waiting period)

Distributor at Supervisor and below status



Distributor at World Team and above status



2.2 TRANSFERRING YOUR DISTRIBUTORSHIP

2.2.1 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 Nutrition in its sole and absolute discretion.

A Distributor may not transfer a Distributorship in order to circumvent the Rules or the law. If Herbalife Nutrition 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 Nutrition may apply sanctions to the transferred Distributorship.

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

A Distributorship can only be sold, assigned or transferred to an individual who is not a Distributor, except as allowed by [Rule 2.4](#). Herbalife Nutrition will not consider a transfer request if the proposed Distributor (Transferee) has not satisfied the period of inactivity requirements (see [Rule 2.1.9 Period of Inactivity](#))

2.2.3 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.

2.2.4 Responsibility After Transfer

After transfer of the Distributorship:

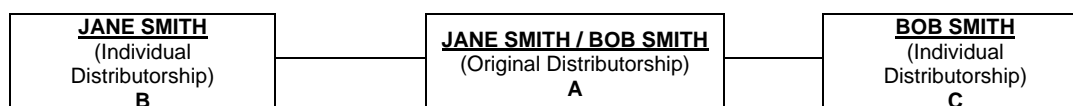
- The Transferee shall be responsible to Herbalife Nutrition for any and all violations of the Rules committed by or on behalf of the Transferor in connection with the Distributorship.
- For a period of six months following the effective date of the transfer, acts by the Transferor and/or the Transferor's 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.

2.3 SEPARATION, DIVORCE, AND DISSOLUTION OF LIFE PARTNER RELATIONSHIP

2.3.1 Establishing a New Distributorship

If a Distributor's spouse or Life Partner wishes to continue in the Herbalife Nutrition 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 Nutrition 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 Rule 2.3.4) Each Distributor must use the ID number in his or her business.

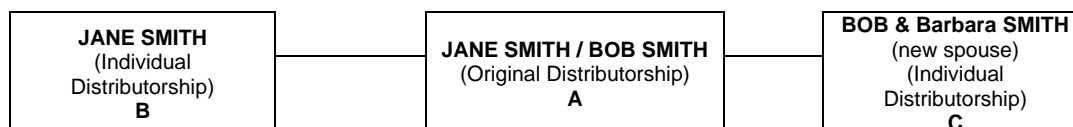


The original Distributorship and its downline cannot be divided between the Distributor and the former spouse / Life Partner. For example they may not “divide” the Distributorship giving each person a 50% ownership.

Herbalife Nutrition must receive the following documents to establish new Distributorship:

From a Divorcing Couple	From Partners in Dissolution of Life Partner Relationship
<ul style="list-style-type: none"> Newly completed and signed Agreements, for the Distributor and the spouse, sponsored by the Sponsor of the original Distributorship. A signed and witnessed Divorce and Separation Form. A copy of the Legal Divorce Certificate, or final divorce judgment. Newly completed and signed TAB Team Production Bonus Acknowledgment Forms, for the Distributor and spouse, reflecting the ID number of the new separate Distributorship (TAB Team level Distributorships only). 	<ul style="list-style-type: none"> Newly completed and signed Agreements, for the Distributor and Life Partner, sponsored by the Sponsor of the original Distributorship. A signed and witnessed Dissolution of Life Partner Relationship Form from both parties. (If both parties do not provide the signed and witnessed Form, the termination of material relations certified by two (2) witnesses, will be required.) Newly completed and signed TAB Team Production Bonus Acknowledgment Forms, for the Distributor and Life Partner, reflecting the ID number of the new separate Distributorship (TAB Team level Distributorships only).

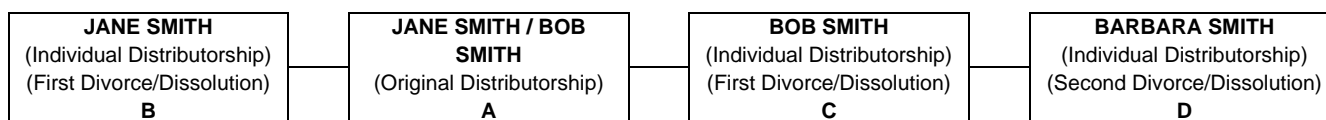
If a Distributor remarries or designates a new Life Partner, that person’s new spouse or Life Partner may be added to the Distributor’s new separate Distributorship to support the Distributor in the business and for recognition purposes.



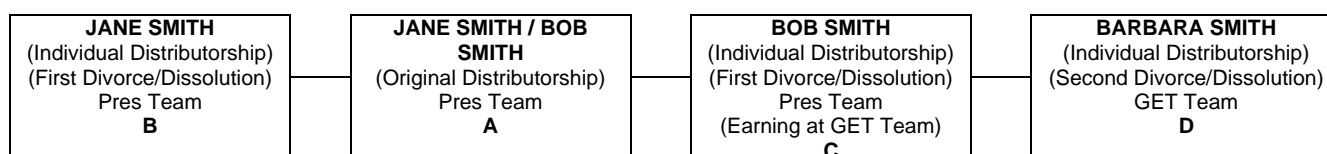
More than one Dissolution or Divorce:

Herbalife Nutrition will only associate one set of dissolved or divorced Distributorship. 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.



2.3.2 Requests to Modify the Original Distributorship

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

Removing a Spouse or Life Partner's Name: Herbalife Nutrition 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 Nutrition 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 mailed to the address of record unless both parties submit a signed and notarized letter of instruction.

Transfers: Herbalife Nutrition 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 a Distributor transfers a Distributorship and decides to establish a new Distributorship:

- The new Distributorship must operate independently from the original.
- 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 Nutrition to accept the new Application within one year of the transfer:

- 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.

If the Distributorship to be transferred is associated with another Distributorship as a result of a previous divorce, the transferred Distributorship will no longer be associated with that Distributorship.

2.3.3 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 Nutrition with the following required documents.¹⁴

From a Divorcing Couple	From Partners in Dissolution of Life Partner Relationship
<ul style="list-style-type: none">• A newly completed and signed Agreement.• Signed and witnessed Divorce and Separation Form.• Copy of the Legal Divorce Certificate, or final divorce judgment or documentation from a court which declares an interim determination that the marital community has ended.	<ul style="list-style-type: none">• A newly completed and signed Agreement.• Signed and witnessed Dissolution of Life Partner Relationship Form from both parties. (If both parties do not provide the signed and witnessed Form, the termination of material relations certified by two (2) witnesses, will be required.)

In addition, the Distributor or spouse or Life Partner must comply with the Period of Inactivity. The Period of Inactivity will be determined as stated in [Rule 2.1.9 \(Period of Inactivity\)](#) 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.

2.3.4 Divorce and Dissolution of a Life Partner Relationship and the Herbalife Nutrition 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 Distributorship, plus its own Volume.

¹⁴ Forms and Applications are available through Member Services.

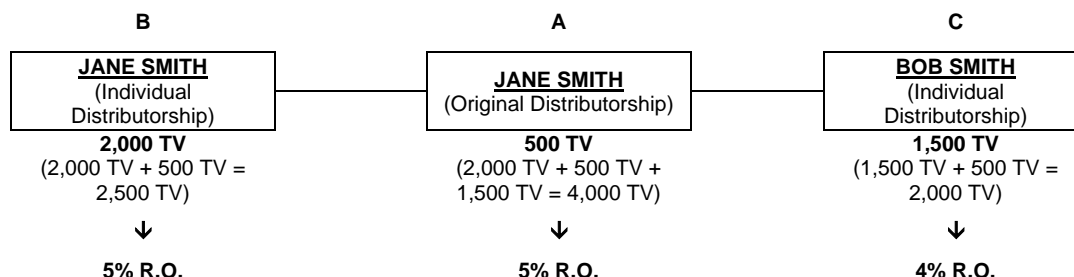
Production Bonus eligibility for the original Distributorship will be determined based on the achievement of the highest individual Distributorship.

Example:

Volume Points

Volume for B and C will be as follows:

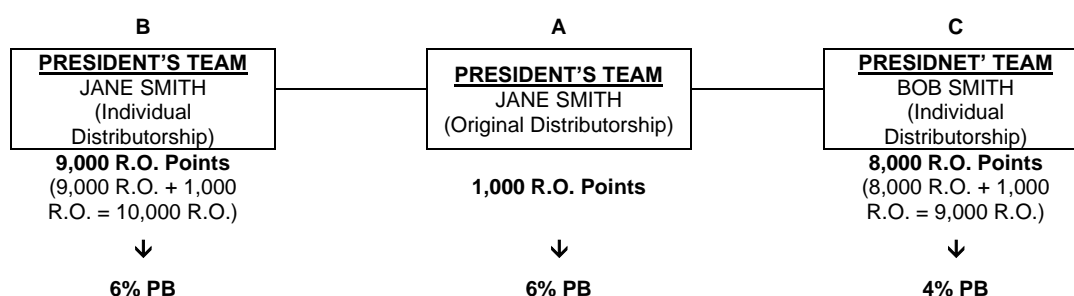
B + A and C + A



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 Distributorship 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.

2.4 INHERITANCE¹⁵

The Distributorship of a deceased Distributor may be transferred to an heir, subject to applicable laws, Rules, and Herbalife Nutrition's approval which shall not be unreasonably withheld.¹⁶

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 Corporation¹⁷ owned by the heir.¹⁸

The Period of Inactivity (as specified in [Rule 2.1.9](#)) for an inherited Distributorship shall be waived, if the lineage relationship between the heir's existing Distributorship and the inherited Distributorship(s) are vertical (in the same line).

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

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

2.5 TERMINATION OF YOUR DISTRIBUTORSHIP

Herbalife Nutrition's goal is to meet and exceed the needs and expectations of parties interested in selling Herbalife Nutrition products and/or building a solid independent business. Likewise, the purpose of this Section is to provide assurance; essentially to ensure newer Distributors understand the Herbalife Nutrition commitment to their success and share the view that their association with Herbalife Nutrition is valuable.

2.5.1 Resignation

A Distributor may resign a Distributorship by submitting a resignation request through the Online Self-Service Center on www.myherbalife.com/he-IL / www.myherbalife.com/ru-IL / www.myherbalife.com/ar-IL, or by submitting a signed letter to Herbalife Nutrition. The resignation becomes effective when received and accepted by Herbalife Nutrition.

2.5.2 Resigning Within 90 Days

If a Distributor decides to resign within 90 days of the date Herbalife Nutrition accepted the Distributorship Application and Agreement, the resigning Distributor is entitled to a full refund of the cost of the HDP (Herbalife Nutrition Distributor Pack).

2.5.3 Inventory Repurchase

A Distributor leaving the business at any time may return unused products and Materials purchased from Herbalife Nutrition within the last 12 months, which are returned to Herbalife Nutrition unopened and in resalable condition. For products not purchased directly from Herbalife Nutrition, the Distributor must provide proof of purchase. Herbalife Nutrition will arrange pick up and will pay shipping charges for the return of the product to Herbalife Nutrition. The cost of shipping and handling paid on the original order will not be reimbursed.

¹⁵ 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 Nutrition Distributorship - Planning Ahead](#) document available on www.myherbalife.com/he-IL / www.myherbalife.com/ru-IL / www.myherbalife.com/ar-IL.

¹⁶ The Deceased Transfer Declaration Form is available from Member Services.

¹⁷ If available in the heir's market.

¹⁸ 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.

Direct Selling emphasizes the value which is delivered to customers through personal relationships and customer service. Only through these personal relationships do customers receive tailored product training and benefit from being part of the Herbalife Nutrition community and various social and sports activities. These are important components of the business and the foundation of the stable, long-term retail business which must be and is the foundation of each Distributorship.

3.1 OPERATING YOUR BUSINESS

3.1.1 General Compliance

In each country where Distributors conduct Herbalife Nutrition business, they must comply with all laws and Rules, including all laws and Rules that pertain in any way whatsoever to the conduct of the Herbalife Nutrition business. Distributors are to review these Rules with downline Distributors.

In addition, Distributors may not encourage other Distributors or Preferred Customers to violate the terms of their Agreements, any rules issued by Herbalife Nutrition, or the law.

3.1.2 Distributors are Self-Employed

As a Distributor, you are a self-employed, independent contractor deciding, among other things, your schedule, how much time you wish to devote to your business, your expenses and methods of operation. As an independent contractor, you are not an employee, agent, franchisee, fiduciary or beneficiary of Herbalife Nutrition or any other Distributor. As an independent contractor, you will have no rights or benefits that an employee of Herbalife Nutrition may have nor will you make any claim to the contrary.

3.1.3 Business Registration & Taxes

Regulations and requirements vary by country and change frequently for:

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

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

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

3.1.4 Maintaining Reputation and Image of Herbalife Nutrition

No Distributor shall engage in any conduct (whether or not in connection with the Herbalife Nutrition business) that involves dishonesty, crime, or moral turpitude, or that Herbalife Nutrition determines, in its sole and absolute discretion, could affect, impact, or harm the reputation, image, products, Intellectual Property or goodwill of Herbalife Nutrition, the general Distributorship or the Distributor at issue.

