



# Sales & Marketing Plan and Business Rules

**Herbalife**<sup>®</sup>  
Live your best life

## Introduction

The Herbalife Sales & Marketing Plan offers you unique opportunities which can lead to various levels of success; the plan was developed by Herbalife Founder and First Distributor, Mark Hughes (1956-2000). The result is arguably the best Sales & Marketing Plan in the industry. The Herbalife Sales & Marketing Plan pays a high percentage of product revenues to Distributors in the form of Retail and Wholesale Profits, Royalty and bonus income and incentives. This tested, proven business plan is designed to maximize rewards for effort and provide substantial and ongoing income.

The Herbalife business opportunity and the Sales & Marketing Plan are identical for every Distributor.

Each Distributor's success is dependent on two primary factors:

- The time, effort and commitment put into the Herbalife business and
- The product sales made by a Distributor and their downline organization.

These two factors raise the importance of a Distributor's responsibility to train, support and motivate their downline organization.

The following pages describe the different levels of the Herbalife Sales & Marketing Plan. Each level has specific qualifications and associated benefits to reward Distributors for their efforts and enhance their success.

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## **Becoming a Distributor – The Important First Step**

The only required purchase in order to become an Herbalife Independent Distributor is the International Business Pack (IBP)/Digital Starter Kit. Each IBP/Digital Starter Kit contains the Herbalife Independent Distributorship Application and Agreement, which you must complete and submit in order to receive an Herbalife Identification Number and purchase products.

## **Registration**

You officially become an Herbalife Independent Distributor when your properly completed Application has been processed and accepted by Herbalife of Canada Ltd. The quickest and easiest method of completing your registration is online at [MyHerbalife.com/en-ca](http://MyHerbalife.com/en-ca). You may also mail your Application; however, this process might take a few days. Once your Application has been accepted, your contract with Herbalife becomes effective immediately, giving you all the rights, responsibilities, and privileges of an Herbalife Independent Distributor.

## **Customers and Downline Distributors**

There are two types of customers:

- **Preferred Customer:** Anyone who submitted a Preferred Customership Application and Agreement and is entitled to purchase Herbalife<sup>®-MD</sup> products for their household's personal consumption at a discount directly from the Company.
- **Retail Customer:** Anyone who is not an Herbalife Independent Distributor or Preferred Customer who purchases Herbalife<sup>®-MD</sup> products from a Distributor.

Retail Customers and Preferred Customers may not sell products, recruit, or Sponsor others, or receive compensation under the Sales & Marketing Plan.

A Preferred Customer may introduce and refer friends and family to also become Preferred Customers. These will be known as Referrals.

**A Downline Distributor** is anyone who you introduced to the business opportunity and who has submitted a Distributorship Application and Agreement, you become their Sponsor, and they become your downline.

## **Downline Levels**

Your First-Level Downline are those Distributors you personally sponsored and Preferred Customers you personally enrolled. When Distributors in your First-Level sponsor other Distributors, those new Distributors become your Second Level. When your Second Level, in turn, sponsors others, those they sponsor become the Third Level in your Herbalife organization.

Every Distributor starts at the same place on the Herbalife Sales & Marketing Plan and each level has specific qualifications, income opportunities and associated benefits to reward Distributors for their sales.

## **Annual Distributorship Services Fee**

Each year on the anniversary date of your original Agreement with Herbalife, you will be required to pay an Annual Services Fee.

Herbalife tries to remind Distributors by electronic mail of the deadline for payment. However, the Distributor is responsible for paying the fee on time.

If the fee is not paid by your due date, it will result in the following:

- **Distributor (Non-Supervisor):**  
The Herbalife Independent Distributorship will become deactivated and you will no longer be able to purchase Herbalife<sup>®-MD</sup> products at a discount, nor will you be able to refer or sponsor new Preferred Customers or downline Distributors. Any existing Preferred Customers or downline Distributors will be permanently moved to your first upline Sponsor. This also applies to your Preferred Customers.



- **Supervisor and Above:**

The Herbalife Independent Distributorship will remain active; however, as a Supervisor, you will be unable to purchase Herbalife<sup>®-MD</sup> products until the Annual Distributorship Services Fee is paid and current. If the fee remains unpaid, this may result in your Distributorship becoming deactivated and any existing downline Distributors or Preferred Customers will be permanently moved to your first upline Sponsor.

### **Income Opportunities**

The Herbalife Sales & Marketing Plan provides many opportunities to earn income and other rewards.

#### **Immediate Retail Profit**

The amount of profit that a Distributor earns on a retail sale.

- Retail Profit is the difference between the price at which the Distributor sells the product to the Retail Customer and the Distributor Price
- Selling Price minus Distributor Price = Retail Profit

#### **Wholesale Profit (also known as Commissions)**

When a Distributor qualifies for a higher Discount Percentage than a Preferred Customer or a Distributor in their downline, then the Upline Distributor may earn a Wholesale Profit.

- Wholesale Profit is equal to Earn Base value of the product multiplied by the difference between the Upline Discount Percentage and the Downline Discount Percentage
- Earn Base x (Upline Discount Percentage minus Downline's Discount Percentage) = Wholesale Profit

#### **Monthly Royalty Override Income**

As a Supervisor, you can earn up to 5% on the Earn Base value of the sales from your three active levels of downline Supervisors.

#### **Monthly Production Bonus**

TAB Team can earn an extra 2% to 7% Production Bonus.

#### **Mark Hughes Leadership Bonus**

A bonus that eligible President's Team members and above may qualify to earn in recognition of outstanding performance.

No feature of the Marketing Plan (including Daily Wholesale Profit, Commission, participation as a Success Builder or as a Qualifying Supervisor, or achieving Matching Volume, Group Sales Volume, Personal Sales Volume, Personal Volume or Downline Volume) constitutes a personal purchase requirement to become a Distributor, move up in rank in or otherwise fully participate in the Sales & Marketing Plan. No product purchase is required of anyone at any time to fully participate as a Distributor. The Sales & Marketing Plan is built on retail sales to customers. Herbalife recognizes that Distributors may wish to purchase product either for resale or, in reasonable amounts, for personal or family use. Pursuant to Herbalife's Rules of the Road, the purchase of products primarily as an attempt to qualify for advancement in the Sales & Marketing Plan is not permitted.

Distributors are prohibited from (1) buying excessive inventory or encouraging others to do so, and (2) representing that there is any obligation to personally purchase products, literature, or sales aids to join, move up in rank or earn commissions and bonuses under the Sales & Marketing Plan.

The term "Royalty Override" was formerly known as "Volume Rebate."

## STEPS TO SUCCESS

<p><b>Distributor</b></p> 	<p><b>Senior Consultant</b></p>  <p>500 Volume Points or more accumulated in one to two months</p>	<p><b>Success Builder</b></p>  <p>1,000 Personally Purchased Volume Points PPV<sup>†</sup>, or more in one month*</p>	<p><b>Qualified Producer</b></p>  <p>2,500 Volume Points accumulated in one to six months of which a minimum 500 Volume Points is PPV<sup>†</sup>, all orders must be purchased directly through Herbalife*</p>	<p><b>Supervisor</b></p>  <p>4,000 Volume Points (VP) in one month or 4,000 accumulated over two consecutive months (with a minimum of 1,000 of those VP Unencumbered) or 4,000 accumulated VP within 12 months of which a minimum 1,000 PPV<sup>†</sup></p>	<p><b>World Team</b></p>  <p>2,500 Volume Points (VP) in each of four consecutive months or 10,000 VP at 50% in one month or 500 Royalty Override Points in one month</p>
<p><b>Global Expansion Team</b></p>  <p>1,000 Royalty Override Points in three consecutive months</p>	<p><b>Millionaire Team</b></p>  <p>4,000 Royalty Override Points in three consecutive months</p>	<p><b>President's Team</b></p>  <p>10,000 Royalty Override Points in three consecutive months</p>	<p><b>President's Team 15K</b></p>  <p><b>Gold &amp; Diamond Cufflinks &amp; Earrings</b> 15,000 Royalty Override Points in three consecutive months</p>	<p><b>President's Team 20K</b></p>  <p>20,000 Royalty Override Points in three consecutive months</p>	<p><b>President's Team 30K</b></p>  <p>30,000 Royalty Override Points in three consecutive months</p>
<p><b>President's Team 40K</b></p>  <p>Herbalife Branded Movado Watches<sup>††</sup> 40,000 Royalty Override Points in three consecutive months</p>	<p><b>President's Team 50K</b></p>  <p>50,000 Royalty Override Points in three consecutive months</p>	<p><b>President's Team 60K</b></p>  <p>White Gold and Diamond Necklace and Cufflinks 60,000 Royalty Override Points in three consecutive months</p>	<p><b>President's Team 70K</b></p>  <p>White Gold and Diamond Signet Rings 70,000 Royalty Override Points in three consecutive months</p>	<p><b>President's Team 80K</b></p>  <p>White Gold and Diamond Ring and Earrings 80,000 Royalty Override Points in three consecutive months</p>	<p><b>President's Team 90K</b></p>  <p>Piaget Herbalife branded Diamond Watch<sup>†</sup> and White Gold Diamond Logo Bracelet 90,000 Royalty Override Points in three consecutive months</p>

\*It is not necessary to become a Senior Consultant, Success Builder or Qualified Producer before qualifying as Supervisor. For complete qualification details, refer to your IBP/Digital Starter Kit.

<sup>†</sup> Volume accumulated by your personally enrolled Preferred Customers will contribute to your Personally Purchased Volume (PPV) requirement.

<sup>††</sup> Actual watch model may vary based on availability at time of qualification.

## PRESIDENT'S TEAM PLUS AWARDS AND RECOGNITION

<p><b>1 Diamond</b></p>  <p>Executive President's Team</p> <p>One first line, Fully Qualified President's Team member* in any line of your organization</p>	<p><b>2 Diamond</b></p>  <p>Senior Executive President's Team</p> <p>Two first line, Fully Qualified President's Team members* in two separate lines of your downline organization</p>	<p><b>3 Diamond</b></p>  <p>International Executive President's Team</p> <p>Three first line, Fully Qualified President's Team members* in three separate lines of your downline organization</p>	<p><b>4 Diamond</b></p>  <p>Chief Executive President's Team</p> <p>Four first line, Fully Qualified President's Team members* in four separate lines of your downline organization</p>	<p><b>5 Diamond</b></p>  <p>Chairman's Club</p> <p>Five first line, Fully Qualified President's Team members* in five separate lines of your downline organization</p>
<p><b>6 Diamond</b></p>  <p>Chairman's Club</p> <p>Six first line, Fully Qualified President's Team members* in six separate lines of your downline organization</p>	<p><b>7 Diamond</b></p>  <p>Chairman's Club</p> <p>Seven first line, Fully Qualified President's Team members* in seven separate lines of your downline organization</p>	<p><b>8 Diamond</b></p>  <p>Chairman's Club</p> <p>Eight first line, Fully Qualified President's Team members* in eight separate lines of your downline organization</p>	<p><b>9 Diamond</b></p>  <p>Chairman's Club</p> <p>Nine first line, Fully Qualified President's Team members* in nine separate lines of your downline organization</p>	<p><b>10 Diamond</b></p>  <p>Founder's Circle</p> <p>Ten first line, Fully Qualified President's Team members* in ten separate lines of your downline organization</p>
<p><b>Baume &amp; Mercier Watches†</b></p>  <p>250,000 Royalty Override Points in 12 consecutive months (calendar year)</p>	<p><b>Gold and Diamond Marquise Rings</b></p>  <p>500,000 Royalty Override Points in 12 consecutive months (calendar year)</p>	<p><b>Piaget Gold and Diamond Watches†</b></p>  <p>750,000 Royalty Override Points in 12 consecutive months (calendar year)</p>	<p><b>Piaget Diamond Watches†</b></p>  <p>1,000,000 Royalty Override Points in 12 consecutive months (calendar year)</p>	

\*For complete qualification details, refer to your IBP/Digital Starter Kit.

†Actual watch model may vary based on availability at time of qualification.

## ACHIEVEMENT AWARDS AND ANNIVERSARY PINS

### 1 Million Lifetime Achievement Award



1 Million Volume Points

Lifetime Achievement Awards are given to Distributors who have achieved 1 million Volume Points or more during their Herbalife career\*

### 2 Million Lifetime Achievement Award



2 Million Volume Points

Lifetime Achievement Awards are given to Distributors who have achieved 2 million Volume Points or more during their Herbalife career\*

### 3 Million Lifetime Achievement Award



3 Million Volume Points

Lifetime Achievement Awards are given to Distributors who have achieved 3 million Volume Points or more during their Herbalife career\*

### 4 Million Lifetime Achievement Award



4 Million Volume Points

Lifetime Achievement Awards are given to Distributors who have achieved 4 million Volume Points or more during their Herbalife career\*

### 1-Year Anniversary



1-year anniversary packages are awarded to Distributors in recognition of their contributions and longevity with Herbalife

### 3-Year Anniversary



3-year anniversary packages are awarded to Distributors in recognition of their contributions and longevity with Herbalife

### 5-Year Anniversary



5-year anniversary packages are awarded to Distributors in recognition of their contributions and longevity with Herbalife

### 7-Year Anniversary



7-year anniversary packages are awarded to Distributors in recognition of their contributions and longevity with Herbalife

### 10-Year Anniversary



10-year anniversary packages are awarded to Distributors in recognition of their contributions and longevity with Herbalife

### 15-Year Anniversary



15-year anniversary packages are awarded to Distributors in recognition of their contributions and longevity with Herbalife

### 20-Year Anniversary



20-year anniversary packages are awarded to Distributors in recognition of their contributions and longevity with Herbalife

### 25-Year Anniversary



25-year anniversary packages are awarded to Distributors in recognition of their contributions and longevity with Herbalife

### 30-Year Anniversary



30-year anniversary packages are awarded to Distributors in recognition of their contributions and longevity with Herbalife

\*For complete qualification details, refer to your IBP/Digital Starter Kit.