3.1.5 Using Others to Assist with Distributorship

Herbalife Nutrition's business model relies upon, and rewards, the Distributors' one-to-one relationship with their respective customers. Although Distributors may use other persons to assist and support running their Herbalife Nutrition business ([See Rule 3.1.6](#)), such other persons may only handle administrative and product fulfilment support. Distributors must ensure that they personally provide the customer service obligations set out in [Rule 4.3.7](#).

3.1.6 Responsibility for Conduct of Others Assisting with Distributorship

A Distributor is responsible for the conduct of those who assist in the operation of the Distributorship.

3.1.7 No Association of Other Organizations with Herbalife Nutrition

Herbalife Nutrition meetings or any other Herbalife Nutrition related activities may not be used as a forum to express personal beliefs unrelated to Herbalife Nutrition or promote any other commercial or non-commercial organization, company, event or individual.

Herbalife Nutrition 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.

Likewise, Distributors may not include literature or other material that promotes any other organization or individual, whether religious, political, business or social or that implies any association with Herbalife Nutrition.

3.1.8 No Inducement to Sell Other Products or Services

During the course of a Distributorship, the Distributor or spouse or Life Partner may not solicit or promote the products or business opportunity of another MLM or direct-selling company to any Distributor, Preferred Customer or customer.

3.1.9 TAB Team Limitations

Herbalife Nutrition TAB Team members may not be a distributor or representative of any other MLM or direct sales company or otherwise participate in or promote the products, services or earnings opportunity associated with any such company.

Herbalife Nutrition TAB Team members may not own more than five percent of a company engaged in direct sales or MLM.¹⁹

3.1.10 Sales & Marketing Plan Manipulation

The [Sales & Marketing Plan](#) forms the foundation of the Herbalife Nutrition distribution system that uniquely serves both Distributors and customers. It is intended to compensate Distributors for training, mentoring, leading and developing a downline Distributor organisation that purchase products for resale to legitimate end-user customers or for Distributors' own personal consumption.

Maintaining the integrity, spirit and intent of the Sales & Marketing Plan is of vital importance to the Company and its Distributors. Distributors engaging in Marketing Plan Manipulation harm the customer-focused nature of Herbalife Nutrition's business model and the Distributor Difference, disrupt the direct sales promotion aspect of the marketing plan and may deprive another Distributor of the financial incentives rightfully due to them. Irregularities in this respect can also harm the continuity of supply and delivery of Herbalife Nutrition products to customers. Only through upholding the highest ethical, customer-focused standards can Herbalife Nutrition ensure and safeguard the value of the Herbalife Nutrition brand for the benefit of all Distributors.

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, direct sales promotion 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).

The following is a non-exhaustive list of examples of the type of conduct that may indicate Sales & Marketing Plan Manipulation:

Orders

- Purchasing products in another Distributor's name (except as expressly allowed in [Rule 1.1.7 Proper Purchasing](#)), including placing orders on another Distributor's www.myherbalife.com/he-IL / www.myherbalife.com/ru-IL / www.myherbalife.com/ar-IL account and / or sharing credit card information
- Diverting customers' order requests to be fulfilled by another downline Distributor, including accepting and fulfilling customer's order instead of the Distributor the customer ordered from
- Creating confusion for customers or deceiving them with respect to the identity of the Distributor they ordered or will order from
- Discouraging a downline Distributor from placing orders as a strategy for the upline to benefit, or with the ultimate outcome being that the upline does in fact benefit, under the Sales & Marketing Plan (such as, Distributor A asking down line Distributor B not to place volume so that the Royalty Overrides roll-up to a higher level in Distributor A's organization)
- Directing or encouraging a downline Distributor to place orders as a strategy for the upline to benefit, or with the ultimate outcome being that the upline does in fact benefit, under the Sales & Marketing Plan (such as, Distributor A asking down line Distributor B to place orders up until they have reached

¹⁹ This includes direct or indirect participation of a company engaged in direct sales or MLM through any person, entity, or artifice.

the minimum amount of volume required for Distributor A to receive earnings, and thereafter asking downline Distributor C to place orders up until they have reached the minimum amount of volume required for Distributor A to receive earnings)

Improper enrollment practices

- Filling out the Distributorship Application with false or misleading information
- Filling out the Distributorship Application for a non-existent person or a person that is not truly and independently engaged in operating his or her Herbalife Nutrition Distributorship
- Enrolling new Applicants under each other, if they have no prior relationship to that Distributor or each other
- Promising an Applicant that a Sponsor or upline will assign or place downline Distributors for the Applicant once he or she becomes a Distributor
- Signing up Preferred Customers who are not legitimate retail Customers purchasing for their and their household's personal consumption

Other

- Failing to report to Herbalife Nutrition any information received that suggests another person may have engaged in Sales & Marketing Plan Manipulation
- Teaching or encouraging other Distributors to engage in Sales & Marketing Plan Manipulation

Violations and Sanctions

Herbalife Nutrition investigates Sales and Marketing Plan Manipulation in accordance with Herbalife Nutrition's Enforcement Procedures set out in Chapter 9. Sales and Marketing Plan Manipulation is a serious breach of the Distributorship Agreement and so Herbalife Nutrition is entitled to all available remedies including termination of the Distributorship Agreement without prior written warning and the Distributor shall also be liable for any and all damages incurred by Herbalife Nutrition as a result of the Sales and Marketing Plan Manipulation. Other sanctions may include loss of earnings and qualifications of the Distributorships 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.

3.1.11 Debts Owed to Herbalife Nutrition

If a Distributor owes Herbalife Nutrition a debt²⁰ and until it is paid in full, Herbalife Nutrition reserves the right to;

- (i) deduct the amount owed from any amount payable to the Distributor,
- (ii) withhold payment of monies owed, and
- (iii) withhold recognition for any qualification.

3.1.12 Interviews or Statements to Media

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

If a Distributor is asked for a media interview or statement about Herbalife Nutrition, the Distributor shall forward the media request to the Herbalife Nutrition Corporate Communications Department ("Corporate Communications").²¹

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

3.1.13 Conduct Regarding Harassment/Discrimination

Herbalife Nutrition prohibits any form of unlawful discrimination and harassment in its workplace.

²⁰ Such debts can include any amounts owed to Herbalife Nutrition for product purchases, adjustments to earnings for inventory repurchases from downline Distributors, fines due to violations of the Rules, payments returned for insufficient funds, and past due Fees.

²¹ Corporate Communications may be reached by emailing rsm.communication@herbalife.com or by calling +1 213-745-2931.

3.1.14 Responsibility for Vendors

When using the services of a non-Herbalife Nutrition vendor, the actions or omissions of the vendor will be considered actions or omissions of the Distributor for purposes of compliance with these Rules and applicable law. Distributors must confirm that the vendor's services comply with these Rules and all applicable laws.

3.1.15 Identification

In accordance with consumer protection laws, when offering, selling or invoicing Herbalife Nutrition products, Distributors are required to clearly identify themselves as follows:

- As an Herbalife Nutrition Independent Distributor
- By individual/personal name
- By providing a business address
- By providing a personal or business email and phone number

Identification is required regardless of the channel used, including but not limited to online or offline.

3.2 INTERNATIONAL BUSINESS

3.2.1 Activities in Countries or Territories Not Yet Open

A Distributor may not engage in any business activity relating to Herbalife Nutrition in any country not yet officially opened for business by Herbalife Nutrition.²²

3.2.2 Activities in Open Countries or Territories

Herbalife Nutrition products are formulated, produced and labelled in compliance with each country's product and labelling requirements. Distributors may not sell or distribute Herbalife Nutrition products across country borders. Distributors must always comply with all Herbalife Nutrition 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.

Distributors may not (directly or indirectly) ship or arrange shipment of products from one country to another, whether or not it is for personal consumption.

3.2.3 Activities in China

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

Distributors registered in China may not purchase, sell or distribute Herbalife Nutrition products outside of China.

3.2.4 Personal Consumption

Distributors may purchase up to 1,000 Volume Points of assorted products per Volume Month to carry with them while traveling. Products purchased for personal consumption are for the Distributor's own use or to be shared with immediate family members.

Distributors may not (directly or indirectly) ship or arrange shipment of products from one country to another, whether or not for personal consumption.

3.2.5 Prohibited Countries/Regions

A Distributor may not be a resident of a "Prohibited Country/Region".²³

²² Prohibited acts, efforts, or attempts include:

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

²³ The [list of prohibited countries/regions](#) is updated from time-to-time, and can be found on www.myherbalife.com/he-IL / www.myherbalife.com/ru-IL / www.myherbalife.com/ar-IL. Additional requirements may apply for citizens of Prohibited Countries/Regions residing outside of a Prohibited Country/ Region. Please contact Member Services at (972) 03-9431155 for additional information.

Additionally, a Distributor may not directly or indirectly conduct any Herbalife Nutrition business activities with an individual 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; or
- (iii) owned or controlled by an entity located in, or an individual ordinarily residing in, a Prohibited Country/Region.

Business activities include but are not limited to the following:

- promoting the Herbalife Nutrition opportunity;
- sponsoring or recruiting Distributors, Preferred Customers or customers; or
- promoting or selling Herbalife Nutrition products.

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

3.2.6 OFAC List

Distributors may not conduct any business activities (see Rule 3.2.5) 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 (the "OFAC List") 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

While Herbalife Nutrition makes available free or inexpensive trainings, promotional literature and other sales aids for Distributors to use, the phrase "Business Tools," as used here, refers to sales aids not produced by Herbalife Nutrition. Business Tools include third party trainings, services or products that may help Distributors promote, grow, and/or manage their direct sales business. Business Tools can be geared toward getting Customers, recruiting other Distributors, communicating with Customers or Distributors, or financial management, among other things.

All Business Tools and Distributors creating, promoting, soliciting, selling or using such Business Tools must comply with all Rules and applicable law.²⁴

3.3.1 Sale of Business Tools Not for Profit

Distributors may sell Business Tools to other Distributors at a price no greater than the cost to produce the training, product or service being sold.²⁵

Distributors may sell Business Tools to other Distributors solely for the purpose of:

- Selling Herbalife Nutrition products.
- Building Herbalife Nutrition business.
- Training and motivating the purchasing Distributor's downline.

The sale of Business Tools by Distributors to other Distributors may not be an income-generating enterprise that is being conducted instead of or in conjunction with the Distributor's Herbalife Nutrition e business.

NOTE: THE PROMOTION, SALE, AND PURCHASE OF BUSINESS OPPORTUNITY LEADS, OR PRODUCT LEADS FROM ANY SOURCE IS PROHIBITED. HOWEVER, DISTRIBUTORS MAY GENERATE LEADS FOR THEIR OWN USE AND THEY MAY ALSO PROVIDE THOSE LEADS AT NO COST TO THEIR DOWNLINE PROVIDED THEY COMPLY WITH HERBALIFE NUTRITION'S RULES OF CONDUCT AND ANY LOCAL PRIVACY AND DATA PROTECTION LAWS.

3.3.2 Leads

Leads are prospects for Herbalife Nutrition products or opportunity, as well as leads-related advertising, advertising slots, or decision packs.

²⁴ This includes laws relating to confidentiality of consumer data, privacy rights, restrictions on telemarketing in all its forms, and marketing over the Internet.

²⁵ Distributors who sell Business Tools or charge fees for independent trainings or meetings are required to utilize the "Expense and No Profit Tracking Schedule" made available by Herbalife Nutrition, and to keep copies of the Tracking Schedule, all associated records, invoices, receipts, and other supporting documentation, which must be kept for a minimum of two (2) years. Herbalife Nutrition has the right to request copies of these documents and to verify compliance with this Rule.

Distributors may generate Leads for their own use. Distributors may also provide those Leads at no cost to their downline Distributors.

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.
- Leads generation complies with the Rules and any privacy and data protection laws.

Distributors may not sell Leads to other Distributors and Distributors may not purchase Leads from any source.

3.3.3 Written Permission for Business Tools

Distributors may not promote, solicit or sell Business Tools to a non-downline Distributor or to a downline Distributor below a President's Team member, unless prior written consent has been obtained from the Distributor's immediate upline President's Team member.²⁶

If consent is revoked, the promotion, solicitation or selling of Business Tools must be promptly discontinued unless Herbalife Nutrition in its sole discretion determines it would be damaging to the purchaser (for example, midway in a subscription).

3.3.4 Promotion of Business Tools Provided by Vendors

Distributors may only promote Business Tools provided by vendors if:

- a. the Distributor has independently confirmed that the vendor and its products or services comply in all respects with the Rules and applicable law.²⁷
- b. the Distributor provides Herbalife Nutrition with certification and supporting documentation from a certified public accountant confirming that they have received no payment directly or indirectly and will derive no economic benefit from the vendor.

A Distributor offering Web services through a vendor must provide the name, address, fax and phone numbers, and email address of the vendor to other Distributors using the website.

3.3.5 Notice to Cease Use or Sale of Business Tools

If Herbalife Nutrition determines that a Business Tool violates its Rules, the law, or the legal rights of others, or that it represents a risk of damage to Herbalife Nutrition's reputation, brand or image, Herbalife Nutrition shall have the right (without liability) to require the Distributor to cease the sale or use of the Business Tool.

²⁶ Attending Corporate and Corporate sponsored events such as HOM, STS, or similar are an exception to this rule.