## Understanding Volume

Throughout this manual, we use the term volume extensively. Volume is a key element in the Sales & Marketing Plan and is the basis for qualifying and working your way to higher levels.

Each Herbalife<sup>®-MD</sup> product has a Volume Point value ("Volume"); (see order forms and price lists for exact information). Official International Business Packs (IBP)/Digital Starter Kit, literature items and sales tools do not count as volume. As you sell products, you accumulate Volume Points that are applicable to the products ordered. These accumulated Volume Points become your sales production and are used for purposes of qualifications and benefits.

Volume is assigned to you in various ways depending on who purchased the product, their status and discount, your own status and other factors of the Herbalife Sales & Marketing Plan. Volume is calculated on the accumulated Volume Point value of products ordered in a Volume Month.

### Explanation of Volume Month

#### Definition of Volume Month

Sales Volume is assigned to and accumulated by a Supervisor on a Volume Month basis. The Volume Month begins on the first business day of the month and ends on the last business day of the month. If the last day falls on a weekend, the Volume Month will be extended to Monday. Likewise, if the last day of the month is considered a holiday, the month may be extended to the first business day after the holiday. Herbalife reserves the right to modify the Volume Month as it deems appropriate.

#### Determination of Volume Month

Volume is assigned to the Volume Month in which the order is both placed and full payment is received by Herbalife.

#### Add-On Sales Volume

The following conditions must be met for an order to be accepted as Add-On Sales volume:

1. Order must be placed no later than the designated last order day of a Volume Month.
2. Full payment must be made, or initiated, on the same last order day of the month. For example, if payment is mailed, the postmark must be stamped the designated last order day of a Volume Month. If the payment is a wire transfer, direct deposit or other bank transaction, then it must be initiated on the last order day of a Volume Month.
3. Full payment must be received by Herbalife no later than the fifth day of the following month. If the fifth of the month falls on a weekend or a holiday, then the payment must be received by the last business day before the fifth.

If for any reason a payment is not accepted or received, then the order will be canceled and the volume will not be applied.

There are a number of ways volume is assigned in the Herbalife Sales & Marketing Plan. The following definitions and examples illustrate these:

#### Personally Purchased Sales Volume (PPV)

Personally Purchased Sales Volume is the volume on orders purchased directly from Herbalife using your Herbalife Identification Number.

This does not constitute a personal purchase requirement. See important note on page 2 for explanation.

#### Downline Sales Volume (DLV)

Downline Sales Volume is achieved on orders placed by your Preferred Customers and non-Supervisor downline directly from Herbalife.



Downline Sales Volume Example		
	Purchases/Discounts %	Downline Sales Volume
<b>A Supervisor</b>	2,500 Volume Points @ 50% Discount	*
<b>B Senior Consultant</b>	500 Volume Points @ 35% Discount	900 Volume Points (C&D's Volume)
<b>C Senior Consultant</b>	500 Volume Points @ 35% Discount	400 Volume Points (D's Volume)
<b>D Distributor</b>	400 Volume Points @ 25% Discount	0

\*For Fully Qualified Supervisors, Downline Sales Volume is counted toward Personal Sales Volume or Group Sales Volume.

### Personal Sales Volume (PV)

As a Fully Qualified Supervisor, Personal Sales Volume is the volume achieved from your own purchases and purchases made by your Preferred Customers, and non-Supervisor downline, down to your first Fully Qualified Supervisor.

As a non-Supervisor Distributor, you may purchase directly from Herbalife, from your Sponsor or your first upline Fully Qualified Supervisor. Please note that purchases made from your Sponsor or first upline Fully Qualified Supervisor may not be used for Supervisor Qualifications, only orders placed with the Company count toward these levels.

Therefore, if you are a Fully Qualified Supervisor, all of your own orders purchased at 50% – as well as all sales orders purchased by your Preferred Customers and Distributors, at 15% to 42% discount – count as your Personal Sales Volume.\*

\*This does not constitute a personal purchase requirement. See important note on page 2 for explanation.

Personal Sales Volume Example		
	Purchases/Discounts %	Personal Sales Volume
<b>A Supervisor</b>	1,000 Personal Volume Points + B, C & D's Volume	= 2,800 Personal Sales Volume
<b>B Qualified Producer</b>	1,100 Volume Points + C & D's Volume @ 42% Discount	= 1,800 Personal Sales Volume
<b>C Senior Consultant</b>	300 Volume Points + D's Volume @35% Discount	= 700 Personal Sales Volume (D's Volume)
<b>D Distributor</b>	400 Volume Points @ 25% Discount	= 0

### Group Sales Volume (GV)

Group Sales Volume is the volume on orders purchased at a temporary 50% discount by Qualifying Supervisor(s) during the qualifying month.

This Temporary 50% Sales Volume is accumulated as Personal Sales Volume for the Qualifying Supervisor who orders it and is purchasing, and it is Group Sales Volume for the first upline Fully Qualified Supervisor. As a Fully Qualified Supervisor you will earn Royalty Overrides on Group Sales Volume if all other Royalty Override requirements are met. (Refer to the "Qualifying as a Supervisor" and "Temporary 50%" sections of this book for complete details.)



Group Sales Volume Example		
	Purchases/Discounts %	Personal Sales Volume
<b>A Supervisor</b>	2,500 Volume Points + B & C's Volume	6,500 Personal Sales Volume 1,000 Group Sales Volume  = 7,500 Total Volume
<b>B Qualifying Supervisor</b>	1,000 Volume Points @ Temporary 50% Discount + C's Volume	= 5,000 Personal Sales Volume
<b>C Distributor</b>	4,000 Accumulated Volume Points	= 4,000 Personal Sales Volume

### Total Sales Volume (TV)

Total Sales Volume is the combined total of a Supervisor's Personal Sales Volume plus Group Sales Volume. (See "Group Sales Volume Example" for Supervisor A's Total Volume.) Total Volume is the factor on which some qualifications are based.

### Organizational Sales Volume (OV)

Organizational Sales Volume is the accumulated Sales Volume amount on which a Supervisor earns Royalty Overrides. (See the "Organizational Sales Volume Example" that follows.)

Organizational Sales Volume Example		
<b>A Supervisor</b>	2,500 Volume Points	
<b>1st Level Supervisor</b>	10,000 Total Volume Points	= 30,000 Organization Sales Volume
<b>2nd Level Supervisor</b>	10,000 Total Volume Points	
<b>3rd Level Supervisor</b>	10,000 Personal Volume Points	

### Encumbered and Unencumbered Sales Volume

#### Encumbered Sales Volume

Encumbered Sales Volume is sales volume being used by your downline to qualify for Supervisor.

#### Unencumbered Sales Volume

Unencumbered Sales Volume is sales volume not being used for Supervisor qualifications by your downline. The example that follows illustrates the use of Encumbered and Unencumbered Sales Volume for each of the Distributors.

Encumbered and Unencumbered Sales Volume		
<b>A Supervisor</b>	2,500 Total Volume Sales Points + B & C's Volume	= 2,500 Unencumbered for A 5,000 Encumbered to A
<b>B Qualifying Supervisor</b>	1,000 Total Volume Sales Points + C's Volume	= 1,000 Unencumbered for B 4,000 Encumbered for B
<b>C Qualifying Supervisor</b>	4,000 Accumulated Total Sales Volume Points	= 4,000 Unencumbered for C



## Distributor Benefits

### Understanding Retail and Wholesale Profit

Please review the information below to better understand these terms and how Retail Profit and Wholesale Profit are calculated:

#### Suggested Retail Price:

- This is the suggested selling price\* to Retail Customers which may include taxes and/or shipping costs (depending on market)
- Each Distributor is free to set their own selling price to their Retail Customers

\*Please contact your local Member Services to request further information on what charges are included in the Suggested Retail Price for your market.

#### Retail Price:

- This is the starting price for all Preferred Customers and Distributors
- It is the price before any taxes and shipping costs (depending on market) and the price from which the Discount Amount is deducted.

#### Earn Base:

- This is the monetary value assigned to each product on which all discount and earning calculations are based.
- The Earn Base value of a product is typically less than the Retail Price. This is because the Retail Price includes administrative/processing fees, and in some markets shipping costs, which do not generate earnings and do not qualify for discounts.
- Like in all retail businesses, product margins and pricing can vary, and in some cases, the Earn Base value of a product may be set further below the Retail Price in order for the product to be priced more competitively.

#### Discount Percentage:

- This is the percent discount of the Earn Base that a Distributor is entitled to based on their performance and their qualification level in the Sales & Marketing Plan.
- The Discount Percentage can range from 25% to 50%
- The Discount Percentage is always applied to the Earn Base to determine the Discount Amount

#### Discount Amount:

- This is the monetary value/amount of the discount calculated on Earn Base and is deducted from the Retail Price to determine the Distributor Price of the product (before taxes and in some markets shipping)
- $\text{Discount Percentage} \times \text{Earn Base} = \text{Discount Amount}$ .

#### Distributor Price:

- This is the price the Distributor pays for the product before any taxes and shipping in some markets.
- $\text{Retail Price} - \text{Discount Amount} = \text{Distributor Price}$

#### Retail Profit:

- This is the amount of profit that a Distributor earns on a retail sale.
- Retail Profit is the difference between the price at which the Distributor sells the product to the Retail Customer and the Distributor Price
- $\text{Selling Price} - \text{Distributor Price} = \text{Retail Profit}$ .
- Retail Profit percentage is not the same as the Discount Percentage because:
  - (a) Each Distributor is able to set their own selling price to their Retail Customer.
  - (b) Discount Percentage is calculated off of Earn Base, which is lower than Retail Price.



### Wholesale Profit (Commissions\*)

In addition to Retail Profit, as an Herbalife Independent Distributor, you can earn Wholesale Profit on products purchased by your downline. When a Distributor qualifies for a higher Discount Percentage than a Preferred Customer, or a Distributor in their downline, then the Upline Distributor may earn a Wholesale Profit.

- Wholesale Profit is equal to the Earn Base value of the product multiplied by the difference between the Upline Discount Percentage and the Downline Discount Percentage
- $\text{Earn Base} \times (\text{Upline Discount Percentage} - \text{Downline's Discount Percentage}) = \text{Wholesale Profit}$

### Retail and Wholesale Profit Example

	<b>FORMULA 1</b>
	<ul style="list-style-type: none"> <li>• Volume Points: 32.75</li> <li>• Retail Price: \$42.00</li> <li>• Earn Base: \$39.90</li> </ul>

#### Retail Profit Example:

Gary is a Supervisor, so he has a Discount Percentage of 50%. He orders a can of Herbalife<sup>®-MD</sup> Formula 1 to sell to his Retail Customer.

- Gary's Discount Amount is \$19.95. The Discount Amount is calculated by taking the *Earn Base* (\$39.90) x *Discount Percentage* (50%).
- Gary's Distributor Price is \$22.05. The Distributor Price is calculated by taking the *Retail Price* (\$42.00) minus *Discount Amount* (\$19.95).
- Assume that Gary sells to his Retail Customer at Retail Price (\$42.00). In that situation, Gary's Retail Profit is \$19.95. Retail Profit is calculated by taking the *Selling Price* (\$42.00) minus *Distributor Price* (\$22.05) = *Retail Profit*.

RETAIL PROFIT EXAMPLE FOR A 50% DISCOUNT DISTRIBUTOR				
Retail Price	Earn Base	Discount Amount (50%) x (b)	Distributor Price (a) - (c)	Retail Profit (a) - (d)
(a)	(b)	(c)	(d)	(e)
<b>\$42.00</b>	<b>\$39.90</b>	<b>\$19.95</b>	<b>\$22.05</b>	<b>\$19.95</b>

#### Wholesale Profit Example:

Gary's downline (Sue) is a Senior Consultant at a 35% Discount Percentage who also sells a can of Herbalife<sup>®-MD</sup> Formula 1.

- Sue's Discount Amount is \$13.97. The Discount Amount is calculated by taking the *Earn Base* (\$39.90) x *Discount Percentage* (35%).
- Sue's Distributor Price is \$28.03. The Distributor Price is calculated by taking the *Retail Price* (\$42.00) minus *Discount Amount* (\$13.97).



WHOLESALE PROFIT EXAMPLE FOR A 35% DISCOUNT DISTRIBUTOR				
Retail Price	Earn Base	Discount Amount (35%) x (b)	Distributor Price (a) - (c)	Profit (a) - (d)
(a) \$42.00	(b) \$39.90	(c) \$13.97	(d) \$28.03	(e) \$13.97

Since Gary's Discount Percentage is 50% and Sue's Discount Percentage is 35%, Gary also earns a Wholesale Profit on Sue's sale/order.

Gary's Wholesale Profit is  $\$39.90 \times 15\%$  (50%-35%) = \$5.99. Earn Base x (Gary's Discount Percentage minus Sue's Discount Percentage) = Wholesale Profit.

**\*Special Note to Wholesale Profit:** If Sue is a Distributor outside the United States or U.S. territories, Gary will earn Wholesale Profit on the products Sue orders from Herbalife as calculated above. If Sue is a Distributor in the United States or U.S. territories, Gary will earn Wholesale Profit only on the products Sue sells to her Retail Customers (not what she orders from Herbalife), and only where Sue submits a valid Receipt for the sale to her Retail Customer showing the required customer and pricing information showing that the sale was profitable.

For more information on how current pricing compares to historical pricing, [click here](#).

## SENIOR CONSULTANT

### Improve Your Profits with the Discount Scale

As you and your non-Supervisor downline sell more Herbalife<sup>®-MD</sup> products, your Total Volume increases, and you may reach the next level of Senior Consultant. As such, you become entitled to buy products at a 35% or 42% discount off the Earn Base, giving you a greater profit margin.

### Discount Scale

As a Distributor, you may purchase at a 25% discount on all orders until you become eligible for a higher discount by achieving the Senior Consultant level. Thereafter, your discount on purchases will be determined by the Discount Scale as indicated on next page at no less than a 35% discount.

**Volume Points accumulate either from sales from orders placed by you directly with Herbalife, which are referred to as Personally Purchased Sales Volume, or from orders your downline Preferred Customers and Distributors place with Herbalife, which are called Downline Sales Volume. Both types of volume may be used to achieve Senior Consultant Level at a 35% or 42% discount.**



Level	Monthly Volume	Discount	Eligibility
<b>Senior</b>	Achieve 500	35%	All orders will be placed at 35% discount until you become eligible for a higher discount.
<b>Consultant</b>	Volume Points in 1-2 months		
<b>Senior</b>	Achieve 2,000	42%	Once you have achieved 2,000 Volume Points, you are eligible to place this order and all orders for the remainder of the Volume Month at a 42% discount.
<b>Consultant</b>	Volume Points in 1-2 months		
<b>Success</b>	1,000 Personally Purchased	42%	Once you have accumulated 1,000 Personally Purchased Volume Points or more you are eligible for a 42% discount on all orders for the remainder of the month plus the following month.
<b>Builder</b>	Volume Points (PPV) accumulated in one month		
<b>Qualified</b>	Achieve 2,500 Volume Points in 1-6 months, of which a minimum 500 are Personally Purchased	42%	As a Qualified Producer you are entitled to a 42% Discount on every order until you become eligible for a higher discount.  Volume can be achieved with PPV or utilizing up to 2,000 Downline Volume Points, with the remaining 500 as Personally Purchased Volume.
<b>Producer</b>	Volume (PPV)		
<b>Qualifying</b>	- Achieve 4,000 Volume Points in one volume month with a minimum 1,000 Volume Points Unencumbered or	Temporary  50%	Once Qualifying Volume Points are achieved additional orders are purchased at a Temporary 50% discount.
<b>Supervisor</b>	- Achieve 4,000 Volume Points over two consecutive months, with a minimum 1,000 Volume Points Unencumbered or		
	- Accumulate 4,000 Volume Points within 12 months with a minimum of 3 months required (a minimum 1,000 PPV required). Volume Points accumulated by your personally enrolled Preferred Customers will contribute to your PPV requirement.		
<b>Supervisor</b>	3 ways to qualify: See section "Qualifying as a Supervisor" for details	50%	As a Supervisor, you are entitled to a 50% discount on every order. (Must requalify annually).

**Note:**

Your Personal Sales Volume, plus your downline's Sales Volume, count as your Total Sales Volume. Once you are on the Discount Scale; your discount will never be less than 35% for as long as you remain an active Distributor and/or until you become eligible to a higher discount. The more you sell, the greater your profit potential. Remember that each Volume Month you begin again at a 35% discount and can work your way up to 42% and 50% discount.



## Herbalife Advantage Program

### **Activate your HAP order and immediately enjoy a 35% to 50% discount\***

The Herbalife Advantage Program (HAP) is open to all Distributors. HAP is a monthly automatic shipment program that provides Herbalife Independent Distributors the following added benefits if they choose to participate in the program:

- 35% to 50% Discount – You'll save on the products you use personally in reasonable quantities while you enjoy all the benefits of HAP
- Minimum Order – Your HAP order must be a minimum of 100 to a maximum of 1,000 Volume Points of products per month. Additional wholesale product purchases can be made at any time according to the Discount Scale.
- No Activation Fee – There is no activation fee to gain automatic service, regular communications or any of the other benefits associated with HAP
- Sales Tax Savings – Since your HAP order is a personal use order and not intended for resale, you benefit from a sales tax savings
- Placing Your Monthly HAP Order – Determine the products you use most or wish to sample from the Herbalife<sup>®-MD</sup> product line and place your personal automatic monthly HAP order over the phone with the Herbalife Advantage Program department at 866-622-1222 or mail your completed HAP order form. Your monthly HAP order will be sent to you four business days after your monthly deadline.
- Changing Your Monthly Order – You have a choice of three HAP deadlines: the fourth, the 11th, or the 18<sup>th</sup> of each month. You may change your monthly order at any time during the month, from the day after your deadline, up to and including your deadline day.
- Cancellation – You may cancel the automatic monthly HAP order at any time by contacting the Herbalife Advantage Program department at 866-622-1222.

\*The HAP feature of the Sales & Marketing Plan is entirely optional. Participation in this program is not required to join as a Distributor, earn commissions or bonuses under, or move up in rank in the Sales & Marketing Plan.

## Success Builder

As an Herbalife Independent Distributor, you may accumulate 1,000 Personally Purchased Volume Points (PPV) in one month to achieve the Success Builder qualification and a 42% discount. As a Success Builder, you will be able to order at a 42% discount for the remainder of the Volume Month plus the following month. Volume Points accumulated by your personally enrolled Preferred Customers will contribute to your Personally Purchased Volume Point requirement. Downline Volume may not be used towards this discount opportunity.

Distributors (non-Supervisors) who do not achieve Success Builder are able to order at a 42% once they have accumulated 2,000 Volume Points in one to two months or have achieved the Qualified Producer level.

This does not constitute a personal purchase requirement. See important note on page 2 for explanation.

## Qualified Producer

You have the opportunity to achieve Qualified Producer status by accumulating 2,500 Volume Points within 1–6 months of which 2,000 Points can be from Downline Sales Volume with the remaining 500 as Personally Purchased Volume. Volume Points accumulated by your personally enrolled Preferred Customers will contribute to your Personally Purchased Volume requirement. All volume achieved toward this qualification must be from orders purchased directly from Herbalife.

You will automatically receive the 42% once the qualification has been achieved; and will be updated to this status on the 1st of the month following the month your qualification volume was achieved.



### **A Qualified Producer is eligible to:**

- Purchase at 42% immediately after qualifying for this status
- Earn a 42% Retail Profit
- Earn up to 17% Wholesale Profit (Commissions) on the Earn Base value from purchases made by your downline Distributors at a 25% or 35% discount

Once you achieve Qualified Producer status, all purchases will be at a discount of no less than 42% as long as your Annual Distributorship Services Fee remains current and paid.

## **Fully Qualified Supervisor**

At the Supervisor status you will earn the highest discount of 50%, plus Retail and Wholesale Profit, and become eligible to earn Royalty Overrides (RO).

### **A Fully Qualified Supervisor is eligible to:**

- Earn a 50% Retail Profit
- Earn up to 25% Wholesale Profit (Commission) on the Earn Base value from purchases made by your downline Distributors at a 25%–42% discount
- Earn RO of 1% to 5% on their first-, second- and third-level active Supervisor
- Attend special workshops and training sessions
- Qualify for special Supervisor recognition

Distributors who achieved the level of Supervisors are often referred to as Distributors or Herbalife Independent Distributors.

As a Supervisor, purchases may only be made by you directly from Herbalife.

## **Qualifying as a Supervisor**

There are three ways to qualify as a Supervisor:

- **One-Month Qualification:** Achieve 4,000 Volume Points in one Volume Month (with a minimum 1,000 of those 4,000 Volume Points Unencumbered)
- **Two-Month Qualification:** Achieve 4,000 Volume Points over two consecutive months (with a minimum of 1,000 of those 4,000 Volume Points Unencumbered over the same two-month period)
- **Accumulated Qualification:** Achieve 4,000 Volume Points within 12 months (of which a minimum of three months is required). Distributors have the opportunity to qualify via this method when purchasing their orders directly with Herbalife. You can use up to 3,000 Downline Sales Volume Points with the remaining 1,000 as Personally Purchased Sales Volume. Volume Points accumulated by your Personal personally enrolled Preferred Customers will contribute to your Personally Purchased Volume Point requirement.

For all methods of Supervisor Qualification, once achieved, you are automatically updated to Supervisor status on the first of the month following completion of your qualification.

## **Qualifying Supervisor**

### **Eligibility for Temporary 50% Discount**

Once you have achieved the required Volume Points toward Supervisor Qualification, you will be considered a **Qualifying Supervisor** until the first of the following month, when you will become a **Fully Qualified Supervisor**.

As a **Qualifying Supervisor**, you are eligible for a temporary 50% discount for the remainder of the Volume Month in which your qualifying Volume Points were achieved.

Orders purchased at a 50% discount must be purchased directly from Herbalife.

The Volume from orders purchased at a temporary 50% is considered Personally Purchased Sales Volume for the purchaser and Group Sales Volume for the Fully Qualified Supervisor.



## Matching Sales Volume

Matching Sales Volume is the Personal and Total Sales Volume a Supervisor must have in order to validate the Supervisor qualifications in your downline.

Matching Volume is how Herbalife verifies and validates the qualification of new Supervisors. Whenever a Supervisor sponsors a Distributor to the Supervisor position, the sponsoring Supervisor's Total Sales Volume must be at least the same as the Total Sales Volume of their downline Distributor(s) qualifying within that same month. Without adequate Matching Volume, the new Supervisor will be moved to the next upline Supervisor.

The following Matching Volume example illustrates the amount of Personal Sales Volume and Total Sales Volume that must be achieved by the sponsoring Supervisor for the downline Distributors who are qualifying for Supervisor. In this example, "A" (the sponsoring Supervisor) must have at least 4,000 Personal Sales Volume Points and at least 1,000 Group Sales Volume Points in the month that "B" and "C" are qualifying for Supervisor. This volume obligation for the Supervisor is considered to be their Matching Volume requirement.

Matching Sales Volume Example		
<b>A Sponsoring Supervisor</b>	<b>Matching Volume Requirement for Supervisor "A"</b>	
	4,000 Personal Sales Volume	
	+ 1,000 Group Sales Volume	
	= 5,000 Total Sales Volume	
<b>B Qualifying Supervisor for "A"</b>	1,000 Volume Points	= 1,000 Group Sales Volume
	@ Temporary 50% Discount	
<b>C Qualifying Supervisor Volume for "A"</b>	4,000 Accumulated	= 4,000 Personal Sales
	Volume Points	

## Insufficient Matching Volume

As the first upline Fully Qualified Supervisor, if you do not have enough Sales Volume in the qualifying month(s) to substantiate your downline's Supervisor qualification, you will be "short" Matching Volume. Herbalife will notify you of the insufficient Volume and allow you to place a Matching Volume Order of the product for the amount you are short. The Order department will be authorized to accept the Matching Volume Order for the appropriate month.

To place this volume, the order must be clearly identified a "Matching Volume Order for Month of \_\_\_\_\_."

## Matching Volume Order

To receive proper credit for the Matching Volume Order, the order must be clearly identified as Matching Volume Order for the appropriate month and year, with full payment included. A Matching Volume Order can only be accepted by Herbalife if the Company has identified a Matching Volume problem and notified you accordingly and has authorized the Order department to accept the order from you as the sponsoring Supervisor. This order will be applied to the Volume Month specified.

Appropriate adjustments will be made on Matching Volume order to your upline Royalty- and Production Bonus-receiving Supervisors. However, Royalty Points and TAB Team production Bonus percentages will not be adjusted when a Matching Volume Order is placed after the Volume Month in question. If multiple occurrences of Matching Volume take place, as the Sponsoring Supervisor, you will not be paid the Royalty Earnings for up to four months on the qualifying line and these earnings will be paid to the next upline Royalty-receiving Supervisor.

## Failure to Match Volume

In order to avoid a penalty, you must place the Matching Volume Order once you have received notification from Herbalife.

If you are short volume and fail to sell such Matching Volume, a Matching Volume Penalty will be assessed. The penalty is that you will permanently lose the Supervisor who qualified the month in question and that Supervisor's downline.

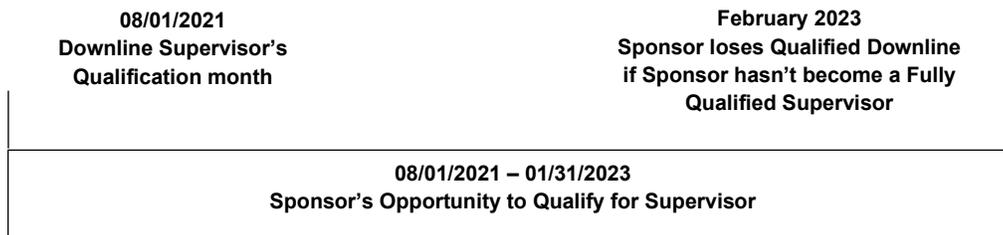


### Failure to Qualify as a Supervisor

If your sponsored downline becomes a Fully Qualified Supervisor before you do, you will have one year from the date of your downline's qualification to also become a Fully Qualified Supervisor.

If you do not become a Fully Qualified Supervisor within the one year following your downline's Supervisor qualification, you will permanently lose that downline to your first upline Supervisor at the end of your downline Supervisor's first requalification year.

#### Example:



### Supervisor Requalification

Once you become Supervisor status and above, you must requalify your Supervisor status annually between February 1 and January 31 (i.e., upon qualifying as a Supervisor, you will have at least twelve (12) months during which to requalify as a Supervisor) to maintain your rights and privileges.

The requalification requirements for this are described below:

- One-Month Qualification: Achieve 4,000 Volume Points in one Volume Month (with a minimum 1,000 of those 4,000 Volume Points unencumbered)
- Two-Month Qualification: Achieve 4,000 Volume Points over two consecutive months (with a minimum of 1,000 of those 4,000 Volume Points unencumbered over the same two-month period)
- 12-Month Requalification: Accumulate 10,000 Unencumbered Total Sales Volume Points over the 12-month Requalification period

Or,

Accumulate 4,000 Unencumbered Total Sales Volume Points over the 12-month requalification period.

When requalifying by accumulating 4,000 Unencumbered Sales Volume Points between February 1 and January 31 you will retain your Supervisor status and 50% buying privileges. However, any downline lineage that includes a Supervisor will be lost and moved to your next upline Fully Qualified Supervisor.

You will automatically requalify as a Supervisor each year if the volume requirements are met during the qualification period. As a reminder, you have the advantage of receiving a 50% discount on your requalification orders.

In addition to requalifying your Supervisor status, you must assure your Annual Distributorship Services Fee is current and paid. Failure to pay the Annual Distributorship Services Fee prior to or within 90 days after requalification will result in suspension of your ordering privileges and earnings until the fee is paid. If the fee remains unpaid, this may result in your Distributorship becoming deleted and any existing downline Distributors or Preferred Customers will be permanently moved to your first upline Sponsor.