²⁷ If a Distributor has an economic interest in a vendor or in any of its transactions, the actions of the vendor shall be regarded as the actions of the Distributor for purposes of the Rules. Herbalife Nutrition does not recommend or endorse materials that we have not produced.

One of the great things about being an Herbalife Nutrition Independent Distributor is that you can choose for yourself how to pursue the Herbalife Nutrition opportunity. The only thing you need to buy is an Herbalife Nutrition Distributor Pack (HDP), and all other purchases are completely optional. Before you make any additional expenditure, please ask yourself questions such as these:

Debt

Should I take on debt to pursue the Herbalife Nutrition opportunity?

Because there are no minimum purchases required and start-up costs are low, you do not need to borrow money or take out loans for your Herbalife Nutrition business. We strongly discourage taking on debt in connection with your Herbalife Nutrition business. Please see Rule [1.1.2 Debt Discouraged](#) for more information.

Business Tools

Should I buy services, products, software or systems that might help me run my Herbalife Nutrition business?

“Business Tools” are third party services or products that may help you promote, grow, and/or manage your direct sales business. They can be geared toward getting customers, recruiting other Distributors, communicating with customers, Preferred Customers or Distributors, or financial management, among other things.

Whatever the purpose, Business Tools are not required to start progress or succeed as a Distributor or to receive training and support from your Sponsor and upline. No one should tell you that Business Tools are required or pressure you to buy them. Retailing Herbalife Nutrition products to customers is the core of a successful Herbalife Nutrition business, and Business Tools might distract you from this focus.

Herbalife Nutrition offers comprehensive business management tools for free or at a nominal cost. Our tools are designed to meet your needs and help you run a successful and compliant Herbalife Nutrition business.

We strongly advise that you only buy Business Tools if you decide, after a reasonable amount of time as a Distributor, that their cost is justified by their expected benefit to your business, in light of your actual earnings from Herbalife Nutrition.

Please also keep in mind that if you buy Business Tools, you will be responsible for how you use them and for their compliance with Herbalife Nutrition’s Rules of Conduct and the law. In addition, because they are not produced or endorsed by Herbalife Nutrition, we take no responsibility for them.

However, if you have a dispute over Business Tools you have purchased with a seller who is a Distributor, please contact Member Services at (972) 03-9431155 and we will attempt to assist.

Please see Rules of Conduct [1.1.1 Restrictions on Purchase Requirements](#), [1.1.2 Debt Discouraged](#), [3.3 Business Tools](#) and [5.1.1 Organizational Leadership & Training](#) for more information.

Product Inventories

Should I buy a large product inventory?

Our advice is not to purchase product beyond your own needs and, after you are confident you wish to begin to resell Herbalife Nutrition products, those amounts you are confident you can resell within a reasonable amount of time.

However, if you choose to keep a limited product inventory to sell to customers or serve in your Healthy Lifestyle Club, please make sure you only purchase what you know you can resell within a reasonable amount of time. See Rules of Conduct [1.1.1 Restrictions on Purchase Requirements](#), [1.1.7 Proper Purchasing](#) and [4.1.3 Providing and Maintaining Retail Order Forms/Records](#) for more information.

Offices and Healthy Lifestyle Clubs

Should I sign a lease and buy the fixtures and other things needed to open a Healthy Lifestyle Club or an Herbalife Nutrition Office?

Prior to opening a Healthy Lifestyle Club we strongly advise that you obtain proper training and experience about the Herbalife Nutrition products and the Herbalife Nutrition opportunity. Allow yourself the time necessary to experience the products and learn about their directions for use, become knowledgeable enough to properly explain the potential benefits that can be achieved through good nutrition and a healthy active lifestyle, and gain significant experience in operating your business. We further advise that you observe and study how Healthy Lifestyle Clubs or offices operate and carefully consider whether to engage in a large expenditure or enter into what could be a substantial obligation in the form of a lease, before you do so.

No aspect of the Herbalife Nutrition opportunity is or may be considered a franchise and you should therefore never be asked for payment to buy the “right” to open or operate your own Healthy Lifestyle Club or office. Similarly, you should not pay anyone to set-up a Healthy Lifestyle Club or an office for you. However, if you work out of another Distributor’s Club or office, it is normal to pay a reasonable rental fee for space or a workstation or to pay a reasonable percentage of the Club’s or office’s operating expenses.

4.1 SALES TO CONSUMERS

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

4.1.1 Retail Establishments Not Permitted

A Distributor may not display or sell Herbalife Nutrition products, literature, or promotional items in a retail establishment. A retail establishment is a store or any other fixed location where passers-by are attracted or people come to purchase products because of advertising, location, signage, visibility or otherwise. For example, it includes markets (open or enclosed), pharmacies, kiosks or booths (temporary or permanent), swap meets or flea markets as well as any other location which Herbalife Nutrition determines, in its sole and absolute discretion, as inconsistent with direct selling. Please refer to the following “*Direct Sales – Do’s and Don’ts*” chart.

Direct Sales - Do’s and Don’ts Table

Locations	Display	Sales	Promotion or Advertising of Product Sales	Exterior Signs	Sampling	Branded Materials
Retail Locations	No	No	No	No	Yes	Yes
*Temporary Kiosks, Booths in Malls and Outlets	No	No	No	No	Yes	Yes
Swap Meets, Flea Markets, Open-air Markets, Street/Vendor Carts	No	No	No	No	No	No
Distributor’s Private Offices	Yes ¹	Yes	No	Yes ²	Yes	Yes
Doctor’s or Other Professional Health care Offices	No	Yes	No	No	Yes	Yes
Healthy Lifestyle Clubs (Non-Residential locations)	Yes ¹	Yes	No	Yes ²	Yes	Yes
Healthy Lifestyle Clubs (home locations)	Yes ¹	Yes	No	No	Yes	Yes
Service Establishments (Primary service is not Herbalife Nutrition Business)	No	Yes	No	No	Yes	Yes
Trade Fairs, Athletic & Community Events	Yes	No	No	Yes ³	Yes	Yes

* Temporary is defined as occasionally present, not permanent. Permanent locations are not permitted.

1 Not visible from the exterior.

2 Subject to limitations as to content and size. (See rule [8.4.3](#))

3 Allowed for booth identification. Subject to limitations as to content.

4.1.2 Distributors’ Private Offices

Herbalife Nutrition products may be sold in private offices, provided they are not advertised for sale and the office appearance, plaque or location does not invite persons who are passers-by to purchase Herbalife Nutrition products. Distributors who are doctors or other health care professionals may sell, but not display, Herbalife Nutrition products in their professional offices.

4.1.3 Providing and Maintaining Retail Receipts/Records

A Distributor must provide a completed [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 Distributor and the customer.

Distributor are required to keep their copies of all [Retail Order Forms](#) and other records of product distribution for a period of two (2) years. Herbalife Nutrition has the right to request copies and to verify the transactions and the terms and conditions of the sale or service provided by the Distributor.

4.1.4 Refund Policy for Preferred Customers and Retail Customers

Herbalife Nutrition products have a 30-day money-back guarantee for all Customers (Preferred Customers and retail customers) also known as the [Herbalife Nutrition Satisfaction Guarantee](#). The 30-day period begins on the date the Customer receives the product.

When a Customer asks a Distributor to honor the guarantee, the Distributor must respond quickly and courteously.

The Distributor must offer the Customer the choice between a full refund of the product purchase price, including taxes and shipping and handling costs, or a full credit for exchange of other Herbalife Nutrition products in accordance with the return procedures. Distributors must honor the Customer's choice and may not retaliate against or discourage a Customer from requesting a refund²⁸.

Customers may also contact Herbalife Nutrition for a refund by calling (972) 03-9431155 or by following the instructions available at www.myherbalife.com/he-IL / www.myherbalife.com/ru-IL / www.myherbalife.com/ar-IL.

If a Customer requests a refund directly from a Distributor, the Distributor must complete a [Request for Refund Form](#), a copy of which is available on www.myherbalife.com/he-IL / www.myherbalife.com/ru-IL / www.myherbalife.com/ar-IL. The Distributor should calculate the amount of the Customer's refund or credit due, have the Customer sign the [Refund Form](#), and immediately pay the refund to the Customer or apply a credit to other products.

The Distributor should then submit the [Request for Refund Form](#) and a copy of the Customer's original Retail Order Form, along with the original product labels or the unused portion of the product, or the empty product containers to Herbalife Nutrition within 30 days of making the refund to the Customer. Herbalife Nutrition will then exchange the returned products with the identical replacement product for the Distributor as soon as all the required documentation has been received.

4.2 PAYMENTS AND ADJUSTMENTS

To qualify for monthly Royalty Overrides, Production Bonuses or other bonuses offered by Herbalife Nutrition, 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 1st of each month on the [Earnings Certification Form](#).²⁹

4.2.1 Product Distribution

Herbalife Nutrition is a product distribution company. Products purchased from Herbalife Nutrition are intended to be sold and distributed to customers and downline Distributors, or used for Distributors' and their immediate families' own personal consumption.

The purchase of products primarily to qualify for advancement in the [Sales & Marketing Plan](#) is not permitted. Such purchases may result in severe sanctions, including demotion in status, probation, suspension of buying privileges, suspension of earnings, disqualification from bonus participation, and termination of the Distributorship.

4.2.2 10 Retail Customers

A Distributor must personally make sales to at least ten (10) separate retail customers in a given Volume Month to qualify for and receive Service Fees, Additional Service Fees, and other bonuses paid by Herbalife Nutrition.

For the purpose of fulfilling the certification requirements of this Rule, a Distributor may count any or all of the following each Volume Month:

- A sale to a retail customer;
- A sale directly by the company to a first level Preferred Customer (except if Preferred Customer is part of your household)

²⁸ For additional details on processing Customer refunds, please see the [Herbalife Nutrition Satisfaction Guarantee](#) statement available on www.myherbalife.com/he-IL / www.myherbalife.com/ru-IL / www.myherbalife.com/ar-IL.

²⁹ [Earnings Certification Forms](#) are available on www.myherbalife.com/he-IL / www.myherbalife.com/ru-IL / www.myherbalife.com/ar-IL.

- A sale directly by the company to a first downline with up to 200 Personally Purchased Volume Points (and no downline) may be counted by the first upline Supervisor as a sale to one (1) retail customer; and
- A Healthy Lifestyle Club Attendee who consumed products during ten (10) visits to a Healthy Lifestyle Club within one Volume Month may be counted by the Healthy Lifestyle Club operator as a sale to one (1) retail customer.³⁰

If the Distributor fails to timely certify to Herbalife Nutrition that they have sold to at least ten (10) retail customers in a given Volume Month, Service Fees, Additional Service Fees, and other bonuses will not be paid to the Distributor.

4.2.3 70%

In order to qualify for and receive Royalty Overrides, Production Bonuses, and other bonuses paid by Herbalife Nutrition, at least 70% of the total value of Herbalife Nutrition products a Distributor purchases each Volume Month must be sold or consumed that month.

For the purpose of fulfilling the certification requirements of this Rule, a Distributor may count any or all of the following:

- Sales to retail customers;
- Sales at wholesale to downline Distributors or Preferred Customers; and
- Product consumed at Healthy Lifestyle Clubs.³¹

If the Distributor fails to timely certify to Herbalife Nutrition that they have sold or consumed 70% of the product purchases made that Volume Month, Royalty Overrides, Production Bonuses, and other bonuses will not be paid to the Distributor.

4.3 SELLING PRACTICES

4.3.1 Distributors as Brand Ambassadors

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

4.3.2 Product Sales to Non-Distributors for Resale

No Distributor may sell or otherwise provide Herbalife Nutrition products to non-Distributors who resell them, nor may a Distributor sell to a non-Distributor any quantity of Herbalife Nutrition products greater than that generally purchased by an individual for personal or family use.

4.3.3 Modifications to Labels and Materials

A Distributor may not delete, add, modify or alter any labels, literature, material, or packaging for Herbalife Nutrition products or literature, including the HDP.

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 Nutrition products must be complete and truthful and consistent with information on product labels and accompanying literature.

When selling or providing samples, a Distributor 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.

³⁰ If an Distributor utilizes Healthy Lifestyle Club attendance toward compliance, the Distributor shall maintain a log of Attendee visits for at least two years, setting forth the name of the Attendee, dates of visits, and contact information, and shall make those records available for verification purposes if requested by Herbalife Nutrition.

³¹ If a Distributor utilizes Healthy Lifestyle Club attendance toward compliance, the Distributor shall maintain a log of Attendee visits for at least two years, setting forth the name of the Attendee, dates of visits, and contact information, and shall make those records available for verification purposes if requested by Herbalife Nutrition.

4.3.6 Product Storage & Handling

Distributors are responsible for following storage instructions provided on Herbalife Nutrition products labels and for the proper storing and handling of Herbalife Nutrition products.

Proper storage and handling of products includes:

- Inspecting products to ensure that products are not expired or soon to be expired, damaged, or tampered with;
- Ensuring that the product's seal has not been broken;
- Keeping products properly sealed;
- Maintaining products in a cool dry place and out of direct sunlight; and
- Keeping products secure and within your direct control and otherwise as required by the Rules of Conduct.