If you do not complete your Supervisor Requalification, you will lose all rights and privileges of a Supervisor, including the loss of any lineage that includes a Supervisor. In this case, the entire downline lineage will be moved to your next upline Fully Qualified Supervisor.

As a Supervisor, if you fail to requalify each year by January 31, you will be demoted to the position of Qualified Producer.



### Three Levels of Success

The people you personally sponsor as Herbalife Independent Distributors are known as your First Level. They may be friends or family or business associates, or even people you have just met. You can personally sponsor as many people as you want in any country in which Herbalife officially operates. When these Distributors in your First Level sponsor other Distributors those new Distributors become your second level. When your Second Level, in turn, sponsors others, those they sponsor become the third level in your Herbalife organization.

By training your Distributors and encouraging them to follow your example, some may choose to set their goals and qualify at the Supervisor level. As a Supervisor with Fully Qualified or Qualifying Supervisors in your first three levels, you may qualify to earn Royalty Overrides between 1% to 5% of your Organizational Sales Volume.

### ROYALTY OVERRIDE INCOME

#### Payment of Royalty Overrides

Your Royalty Override percentage is based on your Total Sales Volume for each month; if your Volume Points are less than 500 Volume Points, then no Royalty Overrides are earned. If you produce 2,500 Volume Points or more, then a maximum 5% is earned on three active downline levels. The following Royalty Override scale shows the volume requirements that you must meet as a Supervisor every month to earn Royalty Overrides.

Royalty Override Scale	
Your Total Volume Points	Royalty Override Earning %
0–499	0%
500–999	1%
1,000–1,499	2%
1,500–1,999	3%
2,000–2,499	4%
2,500 plus	5%

#### Royalty Overrides are paid as follows:

In the following example, at the maximum 5%, your Royalty Override is calculated on 30,000 Organizational Sales Volume, which gives you 1,500 Royalty Override Points. Royalty Override Points are used for qualification purposes. Keep in mind, earnings are calculated on the Earn Base value of the products in the country from which the product is ordered. In certain countries, these Royalty Override earnings are converted to your local currency.

Royalty Override Example			
<b>YOU</b>	2,500 Volume Points	=	Your total
Royalty Override			1,500 Royalty
Points			
<b>First-Level Supervisor</b>	10,000 Volume Points	=	5% = 500
Royalty Points			
<b>Second-Level Supervisor</b>	10,000 Volume Points	=	5% = 500
Royalty Points			
<b>Third-Level Supervisor</b>	10,000 Volume Points	=	5% = 500
Royalty Points			

#### Royalty Points Are Calculated as Follows:

- 1% to 5% Royalty Points are achieved from the Total Volume of personally sponsored first-level qualified Supervisors
- 1% to 5% Royalty Points are achieved from the Total Volume of personally sponsored second-level qualified Supervisors (e.g., a Supervisor who has been sponsored in turn by your personally sponsored Supervisor)
- 1% to 5% Royalty Points are achieved from the Personal Sales Volume of personally sponsored third-level qualified Supervisors (e.g., a Supervisor who has been sponsored in turn by a second-level Supervisor)



### Additional Requirements

As a Supervisor who meets the specified requirements to earn Royalty Overrides, you must also comply with the Herbalife 10 Retail Customers Rule and the 70% Rule to earn and receive both Royalty Overrides and Production Bonus. You must confirm your adherence to these requirements by submitting the Earnings Certification Form each month. If you fail to comply with either of these rules, the Royalty Overrides and Production Bonus will not be paid to you.

### Royalty Override Roll-Up

As a Supervisor, you also have the opportunity to earn Royalty Override Roll-Ups. Royalty Override Roll-Ups are paid to the appropriate qualified upline Supervisor(s) when any downline Royalty Override-contributing Supervisor earns less than the maximum 5% payout. This “roll-up” percentage is the difference between the 5% maximum Royalty Override and the actual percentage earned by the downline Royalty-contributing Supervisor.

To be eligible for Royalty Override Roll-Ups, as a Supervisor you must be at the maximum 5% earning level, based on the Royalty Override Sliding Scale. You may not earn more than 5% Royalty Override on any order.

Royalty Override Roll-Up Example		
<b>YOU</b>	2,500 Total Volume Points 5% Royalty Override	= Earns 5% Royalty Override on first-, second- and third-level Supervisors
<b>First-Level Supervisor</b>	2,500 Total Volume Points 5% Royalty Points	= Earns 4% Royalty Override Roll-up on fourth-level Supervisor
<b>Second-Level Supervisor</b>	2,500 Total Volume Points 5% Royalty Points	= Earns 5% Royalty Override on second-, third- and fourth-level Supervisors
<b>Third-Level Supervisor</b>	500 Total Volume Points 1% Royalty Points	= Earns 5% Royalty Override on third- and fourth-level Supervisors
<b>Fourth-Level Supervisor</b>	1,000 Total Volume Points No Royalty Override	= Earns 1% Royalty Override on fourth-level Supervisor
		= Supervisor does not have downline to earn Royalty Overrides

## World Team

Qualifying as a World Team member is an important step in your Herbalife business. You have demonstrated your success by qualifying for this prestigious team. World Team is your launching pad to move on to qualifying for the TAB Team.

### To Qualify:

- Achieve 10,000 Total Sales Volume Points in one Volume Month after becoming a Qualifying Supervisor or a Fully Qualified Supervisor
- OR as a Fully Qualified or Qualifying Supervisor, achieve 2,500 Total Sales Volume Points, each Volume Month, in four consecutive months
- OR Achieve 500 Royalty Points in one Volume Month

Providing you have achieved your Supervisor qualification, after achieving the required Volume or Royalty Points, you will be updated to World Team status on the first of the following month.

### You Receive:

- All the benefits of a Supervisor
- A World Team pack, containing a personalized World Team Certificate and a World Team pin



**Plus, You Become Eligible to:**

- Attend special planning and training sessions targeted to accelerate your progress to TAB Team
- <sup>1</sup> Earn World Team 1% Bonus on the Total Volume Earn Base Value of ALL downline Supervisors.
  - To qualify, achieve: **3,500 Total Volume Points and 500 Royalty Override (R.O.)** Points within the same month. You can qualify once a month.

## TAB Team

Achieving TAB Team is a prestigious recognition within the Herbalife Sales & Marketing Plan. TAB Team indicates that the Supervisor has developed a strong, active downline Supervisor base. Upon achieving TAB Team, you will be eligible to receive additional benefits. There are three earning levels within the TAB Team: Global Expansion Team (GET), Millionaire Team (MILL) and President’s Team (PRES).

<b>Top Achievers Business (TAB) Team</b>	
<b>Benefits</b>	<b>Qualifications</b>
<b>Global Expansion Team (GET)</b> <ul style="list-style-type: none"> <li>• All the benefits of a Supervisor</li> <li>• Certificate and pin</li> <li>• Potential to earn up to 2% Production Bonus</li> <li>• Eligible to qualify for event promotions</li> <li>• Eligible to participate in special advance trainings</li> <li>• Eligible to participate in special conference calls</li> </ul>	1,000 in Royalty Overrides in each of 3 consecutive months
<b>Millionaire Team (MILL)</b> <ul style="list-style-type: none"> <li>• All the benefits of GET</li> <li>• A new certificate and pin</li> <li>• Potential to earn up to 4% Production Bonus</li> </ul>	4,000 in Royalty Overrides in each of 3 consecutive months
<b>President’s Team (PRES)</b> <ul style="list-style-type: none"> <li>• All the benefits of MILL Team</li> <li>• Plaque and pin</li> <li>• Potential to earn up to 7% Production Bonus</li> <li>• Potential to earn a Mark Hughes Leadership Bonus in accordance with the Rules</li> </ul>	10,000 in Royalty Overrides in each of 3 consecutive months  President’s Team 20K 20,000 in Royalty Overrides in each of 3 consecutive months  President’s Team 30K 30,000 in Royalty Overrides in each of 3 consecutive months  President’s Team 50K 50,000 in Royalty Overrides in each of 3 consecutive months

### TAB Team Production Bonus

Following your TAB Team qualification, you have the potential to receive Production Bonus on your entire downline organization’s monthly activity. The TAB Team Production Bonus is, in part, a reward for your leadership.

It is necessary to submit a completed TAB Team Production Bonus Agreement Form to be eligible for Production Bonus payments. (Please refer to the “[Sample Forms](#)” section of this book.) The Agreement Form must be accepted and approved by Herbalife to receive payments; the form will be sent to you by Herbalife during your TAB Team qualification period.

<sup>1</sup> The World Team 1% Bonus Promotion is an ongoing program. There is no specified end date for the qualification period. Herbalife reserves the right to change the qualification requirements or notify an end date at any time. Please visit [www.MyHerbalife.com](http://www.MyHerbalife.com) Events & Promotions page for promotion guidelines.

**Awards Policies**

Herbalife delivers recognition awards (such as, but not limited to) pins, plaques and jewelry in a timely manner to Distributors that have achieved such recognition.

In the event an award is not received, the Awards and Recognition department should be contacted in writing (via email or at the postal address below). The request must be received by Herbalife no later than six (6) months after the qualification date associated with the award.

**Awards Replacement and/or Repair Policy:**

Herbalife strives to provide the highest-quality awards available. In the event that an award was received defective or otherwise damaged, you may return the item(s) for free replacement within six (6) months of the original qualification date associated with the award.

After this six-month period, you may return damaged item(s) to be professionally refurbished or repaired, which shall be at their cost paid through an earning deduction form. Any deviations from this policy shall be at the sole and absolute discretion of Herbalife.

Request may be submitted by phone:

**Member Services:** 866-622-1222

## President's Team Plus

### President's Team Plus Awards and Recognition



One Diamond

#### **Executive President's Team**

To qualify, you must have one first-line, Fully Qualified President's Team member in any line of your downline organization.



Two Diamonds

#### **Senior Executive President's Team**

To qualify, you must have two first-line, Fully Qualified President's Team members in two separate lines of your downline organization.



Three Diamonds

#### **International Executive President's Team**

To qualify, you must have three first-line, Fully Qualified President's Team members in three separate lines of your downline organization.



Four Diamonds

#### **Chief Executive President's Team**

To qualify, you must have four first-line, Fully Qualified President's Team members in four separate lines of your downline organization.



Five Diamonds

#### **Chairman's Club**

To qualify, you must have five or more first-line, Fully Qualified President's Team members in five or more separate lines of your downline organization.



Ten Diamonds

#### **Founder's Circle**

To qualify, you must have 10 or more first-line, Fully Qualified President's Team members in 10 or more separate lines of your downline organization.



## Presidential Plus Awards

The Presidential Plus Awards are based on production (January through December Volume Months).



Baume & Mercier Watch 250,000 Royalty Override Points



Marquise Diamond Ring 500,000 Royalty Override Points



Piaget Gold and Diamond Watch<sup>†</sup> 750,000 Royalty Override Points



Piaget Diamond Watch<sup>†</sup> 1,000,000 Royalty Override Points

<sup>†</sup>Actual watch model may vary based on availability at time of qualification.



## Qualifications by Team Level

### Production Bonus Qualification and Requalification by Team Level

Once you achieve TAB Team, there will be a period after you have qualified for Millionaire Team and President's Team that you need to wait to begin receiving Production Bonus at the higher percentage. Refer to the following tables for each team level waiting period. Requirements to earn are discussed in the Production Bonus Earning Percentage Requirements section.

#### GET Team

Qualification Period			Global Expansion Team (GET)														
JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
1,000	1,000	1,000	Eligible to earn 2% PB from April to March														
Royalty	Royalty	Royalty	Requalification Period from April to March														
Points	Points	Points															

In this example:

- Waiting and Earning Periods:** After completing the GET qualification, there is no waiting period to begin earning at this level. After completing the GET qualification, in April you will be recognized as GET and eligible to begin earning Production Bonus without a waiting period. The earning period is 12 months from the Fully Qualified GET date, April to March.

#### MILL Team

Qualification Period			Millionaire Team														
JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
4,000	4,000	4,000	Waiting Period	Eligible to earn 4% PB from June to May													
Royalty	Royalty	Royalty		Requalification Period from April to March													
Points	Points	Points															

In this example:

- Waiting and Earning Periods:** After completing the MILL Team qualification, there is a waiting period of two months before you will be eligible to earn at the higher Production bonus level. During this waiting period, the minimum Total Volume Point requirement for 2% Production Bonus is 3,000 TV based on your new Millionaire Team status. After the waiting period is complete, as a Millionaire team, you will be eligible to begin earning Production Bonus beginning in June. The earning period is 12 months after the waiting period is complete, June to May.

#### PRES Team

Qualification Period			President's Team														
JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
10K, 20K, 30K, 50K			Waiting Period	Eligible to earn 6% to 7% PB from July to June													
Royalty Points				Requalification Period from April to March													
x 3 months																	

In this example:

- Waiting and Earning Periods:** After completing the PRES Team qualification, there is a waiting period of three months before you will be eligible to earn at the higher Production Bonus level. During this waiting period, the minimum Total Volume Points for 4% Production Bonus is based on your President's Team status. After the waiting period is complete, as President's Team, you will be eligible to begin earning Production Bonus beginning in July. The earning period is 12 months after the waiting period is complete, July to June.



### Production Bonus Earning Percentage Requirements

Once you have qualified and/or requalified for a particular TAB Team earning percentage level and have completed the waiting period for the MILL Team and PRES Team levels, the following Total Volume (TV) and Royalty Points must be achieved in each of the earning months to receive a TAB Team Production Bonus during your earning period:

TAB Team Recognition Level	Minimum Total Volume Required	Royalty Points Required	Production Bonus %
GET	3,500	1,000	2%
MILL	3,000	1,000–3,999	2%
		4,000 +	4%
PRES	2,500	1,000–3,999	2%
		4,000–9,999	4%
		10,000 +	6%
PRES 20K	2,500	1,000–3,999	2%
		4,000–9,999	4%
		10,000–19,999	6%
		20,000 +	6.50%
PRES 30K	2,500	1,000–3,999	2%
		4,000–9,999	4%
		10,000–19,999	6%
		20,000–29,999	6.50%
		30,000 +	6.75%
PRES 50K	2,500	1,000–3,999	2%
		4,000–9,999	4%
		10,000–19,999	6%
		20,000–29,999	6.50%
		30,000–49,999	6.75%
		50,000 +	7%



### Production Bonus Requalification

When you qualify for any TAB Team Recognition Level status, you retain that status regardless of your Production Bonus earning % level (unless you achieve a higher TAB Team status or are demoted as a Supervisor).