4.3.7 Customer Service

The personal relationships that Distributors develop with their customers are essential to the fulfilment of the Company's offer of added value and an important part of the Company's reputation and brand – this is the Distributor Difference. As a direct sales company, one of the most important things to Herbalife Nutrition is helping customers reach their objectives via Herbalife Nutrition Independent Distributors applying the Distributor Difference.

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. At a minimum, Distributors must before the Customer's first purchase:

- Provide the Customer with an opportunity to engage in a personal relationship via human interaction and in the event the Customer wants to engage, engage with that customer via human interaction;
- Understand the customer's personal goals;
- Make personalised product recommendations and explain to the Customer how they should use the products to best achieve their personal goals;
- Understand and respect the means through which the customer prefers to be contacted in the future.

If the above minimum requirements are not applied by the Distributors before the first purchase, the requirements of Distributor Difference shall not have been met.

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. This shall include, but not be limited to, the following:

- In general, respond to any questions or concerns as soon as reasonably possible, but in any event, within 72 hours and in a personal and direct manner;
- Respond to any questions or concerns by consulting and referring to Herbalife Nutrition approved materials or contacting Herbalife Nutrition directly for guidance on how to respond to those questions or concerns;
- Deliver products to customers within a reasonable time after sale.

Failing to comply with this Rule is a serious breach of the Agreement and Herbalife Nutrition is entitled to all available remedies, including termination of the Distributorship Application.

4.3.8 Distribution for the religious sector.

Religious/Orthodox community has character and etiquette that differ in part from the general state of Israel.

1. The regulations require all Distributor who are working in The Orthodox Sector regardless of whether they themselves are religious or not to comply with these.
2. Kosher
 - Distributors must explain in detail the various Kosher levels on different products and allow the customer product selection, and each will do as instructed by their rabbi.
 - When holding events in external venues it is important that the hall has appropriate level of Kosher.
 - All products which are served at events must be strictly Kosher. This also applies to products that are not Herbalife Nutrition products. For example if a shake was made on the basis of milk, the milk must be strictly Kosher.
3. Complete separation during mixed events
 - Hall - the existence of a partition, separate toilets and any other required separation.
 - Speakers - only male speakers to a mixed audience. Female speaker will appear before female audience only.

- Sport events and personal care events will be held in total separation.
4. Keep the rules of religious modesty with in the orthodox sector (which include):
- Proper attire is mandatory in the orthodox sector.
 - Promotional material which can be given to customers / friends.
 - Presentations or videos that are presented during the event.

5.1 SPONSORING RESPONSIBILITIES

5.1.1 Organization Leadership & Training

Consistent with the multi-level marketing structure of Herbalife Nutrition, Distributors have a responsibility to train, mentor, develop and have ongoing communication with any personally sponsored Distributors and their downline organization. Distributors are required to engage in the following with downline Distributors:

- Provide training on how to work with a customer and provide the minimum services set out in [4.3.7](#)
- Provide training and guidance on the Herbalife Nutrition [Sales & Marketing Plan](#)
- Explain the obligations and responsibilities under the Herbalife Nutrition Rules of Conduct and how to operate their Herbalife Nutrition business in accordance with those Rules and official Herbalife Nutrition literature
- Ensure product sales and Herbalife Nutrition Opportunity Meetings are conducted in accordance with the Rules of Conduct (including the Herbalife Nutrition Satisfaction Guarantee), Herbalife Nutrition literature and applicable laws and regulations
- Maintain contact and remain available to answer questions and offer support
- Encourage attendance at Herbalife Nutrition events, meetings and functions (once qualification achieved)
- Share the various business strategies and tools available to operate the Herbalife Nutrition business that help customers achieve their goals
- Advise how to help customers to progress in order to become Distributors who can support the further distribution of Herbalife Nutrition products

A Sponsor may not require a personally sponsored Distributor to pay for training or training facilities unless the Sponsor fully explains that the Distributor may choose whether or not to participate in the training and states, in advance, the cost. If the Distributor declines to participate in the training, the Sponsor is obligated to provide at no cost the basic training necessary to learn the business.³²

5.1.2 Independent Relationship

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

5.1.3 Preparation of Distributor Documents

The Sponsor must properly prepare Applications and Supervisor Qualification forms, and submit them to Herbalife Nutrition in a timely manner.

5.2 OFFERING THE OPPORTUNITY

5.2.1 Identification and Description

It is a legal requirement that all references to the Herbalife Nutrition Business Opportunity must include an identification and business description statement including details of Herbalife Nutrition as the 'promoter' of the business opportunity, the Distributor offering or making reference to the business opportunity and a brief description of the nature of the business opportunity. The following statement fulfills this purpose:

This offer of the Herbalife Nutrition Business Opportunity is made by Herbalife Nutrition Independent Distributors [Distributor name and where applicable trading name] [Distributor address]. The business opportunity is administrated by HERBALIFE INT'L OF ISRAEL (1990) LTD., 46 Derech Hamakabim St, Industrial Zone, Rishon, Letzion 75359, Israel, Business ID No: 511528135. Goods sold are nutrition, and personal care products. Transactions are effected by participants as principals.

If no reference is made to the Herbalife Nutrition Business Opportunity, for example where the products only are referred to or offered, the following statement will suffice:

This offer is to purchase goods is made by Herbalife Nutrition Independent Distributor [Distributor name and where applicable or trading name] [Distributor address]. The goods are manufactured by or on behalf of goods are manufactured by or on behalf of HERBALIFE INT'L OF ISRAEL (1990) LTD., 46 Derech Hamakabim St, Industrial Zone, Rishon, Letzion 75359, Israel, Business ID No: 511528135.

This statement may be made anywhere in the document or presentation but must be legible or audible and must be given the same prominence as the surrounding information. It must also be available to the reader

³² [See Rule 3.3.1](#) Sale of Business Tools Not for Profit.

prior to them providing personal or contact information, or prior to them making any commitment to any purchase or to take up the Business Opportunity.

5.3 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 Nutrition business and are discouraged. Only on rare occasions are Sponsorship changes permitted, and always at the sole and absolute discretion of Herbalife Nutrition.

5.3.1 Inducement to Change Sponsors

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

5.3.2 Sponsorship Correction

A Distributor, who wishes to request a Sponsorship correction, must complete and submit a “Change of Sponsorship Request” Form³³ a “Change of Sponsorship Consent” Form from the current Sponsor, and a letter of acceptance from the proposed Sponsor. All documents must be notarized.

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 Nutrition 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 Distributor.

5.3.3 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 Nutrition 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” Form³⁴ (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. In addition, Herbalife Nutrition must receive a Change of Sponsorship Acceptance Form, from the proposed Sponsor (signed by two witnesses).

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, from the proposed Sponsor (signed by two witnesses).

If Herbalife Nutrition 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 Nutrition Distributorship under a different Sponsor. ([See Rule 2.1.9](#)).

³³ 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 Nutrition to consider the request.

³⁴ 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 Nutrition to consider the request.

6.1 CLAIMS AND REPRESENTATIONS

When sharing personal stories with others, Distributors are making claims. Even simple statements about the benefits experienced while on an Herbalife Nutrition 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 Distributors to make claims provided they do so in compliance with the specific regulations established by law and the Rules. These Rules are intended, in part, to help Distributors comply with the law.

6.1.1 Lawful, Truthful and Not Misleading

All claims product and personal stories 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 Nutrition Materials or product labels.³⁵

6.1.2 Weight Management Claims

References to weight management must relate to the Herbalife Nutrition weight management program and not directly to any particular product. For example 'I controlled my weight using Formula 1 with the Herbalife Nutrition Weight Management Programme' is appropriate but 'Formula 1 got rid of my weight' is not. No weight management representation may refer to a rate or amount of weight loss. In addition to this weight management references relating to an individual who had excessive weight may not be referred to unless accompanied by a statement that weight management was achieved under the direct supervision of a physician.

All weight management representations, including product stories, must be accompanied by the following disclaimer:

All references to weight management relate to the Herbalife Nutrition Weight Management Programme which includes, amongst other things, a balanced diet, regular exercise, an adequate daily fluid intake, nutritional supplementation where required and appropriate rest. Individual results will vary.

6.1.3 Product Claims

Distributors MUST:

- Make only those claims permitted by product labeling or in Herbalife Nutrition Materials.
- Accompany all claims including personal and product stories with the following disclaimer.

This product is not intended to diagnose, treat, cure or prevent any disease.

Distributors MUST NOT:

- State that Herbalife Nutrition products prevent, treat, or cure diseases or medical conditions or discuss any experience with medications.
- Use the name of the any government ministry or authority or claim any form of approval or endorsement by any government body or agency.
- State that health could be affected by not consuming Herbalife Nutrition products.
- Make any reference that Herbalife Nutrition products are recommendations of individual doctors or health professionals.

6.1.4 Earnings Claims

Any statement regarding a Distributor's actual or potential income is considered to be an "Earnings Claim." "Lifestyle Claims" (including photos involving cars, pools, vacations, etc.) are also Earnings Claims.

Distributors are responsible for understanding and following the laws relating to earnings claims and personal stories in each jurisdiction in which they intend to conduct business.

If Royalty and bonus figures are quoted separately from retail income they should be accurately identified as

- 'commissions based on downline product purchases.

³⁵ The law regarding claims is subject to change. As an accommodation to Distributors (but not as legal advice), Herbalife Nutrition may post updates of this Rule, and the disclaimers, at www.myherbalife.com/he-IL / www.myherbalife.com/ru-IL / www.myherbalife.com/ar-IL. Distributors are required to visit the website regularly for advisories and updates.

Income Disclaimer for Herbalife Nutrition Branded Materials: All Earnings Claims that mention Herbalife Nutrition require the following disclaimer:

Income applicable to the individuals (or examples) depicted and not average.

Alternate Disclaimer for Herbalife Nutrition Branded Materials: When describing the results achieved by the top 1% of Herbalife Nutrition Distributors, the following disclaimer is also acceptable:

The incomes presented are those of persons within the top 1% of Herbalife Nutrition Distributors.

6.1.5 Size and Placement of Disclaimers

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 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 Nutrition opportunity, Distributors may not misrepresent the extent to which the activities of a Distributor can be conducted solely in the home. Distributors should emphasize that personal interaction is fundamental to direct selling.

6.1.7 Claims Regarding Relationship Between Herbalife Nutrition and Herbalife Nutrition Independent Distributors

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

For example, Distributors may not use the terms "job," "salary," "position," "employment," (or any similar term) when promoting the opportunity.

Distributors may not market the Herbalife Nutrition opportunity using tools primarily devoted to advertising job opportunities, including "Help Wanted" ads, employment bulletin boards, and Internet job search engines such as AllJobs.co.il, mojob.co.il, Jobmaster.co.il unless:

- the advertisements clearly and conspicuously indicate that what is being offered is an *independent income opportunity*;
- does not include mandatory fields such as 'Salary', and
- allows the Distributor to include the statement set out in [Rule 5.2.1](#).

6.1.8 Opportunity Claims

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

- Misrepresent the Herbalife Nutrition opportunity as a franchise³⁶ or offer a franchise in connection with an Herbalife Nutrition Distributorship; or
- State or imply that:
 - Sponsoring Distributors or Preferred Customers is as important as sales to customers;
 - A Distributor can primarily benefit by sponsoring other Distributors or Preferred Customers;

³⁶ Herbalife Nutrition does not have territories or franchises, and an Herbalife Nutrition Distributorship is not a franchise.

- A Distributor is required to sponsor other Distributors;
- A Distributor can be successful with little or no effort;
- Distributors have to buy Herbalife Nutrition products, materials (besides the HDP), 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 NUTRITION INTELLECTUAL PROPERTY

Maintaining the integrity of the Herbalife Nutrition brand is one of Herbalife Nutrition's primary responsibilities. This Section is meant to help Distributors understand the significance of Herbalife Nutrition intellectual property. Herbalife Nutrition 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 Nutrition's hard-earned reputation as a high-quality producer of global nutrition products is retained.

6.2.1 Definitions:

Copyrighted materials: Herbalife Nutrition 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 Nutrition as the source of the products and services being sold and provided by Distributors. For example, Herbalife® Herbalife Nutrition and the Tri-Leaf logo are Herbalife Nutrition trademarks, as are many product brands, such as Cell-U-Loss® or Herbalifeline®.

A trade name is a business name which Herbalife Nutrition has the exclusive right to use. For example, Herbalife International of America, Inc., and HERBALIEF INT'L OF ISRAEL (1990) LTD. are trade names. Distributors may not register trade names that include the word HERBALIFE, Herbalife Nutrition or other Herbalife Nutrition brand names.

Branding 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 Nutrition products and packaging.

A trade secret is confidential information that is generally not known outside of Herbalife Nutrition and has commercial value. Trade secrets held by Herbalife Nutrition 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 Distributors, including genealogies.

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

6.2.2 Copyrighted Materials

Herbalife Nutrition owns the copyright to all printed material, Internet content, and audio and video recordings produced by or for it. Distributors must follow any conditions listed in the download instructions or other written authorization.

All Herbalife Nutrition copyrighted materials must be accompanied by the following statement:

Reproduced with the permission of Herbalife Nutrition. All rights reserved.