To continue earning Production Bonus level, you must requalify each year.

- **To remain at your earning level**, simply achieve three consecutive months of Royalty Points requirements (same as original qualification) every year during your requalification period
- **If you don't requalify at your current level**, your maximum Production Bonus earning level will become the highest level for which you did requalify and will be subject to the Total Volume Point requirements for that level as illustrated in the table below.

To requalify and continue to earn your Production Bonus, you have a 12-month time frame from your last TAB Team qualification/requalification date.

TAB Team Recognition Level	Maximum Production Bonus %	Minimum Total Volume Required	Minimum Royalty Points Required
MILL	2%	3,500	1,000
PRES PRES 20K PRES 30K PRES 50K	2%	3,500	1,000
	4%	3,000	4,000
PRES 20K	6%	2,500	10,000
PRES 30K	6%	2,500	10,000
	6.50%		20,000
PRES 50K	6%	2,500	10,000
	6.50%		20,000
	6.75%		30,000

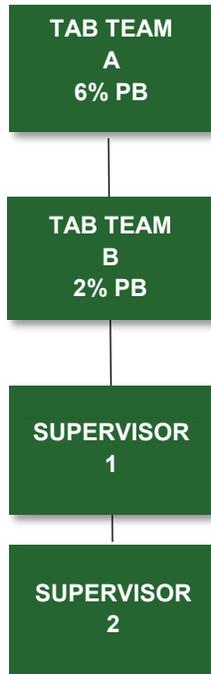
If you requalify for a lower Production Bonus earning % level during your last requalification period and qualify again for a higher level, you will need to observe the waiting period before you start earning at that higher level.

### TAB Team Production Bonus Payout Guidelines

There may be instances where there is another TAB Team earner in your downline that may cut off or block Production Bonus from being earned. Each line is looked at individually to determine Production Bonus earners. To help you better understand the TAB Team Production Bonus Payout, we've put together the following guidelines.

When a TAB Team in your downline earns a Production Bonus at a **lower** % level than you, you will earn the % difference on their downline.

## Example 1: Downline Has LOWER Production Bonus Earning Percentage



### Eligible Production Bonus Earning percentage: 6%

- TAB Team A will earn 6% on TAB Team B
- 4% on Supervisor 1 and Supervisor 2 (6% - 2% = 4%)

### Eligible Production Bonus Earning percentage: 2%

- TAB Team B will earn 2% on Supervisor 1 and Supervisor 2

### Example 1:

- In this example, if you are TAB Team A and earning a Production Bonus at the 6% level and your downline TAB Team B earns a Production Bonus at the 2% level, you will earn 6% down to TAB Team B and the remaining 4% Production Bonus on their downline organization, Supervisor 1 and Supervisor 2, down to the next Production Bonus earner
- TAB Team B will earn 2% on Supervisor 1 and Supervisor 2
- Your Production Bonus earnings below those downline Production Bonus earners will depend upon the earning % of each Production Bonus earner

When a downline TAB Team earns a Production Bonus at a **higher** than a 2 or 4% level than you, you will not earn a Production Bonus on that downline and their organization. \* This is referred to as "Blocking."

\*When a President's Team member is earning at the 6% Production Bonus level, they can earn 6% on downline that are at President's Team at 6.5%, 6.75% and 7% earning level. They won't earn beyond a President's Team member at a higher earning % level.

## Example 2: Downline Has HIGHER Production Bonus Earning Percentage

TAB TEAM  
A  
4% PB

### Eligible Production Bonus Earning percentage: 4%

- TAB Team A will not earn Production Bonus on TAB Team B or their organization

TAB TEAM  
B  
7% PB

### Eligible Production Bonus Earning percentage: 7%

- TAB Team B will earn 7% Supervisor 1 and Supervisor 2

SUPERVISOR  
1

SUPERVISOR  
2

### Example 2:

- In this example, if you are TAB Team A and earning a Production Bonus at the 4% level and your downline TAB Team B is earning at 7%, you will be blocked and will not earn on TAB Team B and their organization.
- TAB Team B will earn 7% on Supervisor 1 and Supervisor 2.

When a downline TAB Team earns Production Bonus at the **same** % level as you, you will earn on that TAB Team, but you will be unable to earn a Production Bonus on their downline. This is commonly referred to as “cut off.”

## Example 3: Downline Has EQUAL Production Bonus Earning Percentage

TAB TEAM  
A  
6% PB

### Eligible Production Bonus Earning percentage: 6%

- TAB Team A will earn 6% on TAB Team B only

TAB TEAM  
B  
6% PB

### Eligible Production Bonus Earning percentage: 6%

- TAB Team B will earn 6% Supervisor 1 and Supervisor 2

SUPERVISOR  
1

SUPERVISOR  
2

### Example 3:

- In this example, if you are TAB Team A and your downline TAB Team B are both earning Production Bonus at 6%, you will earn 6% on TAB Team B only, but then will be “cut off” from earning on the remaining downline
- TAB Team B will earn 6% on Supervisor 1 and Supervisor 2

To be eligible to receive the Production Bonus, your completed TAB Team Production Bonus Acknowledgment Form must have been accepted and approved by Herbalife, and all other terms and conditions must be met.

✓ Accepted by Herbalife

### Mark Hughes Leadership Bonus

When you achieve the level of President's Team and have downline President's Team, you may qualify to earn a discretionary Mark Hughes Leadership Bonus, which is taken from a pool of 1% of Herbalife's worldwide product Earn Base sales and distributed annually at the prestigious Herbalife event. Mark Hughes Leadership Bonuses are paid in recognition of outstanding performance and leadership. President's Team may refer to the annual Mark Hughes Leadership Bonus rules for full details.

### Promotions

From time to time, Herbalife also offers extra sales incentives such as training workshops, retreats, vacations, recognition titles and even cash bonuses. Promotion events are a powerful way to share your success with your family and solidify your relationships with other Distributors.



## Glossary of Terms

The following terms are used throughout this text. Some have specific Herbalife connotations, so please become familiar with them and make them a part of your vocabulary as quickly as possible.

**Blocking:** As a Production Bonus earner, when you have a Production Bonus earner below you earning at a higher Production Bonus earning percentage, you will be “blocked” from earning on that Production Bonus earner as well as their downline organization.

**Commission (Wholesale Profit):** The difference between the discounted price paid by the Sponsor and the price paid by the downline. It is also known as Wholesale Profit.\*

\*This does not constitute a personal purchase requirement. See important note on page 2 for explanation.

**Customer:** Anyone who is not an Herbalife Independent Distributor who purchases Herbalife<sup>®-MD</sup> products at retail price.

**Cut Off:** As a Production Bonus earner, when you have a downline earning an equal Production Bonus percentage, you will be able to earn your eligible Production Bonus on the sales activity down to and including that earner but will not earn Production Bonus on any lineage below.

When you have a downline earning a lower Production Bonus percentage, you will earn your eligible Production Bonus on the sales activity down to and including the earner plus you will earn the percentage difference on their downline.

**Discount Scale:** An earned discount of 35% to 50% which is allowed after reaching specified sales goals.

**Distributor:** An Herbalife Independent Distributor.†

†Distributors may be referred to as Members in some countries.

**Downline:** All Preferred Customers and Distributors personally sponsored by you as well as all other persons sponsored by your Distributors.

**Earn Base Value:** The value assigned to a product, in local currency, on which discounts and earnings are calculated.

**First-Level Distributor:** All Distributors you personally sponsor are considered your First Level.

**Fully Qualified Supervisor:** A Distributor who has met all the requirements for Supervisor qualification and is now entitled to all Supervisor privileges.

**HAP Distributor:** A Distributor who chose to activate an optional regular monthly automatic order called Herbalife Advantage Program (HAP).

**Lineage:** All Preferred Customers and Distributors who are part of one organization as a result of sponsoring or being sponsored.

**Distributor (DS):** Uses Herbalife<sup>®-MD</sup> products for consumption and is interested in the business opportunity to earn income from the compensation plan. Distributors build their business by selling the products and recruiting and working with their customers and Distributors.

**Personal Preferred Customer:** All Preferred Customers your personally refer are considered your Personal Preferred Customers.

**Preferred Customer:** Anyone who submitted a Preferred Customership Application and Agreement to purchase Herbalife<sup>®-MD</sup> products for their household's personal consumption at a discount directly from the Company. Preferred Customers cannot sell products, sponsor Distributors or engage in the Herbalife business in any way. However, Preferred Customers may convert to Distributors.



**Production Bonus:** A bonus of 2% to 7% earned on your entire downline organization's activity paid to eligible TAB Team.

**Profit, Retail:** The difference between the discounted product price paid by a Distributor and the retail price paid by a Retail Customer.

**Profit, Wholesale:** The difference between the discounted price paid by the Sponsor and the price paid by the downline. Also known as Commission.\*

\*This does not constitute a personal purchase requirement. See important note on page 2 for explanation.

**Qualified Producer:** A Distributor who accumulates 2,500 Personally Purchased Sales Volume Points within 1 to 6 months and is entitled to purchase at a 42% discount and earn split commissions. This status can be reached by utilizing up to 1,500 Downline Sales Volume Points, with the remaining 1,000 as Personally Purchased Sales Volume.

**Qualifying Month:** The month in which a Distributor meets the requirements for a specific qualification.

**Qualifying Supervisor:** A Distributor who has achieved the required Volume Points toward Supervisor Qualification in their qualifying month. Assuming that all qualifications are met, they will be recognized as a Fully Qualified Supervisor on the first of the following month. A Qualifying Supervisor is eligible to purchase from Herbalife at a temporary 50% discount.

**Referral:** A Preferred Customer who is introduced or referred to Herbalife by another Preferred Customer.

**Royalty Override:** A monthly payment ranging from 1% to 5% made to Fully Qualified Supervisors on the sales activity of their three levels of active downline Supervisors.

**Royalty Points:** Used for qualification purposes, this is the sum of a Supervisor's Organizational Sales Volume multiplied by their Royalty Earnings percentage.

**Royalty Roll-Ups:** Herbalife pays Supervisors the full 5% for each of three active downline Supervisor levels. Royalty Roll-Ups are paid to the appropriate upline Supervisor(s) when a downline Supervisor earns less than the maximum 5% Royalty Override payout per level. In these instances, the difference between 5% and the Supervisor's earning percentage (1% to 4%) results in the Royalty Roll-Ups.

**Senior Consultant:** A Distributor who has qualified to purchase at 35% or 42% discount.

**Split Commission:** The commission earned from a downline who is purchasing at a lower discount than your discount at the end of the Volume Month. A commission of up to 25% will be split amongst the eligible Senior Consultant, Qualified Producer, Qualifying Supervisor and Fully Qualified Supervisor in the purchasing Distributor's upline.

**Sponsor:** A Distributor who brings another individual into Herbalife.

**Success Builder:** A Distributor who places an order of 1,000 Volume Points at 42% discount.\*

**Supervisor's Personal Organization:** Includes all Distributors in the Supervisor's downline who are Preferred Customers and Distributors.

**TAB Team:** A Distributor who has met all the requirements for GET, Millionaire Team or President's Team.

**10 Retail Customers Rule:** A Distributor must make sales to at least 10 separate retail customers each month to qualify and receive Royalty Overrides and Production Bonus.

**The 70% Rule:** In any given month, a Distributor must sell at least 70% of the total value of Herbalife®-MD products they purchased each Volume Month in order to qualify to earn and receive Royalty Overrides and Production Bonus for that month's business.



**Upline Organization:** Your Sponsor and their Sponsor and their Sponsor's Sponsor, and so on.

**Volume, Downline:** Volume achieved on orders placed by your Preferred Customers and non-Supervisor downline directly from Herbalife.

**Volume, Encumbered:** Volume being used by your downline for Supervisor qualification purposes.

**Volume, Group:** Sales from orders purchased at a temporary 50% discount, by Qualifying Supervisor(s) in a Supervisor's personal organization.\*

**Volume, Matching:** The Total Volume a sponsoring Supervisor must have in a given month to equal or exceed the volume achieved by their downline Distributor(s) who are qualifying for Supervisor.\*

**Volume, Organizational Sales:** The accumulated sales volume amount on which a Supervisor earns Royalty Overrides.

**Volume, Personal:** The sales volume from orders purchased by you as a Fully Qualified Supervisor and all others in your downline organization, excluding any 50% orders by Qualifying or Qualified Supervisors.

**Volume, Personally Purchased:** The volume from orders purchased directly from Herbalife using your Herbalife Identification Number.\*

**Volume, Total:** The combined total of Personal Sales Volume plus Group Sales Volume.

**Volume, Unencumbered:** Volume not being used by your downline for Supervisor qualification purposes.

**Volume Point:** A point value assigned to each Herbalife<sup>®-MD</sup> product that is equal in all countries.

\*This does not constitute a personal purchase requirement. See important note on page 2 for explanation.

# Key Information About Being an Herbalife Independent Distributor

## How to join?

You join by buying an initial Distributorship kit, the Herbalife Distributor Pack (\$94.95). There is no other required purchase.

As a Distributor, you can:

- Buy Herbalife<sup>®-MD</sup> products at a discount for your own or household use
- Sell Herbalife<sup>®-MD</sup> products to customers to make a Retail Profit. An example is shown on the right:
- Recruit others who want to consume or sell Herbalife<sup>®-MD</sup> products and earn commissions and bonuses from Herbalife based on their activity
- You **cannot** earn any money by only recruiting or only sponsoring someone



Suggested Retail price	\$71.20
Distributor price (with initial discount before shipping and taxes)	- \$59.94
<b>Potential profit</b>	<b>\$11.26</b>

## How much can a Distributor earn in a typical month?

Most Distributors in 2024 only benefited from the discount on Herbalife<sup>®-MD</sup> products, either for their own use or to sell for a Retail Profit. In 2024, as a result, the typical Distributor did not receive earnings from Herbalife.

Canada Numbers: In 2024, there were 16,384 Distributors in Canada who had been Distributors for at least one full year. In a typical month, 1,565 Distributors received commissions or bonuses from Herbalife and Distributors typically earned in six out of 12 months. Below is what those Distributors made in a typical month before expenses, including what they were paid by Herbalife.

Global Numbers: In 2024, there were 1,945,797 Distributors who had been Distributors for at least one full year. In a typical month, 410,626 Distributors received commissions or bonuses from Herbalife and Distributors typically earned in nine out of 12 months. Below is what those Distributors made in a typical month before expenses, including what they were paid by Herbalife and an estimate of Retail Profit modeled on actual sales data from the United States:

Canada	Global
<b>50% earned more than CA\$80 in a month</b>	<b>50% earned more than CA\$190 in a month</b>
<b>Top 10% earned more than CA\$956 in a month</b>	<b>Top 10% earned more than CA\$1,729 in a month</b>
<b>Top 1%* earned more than CA\$19,657 in a month</b>	<b>Top 1%* earned more than CA\$14,192 in a month</b>

There are no guarantees. Some Distributors will succeed, while some will not. As with all business, success requires hard work, skill and dedication.

\*In 2024, the tenure of the Top 1% typically ranged from three to eight years.

## What if it doesn't work?

- You can cancel your Distributorship at any time. If you are in your first year, you can cancel and receive a full refund of your Herbalife Distributor Pack.
- If you cancel your Distributorship, you can return unopened products you purchased within the last year for a full refund. We even pay for shipping.
- Please contact 855-757-4747 for more information

[https://hrbl.me/Herbalife\\_STE-CAEN](https://hrbl.me/Herbalife_STE-CAEN)



## THE HERBALIFE SATISFACTION GUARANTEE

Herbalife guarantees the quality of any product which carries the Herbalife name and certifies that the products manufactured for it meet high standards of freshness and purity for Customer use.

We are confident that all Customers (Preferred Customers and Retail Customers) will find our products satisfactory in every way. However, if for any reason, a Customer is not completely satisfied with any Herbalife® product purchased directly from us or from an Herbalife Distributor, the Customer may return it for a refund or product exchange within 30 days from the date the Customer receives the product.

The Customer may obtain their refund or exchange either from Herbalife or the Distributor from whom the product was purchased. The Customer will be asked to return the unused portion of the product, or the empty product containers, along with a copy of the retail receipt. The Distributor must offer the customer a full credit toward the purchase of other Herbalife® products or a full refund of the purchase price.

Herbalife's Satisfaction Guarantee is limited only by the terms of certain specific warranties attached to or packaged with certain products. The Guarantee does not apply to any product intentionally damaged or misused.

Similarly, subject to certain conditions, Distributors who purchase a product for their own consumption and who are not satisfied with the product, may return it within 30 days (from the date they received the product) in exchange for other products. To initiate the exchange, contact the Refunds & Repurchase Department at 1-866-622-1222 for a "Return Authorization Number".

### **Distributor Must Honor Guarantee**

Distributors must honor the Satisfaction Guarantee quickly and courteously, according to these instructions.

The Customer may also contact Herbalife directly for a refund by calling 866-622-1222 or by following the instructions available at [Herbalife.ca](http://Herbalife.ca).

A Distributor must provide a completed Retail Order Form with each retail sale made to a Customer. It is important for the Customer to know how to reach the Distributor for more products, questions, etc.

If a Customer requests a refund from a Distributor, the Distributor must complete a [Request for Refund Form](#), a copy of which is included in the "Sample Forms" section of the [Sales and Marketing Plan and Business Rules Book](#). The Distributor is to 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 their 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 to Herbalife within 30 days of making the refund to the Customer.

Herbalife will exchange the returned product with the identical replacement product for the Distributor as soon as all the required documentation has been received. In the case of a Distributor exchanging product, there may be additional inquiry to ensure that the reason for the return is the Distributor's dissatisfaction as a consumer of the products returned.

Herbalife® products are property sold by authorized Distributors in situations that allow for explanation and guidance on the best and safe use of Herbalife® products. Distributors must follow Herbalife's Rules on maintaining product quality, proper product storage, providing complete product presentations, and providing proper product use directions. Because of this, the Satisfaction Guarantee is limited to purchases from Distributors or, directly from Herbalife.

A Distributor who receives a Satisfaction Guarantee request from an individual who did **not** purchase from that Distributor, should refer the individual directly to Herbalife's Refunds & Repurchase Department at 866-622-1222.

Because only Herbalife and its Independent Distributors are authorized to provide instructions and information concerning proper and optimal use of Herbalife® products, it is essential that Herbalife verify that these individuals purchased the products from Herbalife or an authorized Distributor before processing the individual's request under the Satisfaction Guarantee.

## ORDERING PROCEDURES

This section of the Sales and Marketing Plan and Business Rules Book is designed to acquaint you with Herbalife administration policies which ensure the smooth flow of daily business activity.

Every profitable enterprise establishes clear guidelines for the conduct of its own business. The rules provide the parameters within which the business operates freely. Many of the Rules relating to the conduct of business are applied externally, by government, regulatory bodies, consumer legislation or industry codes and practices. In addition to the rules governing companies in Canada, other countries and the Direct Selling industry, Herbalife has developed a set of policies for the conduct of an Herbalife Distributorship, to ensure the maximum fairness and protection for all Distributors.

These Rules provide consistency, security, integrity, and honesty, enabling the Company, Preferred Customers, Distributors, and the public to enjoy total confidence in the system and respect for our industry.

Please read and become familiar with these policies and procedures.

### **Ordering Procedures**

To place your orders via phone, please contact Herbalife at 866-622-1222.

### **Important Ordering Tips**

As soon as you have become a Distributor, you may purchase from your Sponsor, your first upline Supervisor, or directly from Herbalife.

As a Distributor, you may place a single product order equivalent to up to 1,100 Volume Points on your first order. Within the next 10 days, you may continue to purchase products for your personal consumption, your downline, or your customers. During this 10-day period these total purchases may reach up to 3,999.99 Volume Points. As a reminder all orders must be placed directly with Herbalife for the volume activity to count towards qualification levels within the Sales & Marketing Plan.

Once you qualify as an Herbalife Supervisor, you must always purchase directly from Herbalife. There are several convenient methods you may use to place an order directly with Herbalife: telephone, mail, or directly at an Herbalife Distribution Center. All orders will be shipped within two business days, whenever possible, if all moneys have cleared. Please remember that our ordering process is computerized, so once you complete your order it cannot be adjusted or altered in any way. Therefore, no matter what method you choose to place your order, it is important that you prepare your order in advance to ensure accurate and speedy processing.

All orders must be paid in full, confirmed and processed for Herbalife to release the order. Please always have the following information readily available.

- Prepare your order in advance to ensure accurate and speedy processing.
- Clearly indicate order month.
- Have your Herbalife Identification Number ready.
- Have the name and Identification Number of your Sponsor and upline Fully Qualified Supervisor (FQS).
- Have shipping method and shipping address (including postal code, city and province), recipient's name and corresponding telephone number (if applicable).
- Provide the appropriate discount percentage.
- Provide method of payment and appropriate details (i.e., credit card number, expiration date, APS PIN number, etc.).
- Provide the stock number(s), description, and quantity of the item(s) you are ordering.
- Complete all calculations and totals (prices, discounts, Volume Points, and taxes).



### **Telephone Orders**

To place your telephone orders, please call the Herbalife of Canada Sales Order Department at 866-622-1222 between the hours of:

10:00 a.m. - 9:00 p.m. Pacific Standard Time (Monday - Friday)  
7:00 a.m. - 6:00 p.m. Pacific Standard Time (Saturday)

After payment has cleared, your order will be transmitted.

### **Acceptable methods of telephone payment are:**

- Major Credit Cards under purchaser's name, (Visa, MasterCard, American Express)
- Automatic Payment System (APS); Approved applications must be on file at the Herbalife of Canada Office (must have 4-digit code). Contact the Sales Order Department for an APS Application.
- Wire Transfers must be bank-to-bank transactions. Upon payment clearance, your order will be transmitted to the Distribution Center for shipment.

All telephone orders must be placed and fully paid by the close of business day on the designated "End of Month" day. Please have your order ready before calling the Sales Order Department.

### **Payment Policy**

Please note that all orders must be paid in full, processed and accepted for Herbalife to ship/release the order. The following are acceptable methods of payment:

#### **Credit Cards**

American Express, Visa and MasterCard. The credit card must be in the name of the purchaser. Credit cards may be used for all order types.

#### **Automatic Payment System (APS)**

Supervisors who have been fully qualified for at least 30 days may authorize Herbalife to deduct the exact amount from their Canadian bank as payment for their order. Approved applications (available through the Sales Order or Member Services Departments) you must have a 4-digit Personal Identification Number (PIN). APS may be used for all order types. Non-Supervisors can use APS only through the HAP program.

#### **Wire Transfers**

The option for wire transfers as a payment is only available for orders placed online through myHerbalife.com. This option is not available for orders placed through the call center. Your order may be paid by wire transfer to Herbalife bank account (shown below). It must be a bank-to-bank transaction. A bank deposit does not constitute a Wire Transfer. Please note that products will not be shipped/released until your wire transfer has been received, confirmed and processed by Herbalife. You must reference your Herbalife ID Number and order number with your wire transfer. Wire transfers may be used for telephone or mail orders. The following information must be clearly indicated on all wires:

Bank of Account: Bank of America, N.A. Canada Branch 200  
Front Street West 26<sup>th</sup> Floor  
Toronto, Ontario M5V 3L2  
Bank Swift Code: BOFACATXXX  
Institution Code#: 241  
Transit Code: 56792  
Account Number: 451480234 (CAD chequing account)  
Payee: Herbalife of Canada

### **Month-End Ordering Guidelines General – Canada**

Herbalife of Canada's Sales Order Departments will be open during the following hours on the designated "End of the Month" (EOM). (Usually the last day of the month.)



## Business Numbers

### 1. Sales Order Department

Toll-Free Number

866-622-1222

2. For additional information on products, qualifications, Marketing Plan, etc., please contact the Member Services Department

### English and French lines:

866-622-1222

**English line:** 10:00 a.m. - 9:00 p.m. Pacific Standard Time (Monday - Friday)

7:00 a.m. - 6:00 p.m. Pacific Standard Time (Saturday)

**French line:** 8:30 a.m. – 4:00 p.m. Pacific Standard Time (Monday - Friday)

### End-of-Month Ordering and Payment Deadlines

The deadlines specified below are set to ensure accurate payment of Royalty Overrides to each and every Distributor.

- All orders **MUST** be received on or before the “EOM” day in order to count for that month’s volume. The “EOM” day is absolutely the last day for us to process your order in the current month.
  - Telephone Orders must be placed and fully paid by 9:00\* p.m. (Pacific Standard Time) on the designated “EOM” day. Please have your order ready before calling the Sales Order Department.
  - Mail Orders must be postmarked on or before midnight on the specified “EOM” day and received by Herbalife **NO LATER** than the fifth (5th) of the following month (regardless of what day the actual “EOM” falls on). Appropriate payment must be included with the order.
  - Wire Transfers or postal payments must be initiated on or before the specified End-of-Month (EOM) day. These transactions must be received by Herbalife no later than the 5th of the following month. Wire Transfers can take a minimum of 24 to 48 hours before we receive bank verification. Wire payments must be bank-to-bank transactions. (A bank deposit does not constitute a Wire Transfer.)
- \* Hours extended for EOM only.
- All payments for all orders placed on the “EOM” day must be fully initiated/paid by the end of that same day to count for that month’s volume, no matter what day the “EOM” actually falls on. Order(s) will be shipped once full payment is received. Once an order is released for shipping, no changes can be made to that order.
  - Herbalife shall not be held responsible for monetary transfers that are not deposited to our account by the specified deadline.
  - Distributors are responsible for making whatever arrangements necessary to ensure payment is received on time and that adequate credit is available to assure approval of any credit card purchases. If payment is not received by the specified date, the order will count as the following month's volume.
  - If the “EOM” falls into the beginning of the next month, causing a dual Volume Month, Distributors are responsible for specifying the order month they wish the volume of the order to count toward.

### Shipping Procedures

All orders will be shipped within two business days, whenever possible, if all monies have cleared. You must indicate the method of shipment as applicable, (e.g., FedEx) on each order.

### Freight Carriers for Your Shipment

All orders are shipped from Mississauga Distribution Center, on a freight prepaid basis. The shipping charges are as follows:

Western and Eastern Provinces:

Total Retail Price for orders under \$200.00 = minimum amount charged \$11.00

Total Retail Price for orders over \$200.00 – shipping cost will be charge at 5.5% from the Retail Price of the order.

Please note for HAP orders, freight is 4.75% for Western and Eastern Provinces; if the Total Retail Price of the order is over \$200.00; otherwise, the minimum charge will be of \$11.00.

Please include the shipping costs in your payment to avoid any delay in processing and shipping your order.



### **Federal Express Home Delivery**

FedEx Air will deliver to most major cities within Ontario and Quebec. It will take two to three working days for delivery to other areas and three to five days to the Maritimes.

### **Things to Remember:**

- It is recommended that someone be available at “ship to” address to accept the shipment. (You may desire to address your shipment to your neighbour, friend, relative, etc.)
- Herbalife allows a maximum weight of 48 pounds per box.
- When your shipment consists of several boxes, they may not all be delivered at the same time. (If this happens, simply allow two additional days for the balance of the shipment to be delivered.)