Herbalife Nutrition 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, Branding and Trade Names

Distributors may use those trademarks, trade names and other forms of branding which Herbalife Nutrition makes available for downloading.

- Herbalife Nutrition trademarks and trade names may only be obtained from Herbalife Nutrition.
- Distributors must always identify themselves clearly as Herbalife Nutrition Independent Distributors.

- Distributors may not alter the trademarks and other forms of Herbalife Nutrition branding 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 Nutrition products and services.
- Distributors may use Herbalife Nutrition trademarks and branding only in accordance with the current Herbalife Nutrition's Rules of Conduct.
- Distributors must include the following statement: *"Trademarks, designs and other intellectual property rights are the property of Herbalife International, Inc., or its licensors. Used by permission of Herbalife Nutrition."*

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

6.2.4 Trade Secrets

A Distributor will hold trade secrets in confidence and may not disclose them at any time, even after termination of the Distributorship.

6.2.5 Use Limited to Herbalife Nutrition Business

Distributors may use Herbalife Nutrition Intellectual Property solely for the purpose of conducting their Herbalife Nutrition business.

6.2.6 TV, Radio, Magazines or Newspapers

The word "Herbalife Nutrition" or the specific mention or pictures of any Herbalife Nutrition product or service may not be used in any media advertisements including print, digital, audio or visual recordings, in newspapers, magazines, radio and television or the Internet, or any other medium except as permitted.

6.2.7 Electronic Media

For electronic media, a Distributor may not purchase Herbalife Nutrition related keywords from search providers (e.g., Google). For example, purchasing a priority position – such as a site operated by a Distributor appearing in the paid search boxes displayed along with search results – is not allowed. These terms include, but are not limited to, any terms that include the word Herbalife Nutrition or the name of any Herbalife Nutrition product or service offering.

Advertising personal Distributor sites in search engines by words such as "cheapest price", "best price", etc. is strictly prohibited. Violation of this rule could lead to termination of Distributorship.

6.2.8 Toll-Free Telephone Numbers

Distributors may have a toll-free telephone number. However, a Distributor may not use any Herbalife Nutrition trademarks, trade names, product names, or slogans in conjunction with the toll-free number. Distributors may only identify or list themselves as an Herbalife Nutrition Independent Distributor.

6.2.9 Telephone Directory Listings

Distributors may list themselves in the telephone directory under the heading "Herbalife Nutrition Independent Distributor." The only information that may follow is the Distributor's name, address, telephone number, fax number, email address or website. Display advertisements must conform to all Herbalife Nutrition advertising Rules. The words "Herbalife Nutrition" (other than "Herbalife Nutrition Independent Distributor") and other Herbalife Nutrition Intellectual Property may not be used in any way other than as used in advertisements approved in advance by Herbalife Nutrition. Listings by category are permissible under accurate and lawful headings including: "Hair Care Products," "Skincare Products," or "Nutritional Products," and "Weight-Management/Control."

6.2.10 Name or Image of Mark Hughes

The name or image of Mark Hughes (founder of Herbalife Nutrition) may not be used in any advertisements.

6.2.11 Herbalife Nutrition's Addresses

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

6.2.12 Prohibited Use of Third Parties Intellectual Property

Distributors 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 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 Distributors must adhere to any restrictions and conditions that the owner of the intellectual property places on the use of its property.

6.2.13 Termination of Herbalife Nutrition Distributorship

If an Herbalife Nutrition Distributorship becomes terminated for any reason, the Distributor must immediately discontinue use of Herbalife Nutrition's Intellectual Property and update profile information for any social media accounts to disclose that they are no longer an Herbalife Nutrition Independent Distributor.

6.3 ADVERTISING AND PROMOTIONS

6.3.1 Herbalife Nutrition Advertising Templates

Herbalife Nutrition publishes a variety of advertising templates which Distributors may use without alteration, except for adding their name and contact information. The templates are available for download from www.myherbalife.com/he-IL / www.myherbalife.com/ru-IL / www.myherbalife.com/ar-IL.

6.3.2 Distributor Advertisements and Promotional Materials

Herbalife Nutrition produces promotional literature and sales tools for Distributor use in advertising and promoting their Herbalife Nutrition business. Distributors may produce their own promotional materials, but must ensure the materials:

- Are truthful and accurate;
- Make no therapeutic, disease or medical claims;
- Do not imply an employment opportunity; and
- Comply with all applicable Rules and law.

6.3.3 Posting of Advertising Materials

Private Property Distributors may post advertising materials on private property with the prior written consent of the owner. To document consent, Distributors may use Herbalife Nutrition's template "[Letter of Consent to Post Advertising on Private Property](#)," available at www.myherbalife.com/he-IL / www.myherbalife.com/ru-IL / www.myherbalife.com/ar-IL and from Member Services.

Advertising materials may not be visible from the street or sidewalk when used at a private office or other location where Herbalife Nutrition business is done, and may not be posted in a manner that might be a distraction to motorists or pedestrians.

Materials must be promptly removed upon the request of any government authority, the owner of the property or Herbalife Nutrition.

Public Property Distributors may not post advertising materials on public property, such as utility poles, street lights, traffic lights, parking meters or traffic signs.

6.3.4 Broadcasting

Distributors may not broadcast on a television, satellite or radio station any audio or visual recording mentioning Herbalife Nutrition, its products or opportunity except for the following advertisement:

Herbalife Nutrition Independent Distributor
Call me for products or opportunity
(Distributor Name and phone or email address)

In the event Herbalife Nutrition broadcasts on a television, satellite or radio station, Distributors may not advertise on that station one hour before and after the Herbalife Nutrition broadcast.

7.1 DISTRIBUTOR CONDUCT

7.1.1 Standard of Personal Conduct

Distributors may not publish, post or distribute any materials on or via the Internet, whether or not in connection with Herbalife Nutrition that are, in Herbalife Nutrition's sole and absolute judgment, defamatory, libelous, disparaging, threatening, offensive, harassing, abusive, obscene or pornographic.

7.1.2 Unauthorized Computer Access

Distributors may not:

- Interfere or take any action that results in interference with or disruption of:
 - Herbalife.co.il
 - www.myherbalife.com/he-IL / www.myherbalife.com/ru-IL / www.myherbalife.com/ar-IL
 - other websites maintained by Herbalife Nutrition or its Distributors
- Gain or attempt to gain access to computer systems or networks connected to these sites without prior written permission from Herbalife Nutrition.

7.1.3 Consumer Data

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

7.2 DISTRIBUTOR WEBSITES

7.2.1 Distributors Must Disclose Relationship with Herbalife Nutrition

To avoid confusing Herbalife Nutrition customers and the public at large, Distributors operating independent websites that use Herbalife Nutrition trademarks to promote or offer Herbalife Nutrition products for sale must clearly and conspicuously identify themselves as an Herbalife Nutrition Distributor.

Distributors must:

- Clearly display an entry splash pop-up provided by Herbalife Nutrition without any alteration that appears once at every visit to the website; and
- Clearly display the Distributor's personal name and contact details, including address and phone number, along with the "Herbalife Nutrition Distributor" logo; and
- Ensure the website does not have the same or similar visual appearance as the official Herbalife Nutrition website Herbalife.co.il.

The "Herbalife Nutrition Distributor" logo along with the Distributor's personal name and contact details, including address and phone number, must be displayed in a prominent location (above the fold, which means, it is positioned in the upper part of the web page and so that it is visible without scrolling down the page) and in a font and/or manner that attracts the attention of website visitors.

Please contact Member Services or visit www.myherbalife.com/he-IL / www.myherbalife.com/ru-IL / www.myherbalife.com/ar-IL for the logo and for the entry splash pop-up guide.

The Distributor's business name and business address may not be a substitute, but may be included in addition to the Distributor's personal name and contact details, including address and phone number, and must appear along with the "Herbalife Nutrition Distributor" logo:

- on the home page;
- as part of any contact information; and
- as part of any publicly accessible profile information.

Anonymous postings or the use of an alias are prohibited.

Herbalife Nutrition reserves the right, as its sole discretion, to require Distributors to amend their websites so as to comply with this Rule.

7.2.2 Domain Names, Email Addresses, and Websites

Distributors may not use Herbalife Nutrition Intellectual Property in their:

- Website domain name (URL).
- Titles for any pages on a Distributor's website (including, but not limited to, the home page).
- Email addresses.

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

- Herbalife Nutrition
- Herbalife Nutrition product names

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

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

7.2.3 Hyperlinking and Associations

Distributors may link their websites to:

- The home page on Herbalife.co.il (or any other website produced or maintained by Herbalife Nutrition).
- Any other website maintained by the Distributor to promote the Herbalife Nutrition product and opportunity.
- Any third-party website that will assist the Distributor in promoting the Herbalife Nutrition products and opportunity, so long as such websites are compliant with [Rule 7.2.4](#).

Distributors may not use third parties' trademarks, trade names, or product names in their:

- Website domain name (URL).
- Titles for any pages within a website (including home pages).
- Email addresses.
- Title tags, meta tags.³⁷

7.2.4 Third Party Advertisements on Distributor Websites

Distributors may feature third-party advertisements on websites they use in connection with their Herbalife Nutrition business so long as, in the sole and absolute judgment of Herbalife Nutrition, the advertisements DO NOT:

1. Relate to any religious, political or commercial organization.
2. Damage the reputation of Herbalife Nutrition or its Distributors.
3. Misuse Herbalife Nutrition Intellectual Property.
4. Directly or indirectly promote any other:
 - a. direct-selling or MLM company regardless of products offered; or
 - b. products competitive with those sold by Herbalife Nutrition, such as:
 - i. meal replacements,
 - ii. nutritional supplements, or
 - iii. cosmetics.

7.2.5 International Business

Distributors conducting or seeking to conduct business in international markets via their own or other websites may sell only products approved for sale in the country to which communications are directed.

7.2.6 Website Privacy Statements

Distributors must post, in a prominent location, a "Privacy Statement" that:

- Informs consumers whether or not personal information is being collected about them;
- How such information will be used; and how they may, at any time, request that their personal information is removed from use, and
- Fulfills the privacy law requirements of each jurisdiction in which business is being conducted.

Distributors must comply with all Rules and regulations of each country, including (but not limited to) laws related to:

³⁷ The only exception to this Rule is if and when a Distributor has obtained prior written consent from the owner. A Distributor shall indemnify Herbalife Nutrition against any claim arising or related to the Distributor's use of third-party trademarks, trade names, or product names.

- Confidentiality of consumer data.
- Privacy rights.
- Restrictions on telemarketing.
- Restrictions on marketing over the Internet.

7.2.7 Search Engine Advertising and Optimization

Distributors may not use any misleading or deceptive tactics to improve their index preference with search engines.

7.3 PROHIBITION OF SALES ON AUCTION SITES AND THIRD-PARTY ONLINE MARKETPLACES (COLLECTIVELY, “THIRD-PARTY SITES”)

It is important that all marketing and offering for sale of Herbalife Nutrition products, whether online or offline, conforms with Herbalife Nutrition's product quality standards, helps promote the value and image of the Herbalife Nutrition brand, and is consistent with the marketing positioning of Herbalife Nutrition's products. This includes not making illegal, false or inappropriate claims about Herbalife Nutrition products or associating Herbalife Nutrition products with other products that make such claims. In addition, all sales must assist in forging and strengthening customer care through Distributors' personal relationships with their customers – this is a fundamental component of the Distributor Difference.

Herbalife Nutrition recognizes the increasing importance of e-commerce as a distribution channel for Distributors to sell Herbalife Nutrition products on the internet. This is one of the reasons Herbalife Nutrition has invested considerable amounts into developing “GoHerbalife.com,” a dedicated and legally compliant online sales platform that, where available, Distributors may use without charge.

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

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

Accordingly:

- Distributors **are permitted** to make online sales of Herbalife Nutrition products through:
 - a) their own independent online shops
 - b) through GoHerbalife.com³⁸, and
- Distributors **are not permitted** to offer for sale, sell, or facilitate the offering for sale or sale, of Herbalife Nutrition 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.

7.4 EMAIL

These Rules apply to Distributors who send email regarding the Herbalife Nutrition products or opportunity and are in addition to applicable law.

Distributors must also comply with the terms of use or service for all email service providers used in their Herbalife Nutrition businesses.

7.4.1 Requirements and Restrictions

1. The following restrictions and prohibitions apply to Distributors who send any type of email message relating to Herbalife Nutrition:

- a. Distributors must disclose the origin of any email message:

³⁸ GoHerbalife is available in selected markets.

- i. Source, destination and routing information attached to the message (including the originating domain name and originating email address) must be accurate.
- ii. "From" line of each message must accurately identify the person who initiated the message.
- iii. "Subject" line of each message must not be misleading.

b. All email messages must include a clear, conspicuous notice about how to make an opt-out request:

- i. The message must contain a functioning return email address or Internet-based mechanism that a recipient may use to submit a request that they not receive future commercial email messages from the sender.
- ii. After receiving an opt-out request, without undue delay, Distributors must stop initiating or sending commercial email to such person.
- iii. Each Distributor must produce and maintain its own Do-Not-Email List ("DNE list") and check the E-Mail Preference Service (e-mps) register to track and honor all opt-out requests.

2. The following are additional restrictions and prohibitions that apply to sending email messages promoting Herbalife Nutrition products or the opportunity:

a. Distributors are prohibited from sending commercial email messages unless the:

- i. Distributor has an existing business relationship with the recipient based on a prior purchase or transaction involving a similar type of product (where the recipient was given, at the time their data was collected, a simple no cost method to refuse consent to future messages), or
- ii. Distributor is a friend or family member, of the recipient, or
- iii. Recipient provided prior consent to receive the message. The consent must be specific to receiving messages about Herbalife Nutrition products or the opportunity.

b. Each message must include a valid physical postal address of the Distributor.

c. Distributors may not obtain email addresses by address harvesting or dictionary attacks.

- i. "Address harvesting" is the use of automated means to collect email addresses that are listed on a website or online service, when that website or online service contains a notice that it will not give, sell or otherwise transfer addresses maintained by such website or online service to any other person for the purpose of initiating commercial email messages.
- ii. "Dictionary attack" refers to automated means used to generate possible email addresses by combining names, letters or numbers into numerous permutations.

d. Distributors are prohibited from using scripts or other automated means to register for multiple email accounts or online user accounts from which to send commercial email messages.

e. Distributors are prohibited from selling, leasing, exchanging, or otherwise transferring or releasing the email address of a person unless the Distributor has specific consent in writing from the person to do so. Any consent lapses from the moment the person sends an opt-out request.

7.4.2 Government Notice to Discontinue Emailing

Distributors must immediately discontinue email activity if they receive any notice from a governmental authority regarding their email practices. Distributors must promptly report all such notices to Herbalife Nutrition, by calling (972) 03-9431155, within 24 hours after such notice is received.

7.5 SOCIAL MEDIA

These Rules apply to Members using social media sites such as Twitter, YouTube, Facebook, Instagram, Pinterest and Snapchat as well as online communities such as blogs. These Rules are in addition to applicable law.

7.5.1 Responsibility for Postings

Members are responsible for all Herbalife Nutrition -related content they post online. Members using social media sites as part of their Herbalife Nutrition business must clearly and conspicuously identify themselves by name and as an Independent Herbalife Nutrition Member.

7.5.2 Social Media as a Sales and Promotion Forum

Social media sites may not be used to conduct sales of Herbalife Nutrition products. Online sales of Herbalife Nutrition products may only be made from a Member's website.

7.5.3 Postings and Claims

Members must be accurate and truthful in all social media posts. All claims, representations, personal and product stories must be in compliance with the Rules including the Rules on Claims. See Section [6.1 Claims and Representations](#).

7.5.4 Use of Herbalife Nutrition's Intellectual Property

Social media profile names and posts must comply with the requirements of [Rule 6.2 Use of Herbalife Nutrition Intellectual Property](#), including the requirement that Members may only use the trade name "Herbalife Nutrition" in a manner that clearly identifies the Member as an Independent Herbalife Nutrition Member.

Examples of unauthorized use of the Herbalife Nutrition trade name in social media profile names/posts are:

- "Herbalife Nutrition Wellness Challenge"
- "The Herbalife Nutrition Page"

Examples of authorized uses of the Herbalife Nutrition trade name in social media profile names/posts are:

- "Independent Herbalife Nutrition Member – Wellness Challenge"
- "The Herbalife Nutrition Page – Independent Herbalife Nutrition Member"
- "Let's Talk Herbalife Nutrition – Independent Herbalife Nutrition Member"
- #HerbalifeNutrition
- #TeamHerbalife
- #IAmHerbalife

However, Members may use official Company hashtags that include the trade name "Herbalife Nutrition", share Company social media posts, or link to official Company websites and social channels.

7.5.5 Photos, Video/Audio Recordings

Members may post audio/video material on YouTube and similar social media sites, provided the content complies with the Rules.

Herbalife Nutrition reserves, the right to determine, in its sole and absolute discretion if recordings or images (including their manner of use) violate the Rules or diminish Herbalife Nutrition's reputation. Herbalife Nutrition reserves the right to require the removal of any such images or recordings. Members must comply with all of the privacy laws, intellectual property laws and social media platforms' policies terms of use, terms and conditions, guidelines or other similar terms, and Herbalife Nutrition Rules when using images or recordings of other individuals on social media sites.

7.5.6 Terms of Use

Members must comply with the terms of use, terms and conditions, terms of service, acceptable use guidelines or similar terms of the social media platforms used in their Herbalife Nutrition businesses.

7.5.7 Professionalism

Members should not respond to those who place negative posts about them, other Members, or Herbalife Nutrition. Negative posts may be reported by email to: MPCIS@herbalife.com

7.5.8 No Purchasing Followers and Likes on Social Media

Members may not purchase Followers or Likes³⁹, or use any other misleading or deceptive tactics to boost the perceived popularity of their social media accounts or pages.

³⁹ A Follower is a person who subscribes to a social media account in order to receive updates. On Facebook, a person who Likes a page is the same as a Follower, Friend or Fan. A Like is an action that can be made by a Facebook, Twitter or Instagram user. Instead of writing a comment or sharing a post, a user can click the Like button as a quick way to show approval.

7.5.9 No Targeting Followers on Social Media Platforms

Members may not systematically target another person's Followers for the purpose of selling Herbalife Nutrition products or obtaining Leads. Additionally, systematic, automated apps or software, and manual direct messaging to other Members with the intention of selling Herbalife Nutrition products or recruiting, are prohibited.

7.5.10 No Data Mining and Website Scraping Software

Members who utilize social media and other digital platforms to conduct their Herbalife Nutrition businesses must do so in compliance with each social media platform's and internet service provider's privacy policy and terms of use. Data mining and website scraping tactics (including but not limited to the use of web spiders, crawlers, and bots) are considered deceptive and are prohibited.

7.5.11 No Inappropriate Communication Practices

Members who utilize social media platforms to conduct their Herbalife Nutrition business must do so in compliance with each social media platform's communications rules and policies. Unsolicited commercial communications are generally prohibited. Members must ensure that they have permission to contact people and honor any requests that they may receive to cease contact.

7.6 TELEMARKETING

Laws severely restrict telemarketing operations and are highly technical. These Rules are being provided as an accommodation to Distributors (but not as legal advice). Distributors are responsible to know and obey all applicable telemarketing laws.

When contracting with vendors, Distributors must confirm that the vendor's services comply with all applicable laws. The actions or omissions of the Distributor's vendor will be considered to be the actions or omissions of the Distributor.

7.6.1 Definitions

Autodialer

Equipment that dials telephone numbers automatically, including any computerized equipment that performs the dialing function whether or not the machine is pre-programmed with a list of numbers or dials numbers on a random basis.⁴⁰

Broadcast Fax or Blast Fax

Sending a fax to recipients who have not requested the fax, including equipment that can send multiple faxes to multiple recipients.

Established Business Relationship (EBR)

A prior relationship between a Distributor and a telephone subscriber based on the subscriber's:

- Purchase or transaction within 18 months immediately preceding the date of the telephone call, if the relationship has not previously been terminated.
- Inquiry about products or services within three (3) months immediately preceding the telephone call, if the relationship has not previously been terminated.

(If the subscriber makes a "Do-Not-Call" request to a Distributor, that request terminates the EBR even if the subscriber continues to do business with the Distributor.)

Prior Express Consent

A written agreement or email between a Distributor and consumer clearly stating the consumer agrees to be contacted by the Distributor regarding Herbalife Nutrition products or opportunity, including the telephone or fax number through which such contact may be made.

Telemarketing

⁴⁰ Includes computerized equipment such as:

- Predictive Dialers – which dial calls while telemarketers are talking to other customers by predicting the average time it takes for a consumer to answer the telephone and when a telemarketer will be free to take the next call.
- Preview Dialers – which provide a number to be dialed on the telemarketer's screen and, when directed by the telemarketer, dials the number for the telemarketer.

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

7.6.2 Telemarketing Requirements

Distributors are responsible for complying with all applicable laws and regulations that govern telemarketing, including any government-sponsored Do-Not-Call rules and maintained Do-Not-Call lists. This requirement applies to **live** calls made from standard telephones as well as all other forms of telemarketing.

Distributors may not contact, either by telephone or by fax, any person or entity whose number is on any government-sponsored Do-Not-Call lists. Distributors may **ONLY** contact, either by telephone or by fax, and person or entity that have provided their prior express consent to be called, that have an established business relationship with the Distributor, or that have a personal relationship with the Distributor.

Distributors engaged in telemarketing must:

- purchase and review any government-sponsored Do-Not-Call lists in any country in which they do business;
- access the registers and purge newly registered numbers from their call lists at least every 28 days;
- set up their own business account with the Do-Not-Call Registry. (Distributors will be required to provide identifying information and must use their personal or company name as Seller identification⁴¹);
- pay any fees associated with accessing a Do-Not-Call database;
- maintain their own “Do-Not-Call” lists that record the number(s) of any person or entity that requests that they not be contacted;
- maintain a written policy governing Do-Not-Call and other telemarketing requirements;
- train all personnel engaged in telephone solicitation on a Distributor’s behalf about these Rules;
- Distributors may not use any telephone number supplied by a third-party for use in telemarketing if that telephone number appears on any government-sponsored Do-Not-Call list, or if that telephone number appears on the Distributor’s own Do-Not-Call list.

Additional or other requirements may apply if a Distributor is calling within or outside of the country. It is the Distributor’s responsibility to determine the requirements of any relevant laws and regulations relating to Do-Not-Call lists and to comply with those requirements.

7.6.3 Autodialers

Distributors may not use an Autodialer in connection with an Herbalife Nutrition business, products, or opportunity.

7.6.4 Prerecorded or Artificial Voice Messages

Distributors may not use prerecorded or artificial voice messages in connection with an Herbalife Nutrition business.

7.6.5 Unsolicited Faxes

- Distributors may not use a Broadcast Fax, Blast Fax, or similar services to send fax messages.
- Distributors may send faxes only to EBRs who have provided Prior Express Consent to receive faxes from the Distributor.
- When sending faxes to EBRs, the Distributor must have obtained the fax number through:
 - The recipient’s voluntary communication or
 - From a directory, advertisement, or website to which the EBR voluntarily agreed to make the fax number Available
- All faxes must include:
 - A clear and conspicuous notice on the first page that the recipient may request the sender not to send future faxes (“Do-Not-Fax request”) and that failure to comply with the request within 30 days is unlawful.
 - A domestic contact telephone number and a fax number (for the recipient to transmit a Do-Not-Fax request).
 - At least one cost-free mechanism the recipient can use to transmit a Do-Not-Fax request to the Distributor, such as a website address, email address, or toll-free number.
- Distributors must accept and process Do-Not-Fax requests 24 hours a day, seven days a week, and all requests must be fully honored within 30 days.

⁴¹ Distributors may not identify Herbalife Nutrition as the “Seller” or “Client.”

- All faxes must include (either in the top or bottom margins on each page or on the first page of the Fax):
 - Date and time the Fax is sent;
 - Identity of the sender (which must be the Distributor's personal and where applicable company name); and
 - Telephone number of the sending fax machine and of the Distributor.

7.6.6 Government Inquiries

Distributors must immediately discontinue Telemarketing if they receive any notice from a governmental authority regarding their Telemarketing activity. Distributors must promptly report all such notices to Herbalife Nutrition.

Many Distributors utilize Healthy Lifestyle Clubs as a successful way of doing business. Healthy Lifestyle Clubs operate with the purpose of introducing and retailing Herbalife Nutrition food-based products to new and existing customers. While this section provides a brief explanation of the operation of Healthy Lifestyle Clubs, it is not intended to be a substitute for the extensive training Distributors receive as part of the Healthy Lifestyle Club program.

A Healthy Lifestyle Club ("Club") provides an informal setting for people to:

- Talk about good nutrition;
- Learn the value of regular exercise; and
- Plan strategies for achieving a healthy lifestyle.

A Club operation must follow these Rules. Herbalife Nutrition has sole and absolute discretion to determine whether a Club is in compliance with these Rules.

8.1 GENERAL RULES

8.1.1 Reviews

Distributors must cooperate with Herbalife Nutrition reviews of Club practices. Distributors accept that when Herbalife Nutrition conducts an audit of Healthy Lifestyle Clubs it may contract with third parties to assist it in such audits, for instance through the use of mystery visitors third parties.

8.1.2 Training

A Club operator must be trained by a knowledgeable upline Distributor or through local Herbalife Nutrition training events. The ultimate responsibility for training of an operator is the first upline TAB Team member.

8.1.3 Employees

A Club operator may hire employees⁴² to assist with certain tasks⁴³, as long as the employment is in compliance with the law, including minimum wage regulations and other employment laws.

8.1.4 Not Franchises

Clubs are not franchises,⁴⁴ and Distributors may not compare Clubs to franchises when promoting them as a Daily Method of Operation. Clubs are only a means of doing the core Herbalife Nutrition business of retailing products within a Club.

8.1.5 Independent Business Operations

Distributors are independent business people, and their Clubs are independent from Herbalife Nutrition. Herbalife Nutrition does not approve, endorse, authorize, guarantee or assume any obligation, responsibility or liability of a Club.