All orders to be shipped via FedEx are shipped from Mississauga on a freight prepaid basis. When you request FedEx as the method of shipment on an order, your freight will be calculated as previously indicated. Please be sure to include the shipping costs in your payment to avoid any delay in processing and shipping your order.

### **Important Notes:**

- Missing telephone number or Postal Code, use of P.O. Box numbers instead of street address, Rural Routes or incomplete addresses can delay your shipment.
- Should you wish to use a courier of your choice other than Purolator or FedEx, your order will be shipped freight collect and you must pay the freight charges to the courier upon delivery of your order.

### **When Receiving Your Shipment**

All Herbalife® products are in perfect condition when the carrier takes possession of the shipments at our Distribution Center loading docks. Before signing “Received” for your shipment, here are some things to remember:

- Your signature means that you have received your shipment in a satisfactory manner (unless otherwise specified).
- Determine the number of boxes your shipment includes, either by the packing slip or by the number of boxes marked on top of each box, e.g., 1 of 3, 2 of 3, etc.
- Only sign “Received” for the number of boxes actually received.
- Inspect your shipment for obvious outside damages. (Even though there is no apparent damage on the outside, some damages might be found inside.) See “Shipping Inquiries and Claims” below.
- Note any damages and/or box shortages on the carrier’s delivery documents. (FedEx may not deliver all boxes the same day.)

### **Shipping Inquiries and Claims**

For any specific inquiry or problem associated with a particular shipment (damaged and lost order claims, etc.), please call Herbalife Member Services Department at 866-622-1222.

### **Damaged Product**

You should check all shipments at the time of delivery for any damage. Damaged merchandise must be reported to and seen by the driver to ensure that you may place a claim directly with the Freight Company.

### **FedEx Home Delivery Claims**

- FedEx lost shipments (complete or partial) must be reported to Herbalife of Canada within seven days after estimated time for arrival.
- Any hidden damages found on a FedEx delivery, discovered after the FedEx driver has left, must be reported to your local FedEx office immediately. FedEx will send a driver to pick up the damaged items for inspection. Keep the damaged items in the original package as found, including all packing material, and the master container.
- FedEx will forward a copy of the damage inspection report to Herbalife where the shipment was originated.
- The Distribution Center, upon receiving this report, will initiate the proper FedEx claim(s) procedures and follow up to completion.
- In some instances, FedEx may desire not to send an inspector to pick up the damaged items. However, the damage report will still be generated, and the same procedure as above will take effect. In every case, you will get a control number from FedEx.



## **Tax Information**

The following notes highlight key points of interest for Herbalife Distributors. These notes are not intended to cover all aspects of registration or taxation that may affect your organization, so we recommend that Distributors consult with their own tax or business advisor or their local, provincial or federal taxation offices.

### **A. Federal/Provincial Income Tax and Reporting**

1. Income tax laws in Canada, and in various provinces and municipalities within Canada, require that individuals with income from businesses report such income. Residents of Canada are required to file income tax returns reporting all of their income. Nonresidents may also need to report their Canadian income. Distributors are solely responsible for the proper reporting of their income and payment of their taxes.

2. It is important to establish and maintain a proper set of books and records for your business. Inexpensive manuals and computerized systems are available, or you may prefer to hire an experienced bookkeeper. Revenue Canada requires taxpayers to keep their tax records for a minimum of seven years.

### **B. Non-Resident Withholding Tax**

1. All payments of commissions, Royalty Overrides and bonuses resulting from U.S. orders are deemed by the IRS to be U.S. source income. As such, payments to upline Distributors residing outside the United States are subject to U.S. non-resident withholding tax (currently 30%).

2. On or before March 15 of each year, Herbalife U.S. will send a Form 1042-S to Distributors which reports the amount of earnings paid and the amount of U.S. tax withheld. Depending on the Distributor's situation and the laws of the Distributor's resident country, a refund from the IRS may be requested or relief from double taxation is often available. Affected Distributors are encouraged to consult with their tax advisors.

3. For these reporting reasons, all Distributors in Canada must provide proper taxpayer identification numbers, usually their social insurance number. It is the Distributor's responsibility to ensure that the name, legal address, and taxpayer identification number are properly recorded in the Herbalife computer system and to immediately advise if a correction is needed.

### **C. Sales Taxes**

Herbalife of Canada Ltd. utilizes the Alternate Collection Method (ACM) for sales tax which includes the following taxes: Goods and Services Tax (GST), Harmonized Sales Tax (HST), Quebec Sales Tax (QST), and Provincial Sales Tax (PST).

1. Herbalife must pre-collect all applicable GST/HST and QST/PST from Distributors, based on the suggested retail price (i.e., the catalog price) of the Herbalife® products, at the time that the products are sold to Distributors. Herbalife is legally obligated to remit the taxes to the applicable authorities. Distributors will recover the taxes they pay to Herbalife, by charging an amount for the applicable GST/HST and QST/PST to their customers and keeping such amount (as he/she will already have paid it).

2. Under the GST/HST and QST Pre-Collection Rules (hereafter all referred to as the "Rules"), Herbalife is solely responsible to remit GST/HST/QST (hereafter referred to collectively as "GST") on the Distributor sales. These Rules apply irrespective of whether a Distributor is or is not GST registered. Accordingly, where a Distributor remains GST registered, the GST will be pre-collected, and the remittance of the GST will be done by Herbalife and not the Distributor.

3. Distributors, whether GST registered or not, will not have to pay any GST on their purchases of "sales aids" from Herbalife or from other Distributors. Non-GST able sales aids may include but are not limited to sales of Literature, Promotional items, forms, samples marked "not for resale", IBPs and catalogs.

4. Royalty Overrides, bonuses or commissions which are based on the volume of sales by a Distributor and their downline, are not subject to GST even where the Distributor is GST registered. Accordingly, no GST will be added to Royalty Overrides, bonuses, or commissions based on sales of products or sales aids (to other Distributors).

5. GST will also not be payable on any packaging and handling and freight to Distributors for delivery of products or sales aids. Please note, however, that the GST will remain remittable by the Distributor (under their GST No.) if any packaging and handling and freight are charged separately on an invoice to the end customers by the Distributor. However, if these charges are included in their retail price, then no GST applies.



6. Distributors are entitled to purchase Herbalife® products for their own personal consumption at wholesale prices. Accordingly, when a Distributor uses products for their own personal consumption, they will be eligible to a refund from Herbalife of Canada with respect to the GST that was pre-paid on the suggested retail price equal to the GST on the difference between the wholesale price and the suggested retail price.

7. Special PST Pre-Collection rules are also in place in the five PST provinces of British Columbia, Saskatchewan, Manitoba, Ontario, and Prince Edward Island. As with the GST Rules, Herbalife will pre-collect PST from Distributors based on the suggested retail price. Herbalife is solely responsible for remitting these amounts to the provincial governments. The Distributor will recover the pre-paid PST amounts from their Customers in the same way as for the GST.

8. PST will continue to be applicable on all Distributor purchases of sales aids and Distributor/Customer gifts.

9. Packaging and handling and freight charges are not subject to PST, unless the purchases from Herbalife from a Distributor are for personal consumption. Furthermore, as with the GST, if there are separate or additional charges to the customers (shown on the invoice), P & H and freight will be subject to PST and must be remitted (so PST registration is required if the Distributor will be showing these charges as extra rather than built in).

10. For individuals currently registered for sales tax (i.e., GST/HST, QST and/or PST) it is recommended to seek personal tax advice from their financial/tax advisor to determine whether the registration should be retained.

11. For more details, please contact the Canadian Revenue Agency or the appropriate government agency in your province or consult with your tax advisor.

#### **D. Business Licenses and Registrations**

1. Many cities or municipalities within Canada require that Distributors register their business when starting their business activity. We recommend that Canadian Distributors contact their local government offices for information about these requirements.

#### **E. Pension Plan and Other Taxes**

1. All Distributors are independent and as such are responsible for their own Canada Pension Plan, Medicare and other taxes as may apply. Advance payments of these taxes may be required. Further information is available from the respective tax office or your tax advisor.

The information noted above may be modified from time to time by the respective authorities. To ascertain your personal situation or if you have any questions, we suggest that you consult with the respective federal, provincial, and local tax offices in your area or with your qualified tax advisor.



## Frequently Asked Questions

### How to Do Business

#### **Do I have to wait for my Distributorship Application to be processed before placing an order?**

It's not necessary to wait for your Agreement to be processed. You can buy Herbalife® products directly from the Herbalife Sales Order Department, your Sponsor or first upline Fully Qualified Supervisor (at the applicable discount) utilizing the Herbalife ID Number on the Registration Card contained in your International Business Pack (IBP).

#### **How do I place an order?**

It's easy! You may place orders through Herbalife directly, your Sponsor or upline Supervisor. When you become a Supervisor, you must purchase directly from Herbalife. It's important for you to have certain information prepared prior to placing an order directly with Herbalife. You may place orders with Herbalife by mobile or telephone.

#### **How much product may I purchase on my first order with Herbalife?**

As a new Distributor, you may place a single product order equivalent of up to 1,100 Volume Points on your first order with Herbalife. Within the next 10 days, you may continue to purchase products to satisfy your needs for personal consumption, your downline, or Customers. During this 10-day period, these total purchases may reach up to 3,999.99 Volume Points.

This is to support new Distributors during their own product experience and whilst they begin retailing products. This is also intended to help discourage financial expenditures without that experience.

#### **May I call Herbalife directly with questions?**

We're here to assist you. We also encourage you to consult your Sales and Marketing Plan and Business Rules Book, and to work with your Sponsor and upline Supervisor, since they have a great deal of field experience. However, if we may assist you, please call our Member Services Department directly Monday-Friday, 6:00 a.m.-5:00 p.m. (Mountain Time) at 866-622-1222.

#### **How quickly will my order be processed and how long will it take to reach me?**

All orders will be shipped within two (2) business days, whenever possible, if payment is received and processed. Shipping times vary, of course, depending on the shipping method you choose. All orders shipped from our Mississauga Distribution Center via Purolator or FedEx service are shipped freight prepaid and will generally arrive within two to five working days.

#### **Do I have to pay any other charges on top of the price of the products?**

Orders shipped from Mississauga Distribution Center: Orders are shipped prepaid with a minimum freight cost of \$11.00. Regular Orders shipped by FedEx within Canada have a freight cost of 5.5% of the total retail over \$200.00 (approximately). HAP Orders shipped within Canada will be shipped by FedEx and have a freight cost of 4.75% of the total retail over \$200.00 (approximately). Taxes, of course, are based on the tax rates of your shipping destination.

### **I've heard a lot about the HAP Program.**

#### **What is it all about?**

"HAP" stands for "Herbalife Advantage Program." HAP is an automatic monthly product shipment program, providing Distributors with the option of an effortless, flexible, and convenient method for selecting and automatically shipping the products they use the most. HAP also provides Distributors who activate their HAP orders with exclusive added benefits, including free activation; no Annual Distributorship Services Fee for non-Supervisors with active HAP orders for 12 consecutive months; 35% to 50% discount; additional sales tax savings; automatic, consistent monthly home delivery; special promotional offers; flexibility to change your HAP order (any time before HAP deadline); free monthly literature and communications; and easy automatic payment options. You will find a HAP Activation and Order form in this Sales and Marketing Plan and Business Rules Book. For additional information, please contact Herbalife's Member Services Department at 866-622-1222.



### **How do I retail the products?**

Retailing the Herbalife® products will be one of the most important keys to your business success! As Herbalife's Founder and First Distributor, Mark Hughes (1956-2000) always stressed, use the products, wear the button, and talk to people. You will develop your own selling style, which might include talking to your Circle of Influence, distributing flyers, conducting surveys and/or participating in seasonal promotions. Your Sponsor has the field experience and can provide training to you.

### **Wear the Button**

- You become a walking advertisement.
- Wear, use, or display any Herbalife item that will attract people to talk to you – this makes conversation easy.

### **Talk to People**

- When they ask, tell your weight-management success story or your business success story.
- Explain the products and business opportunity.
- Explain how they can improve their health and also grow a successful business.
- Who do you know?
- Talk to everyone.

### **May I export the products?**

Regulations vary from country to country in which we are officially open. Each country has its own line of products, literature, and promotional items specific to each of these countries. Distributors may only bring products approved for a specific country within that country. Distributors may not bring products from one Herbalife country to another, unless approved for sale there.

### **Where can I get more training on the Herbalife® products and selling methods?**

You have a multitude of fantastic choices! Your Sponsor and/or upline Supervisor may be able to assist you, and we always suggest you contact them first. There are many training sessions held throughout the world every year. And by clicking on [MyHerbalife.com](http://MyHerbalife.com), you can access training and business to-building tools 24/7. Some of our websites include:

#### **[Herbalife.com](http://Herbalife.com)**

Herbalife's official website establishes Herbalife as a leading company in the areas of Weight Management, Energy & Fitness, Targeted and Outer. The site provides consumers with information on the company, our products and business opportunity and a request form to be contacted to learn more.

#### **[MyHerbalife.com](http://MyHerbalife.com)**

The primary business management and success resource website for Distributors, optimizing recruitment, retention, retail and community. Login requires ID and PIN Code.

#### **[HerbalifeFamilyFoundation.org](http://HerbalifeFamilyFoundation.org)**

This website is dedicated to Herbalife Family Foundation which helps "at-risk" children around the world. If prompted for a password, please contact the Sales & Strategy or Member Services Departments.

There is also the Herbalife Broadband Network (HBN), which features fast, high-quality audio and video streaming to anyone with Internet access, 24 hours a day.

#### **HBN offers:**

- Exciting product launches.
- Unbeatable video training from Herbalife's founder.
- Live question-and-answer sessions with top Distributors and Herbalife's doctors.
- Motivation by Jim Rohn, Business Philosopher and Motivational Speaker (1930-2009).
- House-party training.

### **Once I qualify for earnings, are there any special procedures to follow?**

Yes, and they are quite simple. In order to receive your earnings, you must strictly adhere to Herbalife's 10 Retail Customers Rule. Please refer to Rule in the "Rules of the Road" section in this Sales and Marketing Plan and Business Rules Book for complete information.