8.1.6 One Responsible Distributor

At least one Distributor must accept full responsibility for and oversee all operations of each Club.⁴⁵ If multiple Distributors share a common space to operate their Clubs, the posted information of the responsible Distributors may be alternated accordingly.

⁴² Distributors are responsible for the conduct of their employees including compliance with the Rules and the law.

⁴³ Distributors must ensure that they personally provide Distributor Difference (e.g.: engage, communicate and support customers, offer the business opportunity). Employees can only handle non-customer related tasks (e.g.: cleaning, administration). See Rules [3.1.5](#), [4.3.7](#) and [5.1.1](#).

⁴⁴ No Distributor may represent, imply, or suggest in any way, that Clubs are franchises.

⁴⁵ The responsible Distributor must post the Healthy Lifestyle Club Operator's Advisory including the Distributor's name and contact information. If absent, the Distributor must assign a Distributor (whom the Distributor personally trained) to personally oversee all Club operations.

8.1.7 Good Neighbor Policy

Club operators must be good and considerate neighbors (especially when operating out of their homes). To that end, operators must limit Club attendance and take any other steps to ensure Club meetings do not cause unreasonable noise, traffic congestion, or other forms of public nuisance.

8.1.8 Comply With the Law

As with other business activities, Distributors must comply with all laws and regulations that apply to the operation of their Club, including but not limited to business licenses, consumer protection, privacy & data protection law and tax obligations⁴⁶. In dealing with government agencies, prospective and current Club operators must be cooperative and represent their proposed or actual activities accurately.

8.1.9 No Assigned or Exclusive Territories

There are no territorial assignments or exclusive territories for Clubs: they may be opened and operated wherever legally permissible.

8.1.10 Multiple Clubs

Healthy Lifestyle Club operators may operate multiple Clubs. However, Club operators must be present during all Club sessions, except for short-term absences when attending Herbalife Nutrition sponsored meetings.

8.1.11 Required Postings

Every Club operator must post the Healthy Lifestyle Club Operator's Advisory and the Hygiene and Sanitary Practices Advisory for Healthy Lifestyle Club Operator.

The posted signs containing the Advisories must be at least 21 x 29.7 centimeters. Each Advisory itself must be in a font size no smaller than 17 points.⁴⁷ Copies of these Advisories are available on www.myherbalife.com/he-IL / www.myherbalife.com/ru-IL / www.myherbalife.com/ar-IL.

8.1.12 Good Hygiene

The provision of Herbalife Nutrition products to Club Attendees requires that Club operators practice good hygiene and maintain clean and sanitary Club premises. The following hygiene practices are required:

Food Sourcing, Handling and Preparation

- Obtain fruits, vegetables and other non-Herbalife Nutrition ingredients from reputable suppliers.
- Inspect ingredients for freshness and quality on delivery and again before use.
- Use good quality water (or boiled water) when preparing beverages served at the Club.
- Thoroughly clean and sanitize kitchen equipment before and after each use including blenders and cutting boards.
- Use disposable cups to serve beverages.

Perishable Products

- Use older, products first. Do not use the products that are past their Use By date.
- Wash fruits and vegetables prior to use.
- Store perishable products in a manner that protects them from damage, spoilage or contamination.
- Clean refrigeration units at least once a week.

Non-Perishable Products

- Use older products first. Do not use the products that are past their Use By date.
- Store Herbalife Nutrition products and non-perishable ingredients in a cool, clean, well-ventilated space.

Personal Hygiene

- Frequently wash hands and forearms with soap and warm water.
- Always wash hands and forearms in the following instances:
 - After using the restroom.
 - Before and after handling any food items.
 - After sneezing, coughing or blowing nose.
 - After smoking, eating, drinking or leaving the Club premises.
 - After touching hair or any other body part.

⁴⁶ IMPORTANT: Distributors should refer to their personal legal and tax advisers on these issues before opening a Healthy Lifestyle Club.

⁴⁷ The specific wording of the Advisories may change from time to time, but the most recent version may always be obtained by calling Member Services, or it can be downloaded from www.myherbalife.com/he-IL / www.myherbalife.com/ru-IL / www.myherbalife.com/ar-IL.

- After touching another person.
- After touching used or dirty kitchen equipment or utensils.
- Keep clothing and hair clean and neat at all times.
- Leave the Club premises immediately if feeling sick, even if the Club must close. Where possible another Distributor that has been properly trained regarding Healthy Lifestyle Club Operations, may cover in your absence to support the Club activities.

Club Premises

- Immediately clean up spills and warn guests to avoid the affected areas until cleanup is complete.
- Maintain multiple covered rubbish receptacles lined with high-quality garbage bags throughout the Club premises; remove and empty frequently.

8.2 CLUB OPERATIONS

8.2.1 Fees

A Club operator may charge Nutrition Club membership and/or consumption fees at any price the operator chooses. Tiered Nutrition Club fees for additional privileges are permitted.

The Club operator is responsible for understanding and complying with legal and tax requirements.⁴⁸

8.2.2 Club Attendance Not Mandatory

Club attendance is a personal decision for the Attendee or guest (whether or not he or she is a Distributor or Preferred Customer). Club operators must never state or imply that there is an obligation to attend.

8.2.3 Club Activities and Services

Healthy Lifestyle Clubs must offer their Attendees:

- Regular opportunities to socialize.
- Frequent informational and coaching sessions (group or one-on-one) on nutrition and weight management.

8.2.4 Attendee Referral Incentives

Club operators may offer reasonable rewards, such as free products, for the referral of new Attendees. However, Club operators are prohibited from paying cash or cash equivalent for such referrals.

8.2.5 Authorized Herbalife Nutrition Products Only

Only Herbalife Nutrition products may be provided for consumption or sale in a Club. Non-Herbalife Nutrition products may not be provided, sold or promoted on the Club premises except for ingredients used in shakes.⁴⁹

8.2.6 Product Consumption

Club operators may offer complimentary products such as shakes, teas, and Herbal Aloe beverages. Club operators may post a list of available flavors of shakes and teas, as well as any optional ingredients such as protein or fiber, but operators may not post, list, or charge individual prices for these products or ingredients.⁵⁰

In Clubs and elsewhere, Herbalife Nutrition products must always be served, consumed and applied in accordance with the instructions on the printed product labels.

8.2.7 Carry-Outs

Recognizing that social interaction is a valuable part of the Club experience, products served are intended for consumption in the Club. However, customers may carry out up to six (6) full consumptions per visit, which include a shake, tea, aloe or any other product consumed at the Healthy Lifestyle Club.

⁴⁸ If the Club operator is making a taxable sale, they may be required to collect and remit tax. Club operators must offer copies of receipts for Nutrition Club fees, product purchases and consumption item purchases to Club customers.

Refer to your personal tax advisor for questions regarding whether your Nutrition Club has an obligation to file tax returns.

⁴⁹ Only Herbalife Nutrition products authorized for sale in Israel may be used in Israel Clubs.

⁵⁰ The only permissible Club subscription charge are daily, weekly, 10 days or monthly subscription charge to cover operational costs.

8.2.8 Product Retailing

Club operators may keep product inventory on hand, and they may retail their inventory. All Herbalife Nutrition products must be sold unopened and in their original Herbalife Nutrition packaging.

Club operators may not:

- Sell as individual units or single servings products not packaged and labeled for individual sale.
- Use high-pressure sales techniques.
- State or imply that product purchases are required in order to enter, attend, or become or remain an Attendee of the Club.

8.2.9 Sampling

Products may not be given as samples unless they are labeled for distribution in single servings.

8.2.10 Inappropriate Mixtures

Club operators may not mix shakes, teas, or Herbal Aloe Beverages using alcoholic beverages, medications, or other inappropriate ingredients.

8.2.11 Product Packaging and Display

Club operators may display Herbalife Nutrition products in its original packaging, product-related literature, and promotional items, provided the displays are not visible from outside the Club.

8.2.12 Proper Disposal of Product Containers

To protect against those who might seek to counterfeit Herbalife Nutrition products, Club operators are required to deface or destroy product labels and containers before disposing of empty containers.

8.2.13 Sale of Clubs Prohibited

Transfer of Lease: A Club operator may not sell his or her Club to another Distributor. If a Club operator does not wish to continue operating his or her Club, it is permissible to transfer the Club's lease to another Distributor. Before another Distributor can enter into the lease, the Distributor must have been an Herbalife Nutrition Distributor for at least 90 days and completed the Registration process in place at that time. The Club operator may then transfer the lease without a charge of any kind, other than the assumption of the rent obligation to the landlord. Once the lease is transferred, the Transferee must complete the Healthy Lifestyle Club Registration Process.

Sale of Items Used in the Club: The Club operator may sell the furniture, fixtures and equipment used in the operation of the Club to the Transferee if he or she wishes to purchase them. The purchase price for the tenant improvements, furniture, fixtures and equipment may not exceed the depreciated cost of these items.

8.3 MARKETING, PROMOTION AND ADVERTISING

8.3.1 Claims and Representations

Club Attendees may share their experiences. However, all claims, representations, product and personal stories must comply with the law and Rules.

8.3.2 Offering Nutritional Advice to Attendees and Guests

Club operators may offer the general health, wellness, and nutritional information consistent with product labels and Materials. This includes guidance about the products, usage, and key benefits. Operators may also provide appropriate product, personal and weight-management stories, orally and in writing (accompanied by Herbalife Nutrition's required disclaimers).

Club operators may not state or imply that using the products will diagnose, treat, prevent, or cure any disease or medical condition, and all information given to Club Attendees and guests should be consistent with the information provided on Herbalife Nutrition product labels and Materials.

8.3.3 Club Advertising and Promotion

Because personal interaction supports direct selling, Clubs are not intended to attract "walk-in" traffic. For that reason, advertising and promotion to the general public are limited to:

- Promoting services provided at the Club, such as Weight Loss Challenges, Wellness Evaluations, or wellness presentations;
- Providing the name of the Club⁵¹ and Club operator; and
- Providing the Club phone number and the Club operator's email address.

The address and hours of a Club may not be included on the advertisement. This information may only be communicated to those who have had prior personal contact with the Club operator.

In order to preserve the one on one aspect of the direct selling and to protect relationships established with customers, the above applies online and offline communications.

If functionality allows private communications, Members may share and include additional details, (e.g. Club address) otherwise, Club address cannot be disclosed to the general public.

8.3.4 Personal Club Invitations

Consistent with the fundamentals of direct selling, Distributors may extend Club invitations during a conversation or send written (including email) invitations following a conversation.

Club invitations may include:

- The name of the Club and Club operator;
- Phone number;
- The Club address;
- The Club operator's email address;
- The Club hours; and
- Any other content permitted under the Rules.

Distributors must not send written (including email) invitations without prior written/recorded consent of the recipient to receive marketing communication.

8.3.5 Social Media Disclosure

Healthy Lifestyle Clubs must be registered (as required), prior to creating a social media page (e.g. Instagram, Facebook, etc.). See [Rules 8.4.1 Registration Process](#) and [6.3.2 Distributor Advertisement and Promotion Materials](#).

The address of a Healthy Lifestyle Club may be disclosed on social media, as follows:

- On posts
- On the Distributor page, or the Healthy Lifestyle Club Facebook page
- By customer check-in, upon visiting a Healthy Lifestyle Club page
- By creating a "Places" page or listing on Facebook, Instagram and Google.

8.3.6 Residential Healthy Lifestyle Club Signage Prohibited

Clubs operating from residential locations may not use exterior signage of any kind. For non-residential Club signage Rules, see Rule [8.4.3](#).

8.4 NON-RESIDENTIAL HEALTHY LIFESTYLE CLUBS

8.4.1 Registration Process

Before signing a lease or opening a Club in a non-residential location a Distributor must:

- Be an Herbalife Nutrition Independent Distributor for at least 90 days.
- Complete the process required by Herbalife Nutrition at that time for site location, proposed plaque, and other matters.
- Submit the Club "Registration Form"⁵² or register the Club online at www.myherbalife.com/he-IL / www.myherbalife.com/ru-IL / www.myherbalife.com/ar-IL.

Distributors must maintain compliance with local rules, laws and regulations.

⁵¹ The Club name may not use Healthy Lifestyle Club or other Herbalife Nutrition Intellectual Property. See [Rule 8.4.3](#) and [Section 6.2](#).

⁵² The Registration Form is available at www.myherbalife.com/he-IL / www.myherbalife.com/ru-IL / www.myherbalife.com/ar-IL or from Member Services.

8.4.2 Not Retail/Service Establishments

Retail Establishments: Clubs may not operate on the premises of retail establishments. Retail establishments are defined as fixed locations whose primary activity is the on-site sale or delivery of goods to consumers.

Service Establishments: Clubs may not operate on the premises of service establishments whose primary purpose is to provide prepared foods (such as, but not limited to, restaurants, cafés, ice cream shops, etc.). However, it is permissible to operate within service establishments such as beauty salons, barber shops, gyms, and health clubs, provided that the Club activities and all signage are restricted to an enclosed room and not visible to passersby or to the public frequenting the service establishment, and are not opened to a street/avenue, gallery, mall or commercial retail areas.

8.4.3 Signage Restrictions

A Healthy Lifestyle Club may not have any type of signage on the exterior of their location, or surrounding the premises which identify the Club. However a small plaque adjacent to the door of the club simply identifying the Distributor and/or name of the club is permissible under the following conditions:

- The design and content of the proposed plaque must not be perceived as a store, restaurant, franchise or similar operation, or other retail location, and does not invite passers-by to purchase product.
- The plaque may be no larger than 210 x 297 mm (A4)
- No two Clubs operating from non-residential locations may have identical or substantially similar names or plaques within a 160-KM radius.⁵³
- Plaques may not use repetitive names with numbers (e.g., Rockin' Wellness #3, Rockin' Wellness #4).
- Plaques may not identify, imply, or signal that the occupant is an Herbalife Nutrition Independent Distributor (or otherwise indicate an Herbalife Nutrition business).
- Plaques may not advertise services offered as part of a Club (for example Wellness Evaluation, etc.).
- Plaques may not state or suggest Herbalife Nutrition products are available for purchase on the premises.
- Plaques may not use Herbalife Nutrition Intellectual Property, product names or brands, the word "shake," or any other words that imply or signal that Herbalife Nutrition products are available at that location, such as:
 - Healthy Lifestyle Club
 - Herbalife
 - Herbalife Nutrition
 - L.A. Live
 - Mark Hughes
 - Liftoff®
 - Skin Activator® or any other.
- The following terms and any similar terms are acceptable:
 - Club
 - Center
- The following terms, and any similar terms, are not acceptable:
 - Café
 - Restaurant
 - Bar
 - Mart
 - Store
 - Shop
- Signs that depict "Open/Closed" may not be visible from the exterior.

The following are a few examples of plaque do's and don'ts:

Do's	Don'ts
"Angela's Wellness Center"	"Angela's Shake Café"
"Healthy Star Club"	"Healthy Nutrition Bar"
"The Feel Good Zone"	"Herbalife Nutrition Weight-Loss Shop"

Provided that the Club operator adheres to the above specified points, the use of the following terms and any similar terms are acceptable: "club," "center," or "meeting"; Club operators may also use their business name or the name of the individual or group.

⁵³ This would include anything visible from the exterior that might suggest that the location is a franchise.

8.4.4 Healthy Lifestyle Club Exterior

Clubs are not retail establishments, cafés, restaurants or takeout establishments. To avoid any misconceptions by passers-by, Clubs may not have outdoor tables, chairs, or other seating.

The doors and windows of non-residential Clubs must be covered. Alternatively, the doors and windows may be partially covered, meaning that the top portion of the window/door may be left uncovered, as long as, it's positioned in a way that the interior of the Club and activities are not visible to people outside of the Club.

The covering must be frosted or opaque, and either must be plain and unbranded or optionally the covering may contain text, graphics, color schemes, or pictures/images under the following conditions.

Door and Window Coverings may not:

- Display any Herbalife Nutrition branding (names, logos, products, etc.) or use Herbalife Nutrition Intellectual Property.
- Feature "Before & After" photographs or comparative pictures.
- Display the word "shake," pictures of shakes or any other product (even if unbranded).
- State, imply or suggest (even without words) that Herbalife Nutrition products are available for purchase inside or that the occupant has an Herbalife Nutrition business.
- Indicate the services offered through the Club (for example, "Weight Loss Challenge").
- No two Clubs operating from non-residential locations from the same organization may have identical or substantially similar coverings.

- The following are also not allowed on the Club's exterior:
 - Credit card merchant decals or signs.
 - Pictures of shakes, blenders, food or food products.
 - Telephone numbers.
 - Website references such as ".com," "www," ".net,".
 - Logos, taglines or slogans. (A tagline is a descriptive term used in conjunction with the name of a Club.)

Club Operators have to submit to Herbalife Nutrition for review the proposed windows and door covering ideas prior the Club's opening date to avoid premature expenditures that may not be compliant with Herbalife Nutrition's *Rules of Conduct*

8.4.5 Cash Registers

Because Clubs are not retail establishments, cash registers, cash boxes, and the like may not be visible to Club Attendees.

8.4.6 Leasing, Renting or Sharing Club Locations

Club operators may lease, rent, or otherwise charge for Clubs located in non-residential locations which they make available to or share with Distributors of their downline organization. However, the fees derived may not exceed a 5% net profit to the offering Distributor, and the offering Distributor may not solicit or promote these locations to Distributors in other organizations.

8.4.7 Walk-In Traffic

A "walk-in prospect" is a person who visits a Healthy Lifestyle Club for the first time without a personal invitation and without having had any direct contact with or a referral from the operator of the Club or an existing Club Attendee.

Healthy Lifestyle Club operators may sign up a walk-in prospect as an Attendee, but if the prospect cannot or will not sign up as an Attendee, the operator is then limited to:

- Offering the prospect a complimentary shake, tea, and Herbal Aloe Beverages as samples.
- Explaining the Healthy Lifestyle Club concept of socialization, product consumption, and wellness information among Club Attendees.
- Providing free samples of prepared products to encourage walk-ins to return and become Club Attendees.

The Rules protect the Herbalife Nutrition opportunity and brand. Violations can adversely influence the opinion of regulators, the media and the public about Herbalife Nutrition, 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 Nutrition in order to protect the goodwill and reputation of Herbalife Nutrition and its Distributors. Herbalife Nutrition 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.⁵⁴

9.1 COMPLAINT PROCEDURE

Distributors should report suspected violations on an Official Complaint Form.⁵⁵ Required information includes the nature of the complaint and the factual details that support the allegations.⁵⁶ The Official Complaint Form must be signed and include the reporting Distributor's Herbalife Nutrition ID number.

9.1.1 Inquiry

If Herbalife Nutrition determines in its sole and absolute discretion there is sufficient information to support the allegation, an Herbalife Nutrition 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 Nutrition 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 Nutrition sponsored Training Seminars or other meetings.
- Qualifications that may be in progress.
- The right to represent oneself as an Herbalife Nutrition Distributor.

Herbalife Nutrition reserves the right to publish the violating Distributor's name, violation, and penalty.

9.1.2 Sanctions

Violations of the Rules may result in legal or regulatory challenges for Herbalife Nutrition and endanger the business for all Distributors. For this reason, penalties may be substantial. Herbalife Nutrition 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 Nutrition's legal fees.
- Prohibition from attending or speaking at Herbalife Nutrition 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 adjustment; and/or
- Termination of Distributorship (see "[Termination or Deletion of a Distributorship](#)" below).

9.1.3 Requests for Reconsideration (unrelated to Terminations)

Distributors may submit a request for Herbalife Nutrition's reconsideration of a decision within 15 days of the date of the decision. When requesting reconsideration, the Distributor may submit additional information they

⁵⁴ Herbalife Nutrition's enforcement of the Rules shall not create liability to pay compensation for loss of profits, goodwill or any consequential damages.

⁵⁵ The Form can be obtained through Member Services or by accessing www.myherbalife.com/he-IL / www.myherbalife.com/ru-IL / www.myherbalife.com/ar-IL.

⁵⁶ Factual details include names, addresses, and telephone numbers of persons involved as well as dates, times, places, etc.

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 Nutrition reserves the right to consider evidence submitted beyond the 15-day period in its sole and absolute discretion.

9.1.4 Termination of a Distributorship

Herbalife Nutrition may, in its sole and absolute discretion, terminate a Distributorship if a Distributor violates the Rules.⁵⁷

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

A terminated Distributor⁵⁸ may no longer

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

9.1.5 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 Nutrition 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.

⁵⁷ Termination means the complete cancellation of a Distributorship and revocation of the Distributor's right to conduct the Herbalife Nutrition business. This includes cancellation of the Distributor's right to receive any further income from the Distributorship.

⁵⁸ These prohibitions also apply to Distributors who resign or otherwise leave the Herbalife Nutrition business while under an inquiry for possible Rule violations.

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

10.1 DAMAGES

To the fullest extent allowed by applicable law, neither Herbalife Nutrition 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, profits or revenues, under any legal or equitable theory, regardless of whether the possibility of such damages is known by either party.

10.1.1 Waiver and Delay

Herbalife Nutrition 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 Nutrition to exercise any right, power or option under the Agreement shall constitute a waiver of the provisions or a waiver by Herbalife Nutrition of its rights at any time under the Agreement.

10.1.2 Severability

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

10.1.3 Choice of Law and Forum

Any dispute arising from the relationship between Herbalife Nutrition and Distributors, shall be governed by the laws of Jerusalem, Israel 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 Israel.

10.1.4 Indemnification

Distributor will indemnify, defend, and hold Herbalife Nutrition 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 Nutrition business. Herbalife Nutrition may, among other things, offset amounts it owes to Distributor to satisfy any obligations arising under this indemnity.

10.1.5 Claims Between Distributors

Herbalife Nutrition 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.

Unless otherwise indicated, Herbalife Nutrition 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.herbalife.co.il/privacy-policy/>

Because of the unique nature of multi-level marketing, Distributors may receive Personal Information about others directly from Herbalife Nutrition, such as information regarding other Distributors and Preferred Customers in a Distributor’s downline, or Customers or referrals who express interest in Herbalife Nutrition 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 Nutrition 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 Nutrition 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 Nutrition shares information with Distributors is through Lineage Reports. These reports contain information regarding other Distributors and Preferred Customers within a Distributor’ downline, such as their name and contact information, their Herbalife Nutrition 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 Nutrition businesses. Lineage Reports, including all Personal Information and other data contained therein, constitute confidential, proprietary trade secrets of Herbalife Nutrition. Distributors may not collect, distribute or gather confidential information or personal or aggregate information about other Herbalife Nutrition Distributors, their Customers or the Preferred Customers, except in connection with their downlines and solely for the purposes of promoting their Herbalife Nutrition 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, or when they collect information from Customers in connection with Wellness Evaluations or contests, such as Sweepstakes, Weight Loss Challenges, and Body Transformation Challenges. 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 Nutrition or otherwise) in connection with the Distributor’s Herbalife Nutrition business. In the event a Distributor collects Personal Information and/or shares Personal Information it collects with Herbalife Nutrition, 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.

Chapter 12 Definitions

Applicant: An individual applying to become an Herbalife Nutrition Independent Distributor.

Application: Herbalife Nutrition Distributorship Application and Agreement.

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.

Autodialer: Equipment that dials telephone numbers automatically, including any computerized equipment that performs the dialing function whether or not the machine is pre-programmed with a list of numbers or dials numbers on a random basis.

Broadcast Fax or Blast Fax: Sending a fax to recipients who have not requested the fax, including equipment that can send multiple faxes to multiple recipients.

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

Club: Healthy Lifestyle Club.

Customer: Preferred Customers or retail customers.

Do-Not-Email List ("DNE list"): A list produced and maintained by a Distributor to track and honor all opt-out email requests.

Earnings Claims: Any statement regarding a Distributor's actual or potential income.

Established Business Relationship (EBR): A prior relationship between a Distributor and a telephone subscriber based (1) on the subscriber's purchase or transaction within 18 months immediately preceding the date of the telephone call if the relationship has not previously been terminated or (2) inquiry about products or services within three months immediately preceding the telephone call, if the relationship has not previously been terminated. If the subscriber makes a "Do-Not-Call" request to a Distributor, that request terminates the EBR even if the subscriber continues to do business with the Distributor.

Fee: Annual Distributorship Services Fee.

Former Participant: A former Distributor, Preferred Customer, spouse, Life Partner, or anyone else who participated in a Distributorship.

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

HDP: Herbalife Nutrition Distributor Pack.

Leads: Includes prospects for Herbalife Nutrition products or the Herbalife Nutrition opportunity, as well as leads-related advertising, advertising slots, or decision packs.

Life Partner: A person designated by an Herbalife Nutrition Distributor as their Life Partner on the "Add Life Partner Request Form".

Lifestyle Claims: A form of Earnings Claim.

Materials: Herbalife Nutrition produced literature and sales aids.

Member Services: Herbalife Nutrition Member Services Department which may be reached at (972) 03-9431155.

MLM: Multilevel Marketing.

Period of Inactivity: A waiting period where Former Participant may not participate in the Herbalife Nutrition business in any way prior to changing Sponsors.

See Rule [2.1.9](#) Period of Inactivity for more information.

Preferred Customer: A Preferred Customer is entitled to purchase Herbalife Nutrition product directly from Herbalife Nutrition at a discount. A Preferred Customer is not allowed to (1) sell Herbalife Nutrition product or

services; (2) recruit or sponsor others to be Herbalife Nutrition Independent Distributors or Preferred Customers; or (3) be entitled to receive compensation of any kind under the Herbalife Nutrition [Sales & Marketing Plan](#).

Prior Express Consent: A written agreement or email between a Distributor and consumer clearly stating the consumer agrees to be contacted by the Distributor regarding the Herbalife Nutrition products or opportunity, including the telephone or fax number through which such contact may be made.

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: The Herbalife Nutrition Rules of Conduct and all other rules, policies and advisories that Herbalife Nutrition issues or, in the future, may issue from time to time.

Sales & Marketing Plan: The Herbalife Nutrition [Sales & Marketing Plan](#).

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

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, autodialer, pre-recorded or artificial voice recording, or like device.

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.