### **Are there any tax issues I should be aware of?**

Yes, and they are similar to any business you would independently operate. Distributors are solely responsible for the proper reporting of their income and payment of their taxes. Any questions should be referred to the individual Distributor's own tax advisor. For more information, please refer to the "Tax Information" section in the "Ordering Procedures" section in this book.

### **Rules of the Road**

Following are the answers to some of the most commonly asked questions by new Distributors regarding Herbalife's Rules of the Road. Please carefully review the "Rules of the Road" section in this Sales and Marketing Plan and Business Rule Book, which will provide you with the full details. These Rules of the Road have been established for your protection. They represent the code of ethics by which all Distributors must operate.

We encourage you to read and understand them, so you are fully aware not only of your own obligations, but also of your rights as an Distributor. We believe Herbalife's® products and Sales & Marketing Plan are the best in the industry. We also believe in our Distributors and in supporting them in their business to uphold the highest possible ethical standards. We are committed to maintaining the integrity of Herbalife, its Sales & Marketing Plan and its global distribution network of Distributors.

### **What are the age requirements for becoming a Distributor?**

An applicant must be at least 18 years of age to become an Distributor and to conduct business in Canada. However, a minor who is above the age of 14 may submit an Application for a Minor Distributorship, under certain conditions. Please refer to the Administrative section the "Rules of the Road" section of your Sales and Marketing Plan and Business Rules Book for full details.

### **May my spouse or Life Partner and I have separate Distributorships?**

Married couples and Life Partners may have only one Distributorship. Married couples and Life Partners wishing to become Distributors together must complete and sign a single Distributorship Application, thereby having only one Sponsor. It is very important for new Distributors to note that an individual may have only one Distributorship and should never sign more than one Distributorship Application. Please see the Sales and Marketing section in the "Rules of the Road" section of your Sales and Marketing Plan and Business Rules Book for full details.

### **May I submit my Distributorship Application in the name of a Corporation or Partnership?**

The long-term success of Herbalife's Sales & Marketing Plan has been based on the entrepreneurial spirit of individuals. In order to help protect the integrity of the Sales & Marketing Plan, Herbalife only accepts Distributorship Applications in the name of individuals. Please refer to the Sales and Marketing section in the "Rules of the Road" section of your Sales and Marketing Plan and Business Rules Book for full details.

### **What is the relationship with my Sponsor?**

The relationship between a Distributorship and their Sponsor is the foundation of Herbalife's Sales & Marketing Plan. Many Sponsors, as part of their Herbalife business, may spend a significant amount of time locating new Distributors, training, and working with them over a period of time. Please refer to the Sponsoring and Leadership section in the "Rules of the Road" section of your Sales and Marketing Plan and Business Rules Book for details regarding responsibilities of a Sponsor.

### **May I sell Herbalife® products anywhere in the world?**

As Distributor you may sponsor Distributors, train, and build your downline business in any of the countries where Herbalife is officially open. Please note, Distributors may only sell products approved for a specific country within that country. They may not bring products from one Herbalife country to another unless approved for sale. Permissible Herbalife business activities vary in each country, depending on local laws. Please contact Herbalife's Member Services Department for detailed information on a specific country's rules. Officially opening a country is an involved and complicated process. All countries have rules and regulations regarding the manufacture, labeling and sale of products and other regulations with which we must comply. Therefore, we cannot allow the sale of our products in a country in which we are not yet officially open. Additionally, country openings will be delayed if government officials find that our products are being improperly imported into that country. For these reasons, we consider violations of our Export Policy to be extremely serious. Such violations could result in the immediate termination of a Distributorship. Please see the General Conduct section in the "Rules of the Road" section of your Sales and Marketing Plan and Business Rules Book for complete information.



### **What is Herbalife's Customer Refund Policy?**

Herbalife® products have a 30-day money-back guarantee for the Retail Customer, from the time the product is received. Distributors should respond quickly when the retail customer requests this guarantee be honored. The Distributor may offer the retail customer a choice of a full refund of the purchase price or full credit for exchange of other Herbalife® products, and the Distributor must honor the Retail Customer's choice. Please refer to the "Gold Standard Guarantee" section and the Selling Products section of the "Rules the Road" section of your Sales and Marketing Plan and Business Rules Book for full details on these procedures, policies and rules.

### **Does Herbalife have specific policies and rules regarding advertising and promotion?**

The integrity of Herbalife's Sales & Marketing Plan, and legalities make it necessary for us to enforce important rules and policies regarding advertising and promotion. We are confident that you will find these rules and policies protect you and your business as much as they protect Herbalife.

Distributors may produce their own ads/flyers, provided they follow all of Herbalife's Rules for advertising. It is the Distributor's responsibility to ensure they are complying with these rules. If you have any questions regarding our advertising guidelines, please contact Herbalife's Member Services Department. Additionally, please refer to the Advertising section "Rules of the Road" for full details.

### **Herbalife Worldwide Offices**

Listed here are addresses, phone numbers and hours of operation for Herbalife of Canada's Home Office. Distributors may order products or literature to be shipped from any of our Worldwide Distribution Centers. However, no material can be shipped across international boundaries. Please contact your local Sales Order Department to place an international order.

For information regarding Herbalife's Distribution Centers throughout the world, please refer to the listing on [MyHerbalife.com](http://MyHerbalife.com) or contact the Member Services Department at 866-622-1222.

If you have any questions or require assistance placing an order, please call Herbalife's Sales Order Department.

### **Telephone Numbers**

Member Services 866-622-1222

### **Correspondence** *(all Herbalife correspondence including orders)*

Herbalife of Canada Ltd.  
202- 4 Place Du Commerce  
Brossard, QC J4W 3B3

### **Fax Numbers**

Administration 403-204-7725  
Member Services 403-204-7715 (general inquiries)  
Sales Strategy & Support Team 403-204-7733  
Warehouse 403-204-7725

### **Email Addresses**

Member Services  
DRCanada@herbalife.com (general inquiries)  
canrecords@herbalife.com (records)  
Sales Strategy & Support Team  
canadasales@herbalife.com

### **Hours of Operation**

Phone-in orders 866-622-1222  
(Monday - Friday) 10:00 a.m. - 9:00 p.m. Pacific Standard Time  
(Saturday) 7:00 a.m. - 6:00 p.m. Pacific Standard Time

Member Services 866-622-1222  
(Monday - Friday) 6:00 a.m. - 5:00 p.m. Pacific Standard Time



## SAMPLE FORMS

### **Introduction**

The following pages contain samples of forms which you may be required to use to communicate with Herbalife as you conduct your business. They are included to help you become familiar with them and to assist you in completing them. Please review them and become familiar with their use.

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[Herbalife Advantage Program – Resale](#)

[Retail Order Form](#)

[Automatic Payment Service \(APS\) Business Authorization Agreement](#)

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[Earnings Certification Form Royalty Override/Production Bonus and 10 Retail Customers/  
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[Nutrition Club Operator's Advisory](#)

[Hygiene and Sanitary Practices Advisory for Nutrition Club Operators](#)

[Healthy Weight Challenge Participation Agreement](#)



**PERSONAL CONSUMPTION**

CANADA

**HERBALIFE ADVANTAGE PROGRAM**

**Herbalife of Canada, Ltd.**

202- 4 Place Du Commerce  
Brossard, QC J4W 3B3

Phone Orders - (866) 622-1222

Date: \_\_\_\_\_

**Hours of operation:**

Phone orders: Monday - Friday 7:00 a.m. - 6:00 p.m. (Pacific Time)  
Saturday 7:00 a.m. - 2:00 p.m. (Pacific Time)

Yes, please activate my Herbalife Advantage Program

New Activation

Amend Order

Purchase By <span style="float: right;">1</span>
Name <input style="width: 100%; height: 20px;" type="text"/>
ID No. _____
Fully Qualified Supervisor <span style="float: right;">3</span>
Name _____
ID No. _____
Month & Year of Qualification _____ / _____ <span style="margin-left: 100px;">Month      Year</span>
Automatic Monthly Order (minimum 100 Volume Points)  *See Price List to determine Volume Points, Retail and Wholesale prices.

Ship To <span style="float: right;">2</span>
Name _____
Address _____ _____ _____
Telephone _____ Fax _____
Payment Method <span style="float: right;">4</span>
Your automatic HAP order will be billed each month and will be shipped within 3 days after payment is processed. Since your HAP order is an automatic monthly shipment program, you must select the credit card options below for Herbalife to process your order.
Visa            MasterCard            American Express APS      PIN Code _____
Credit Card # _____
Expiry Date: Month/Year _____ / _____
Authorized Signature: _____

Discount %			A	B	C
Stock No.	Product Name	Qty	Total Volume Points	Total Full Retail	Total Wholesale Price
		<b>Totals</b>	<b>A</b>	<b>B</b>	<b>C</b>
		Wholesale Total			<b>C</b>
Please Complete for this Order <span style="float: right;">5</span>			Non-Taxable Wholesale Total		<b>D</b>
Volume Points for this order _____			Taxable Sub Total (C-D)		<b>E</b>
Volume Points for previous orders _____			Shipping and Handling (4.75% - \$11.00 minimum) OR Pick Up and Handling (5.25% - No minimum)		<b>F</b>
Total Volume Points _____					
For the month of _____			Tax (GST, HST, PST, QST where applicable)		<b>G</b>
			Tax % x Total of E + F		
Pick Up and Shipping Option <span style="float: right;">6</span>			<b>Total Amount Due</b>		
Pick Up & Handling (5.25% - No minimum)		Shipping & Handling (4.75% - \$11.00 minimum)		(Add C + F + G)	



**RESALE**

CANADA

**HERBALIFE ADVANTAGE PROGRAM**

**Herbalife of Canada, Ltd.**

202- 4 Place Du Commerce  
Brossard, QC J4W 3B3

Phone Orders - (866) 622-1222

**Hours of operation:**

Phone orders: Monday - Friday 7:00 a.m. - 6:00 p.m. (Pacific Time)  
Saturday 7:00 a.m. - 2:00 p.m. (Pacific Time)

Date: \_\_\_\_\_

- Yes, please activate my Herbalife Advantage Program
- New Activation
- Amend Order

<b>Purchase By</b>	<b>1</b>
Name _____	
ID No. _____	
<b>Fully Qualified Supervisor</b>	<b>3</b>
Name _____	
ID No. _____	
Month & Year of Qualification _____ / _____ Month Year	
Automatic Monthly Order (minimum 100 Volume Points)	
*See Price List to determine Volume Points, Retail and Wholesale prices.	

<b>Ship To</b>	<b>2</b>
Name _____	
Address _____	
Telephone _____ Fax _____	
<b>Payment Method</b>	<b>4</b>
Your automatic HAP order will be billed each month and will be shipped within 3 days after payment is processed. Since your HAP order is an automatic monthly shipment program, you must select the credit card options below for Herbalife to process your order.	
<input type="checkbox"/> Visa <input type="checkbox"/> MasterCard <input type="checkbox"/> American Express <input type="checkbox"/> APS    PIN Code _____ <input type="checkbox"/> Credit Card # _____	
Expiry Date: Month/Year _____ / _____	
Authorized Signature: _____	

Discount %		A	B	C	
Stock No.	Product Name	Qty	Total Volume Points	Total Full Retail	Total Wholesale Price
<b>Totals</b>		<b>A</b>	<b>B</b>	<b>C</b>	
<b>Wholesale Total</b>				<b>C</b>	
<b>Retail Total</b>				<b>B</b>	
<b>Non-Taxable Wholesale Total</b>				<b>D</b>	
<b>Taxable Sub Total (B-D)</b>				<b>E</b>	
<b>Tax (GST, HST, PST, QST where applicable)</b>				<b>F</b>	
<b>Tax % x E</b>				<b>F</b>	
<b>Shipping and Handling (4.75% - \$11.00 minimum) OR Pick Up and Handling (5.25% - No minimum)</b>				<b>G</b>	
<b>Total Amount Due (Add C + F + G)</b>					

<b>Please Complete for this Order</b>	<b>5</b>
Volume Points for this order _____	
Volume Points for previous orders _____	
Total Volume Points _____	
<input type="checkbox"/> For the month of _____	

<b>Pick Up and Shipping Option</b>	<b>6</b>
Pick Up & Handling (5.25% - No minimum)	Shipping & Handling (4.75% - \$11.00 minimum)



**Herbalife of Canada Ltd.**  
 202-4 Place Du Commerce  
 Brossard, QC, J4W 3B3  
 Telephone 866-622-1222 Fax: 514-336-4846

**RETAIL ORDER FORM/  
 FORMULAIRE DE COMMANDE AU DÉTAIL**

FOR USE IN ALL CANADIAN PROVINCES AND TERRITORIES (EXCEPT QUEBEC)  
 POUR UTILISATION DANS TOUTES LES PROVINCES CANADIENNES (À L'EXCEPTION DU QUÉBEC)

**30-DAY, MONEY-BACK GUARANTEE/  
 GARANTIE DE REMBOURSEMENT DE 30 JOURS**

DATE OF SALE/  
 DATE DE LA VENTE \_\_\_\_\_  
 MONTH/MOIS DAY/JOUR YEAR/ANNÉE

CUSTOMER/CLIENT \_\_\_\_\_

ADDRESS/ADRESSE \_\_\_\_\_

CITY/VILLE \_\_\_\_\_ PROVINCE \_\_\_\_\_ PHONE/TÉLÉPHONE ( \_\_\_\_\_ )

EMAIL (Courriel) FAX \_\_\_\_\_

QUANTITY/QUANTITE	DESCRIPTION/DESCRIPTION	STOCK#/N°	PRICE/PRIX
Terms of Payment <input type="checkbox"/> cash <input type="checkbox"/> check <input type="checkbox"/> Visa <input type="checkbox"/> Mastercard <input type="checkbox"/> AMEX Mode de paiement <input type="checkbox"/> argent comptant <input type="checkbox"/> chèque <input type="checkbox"/> Visa <input type="checkbox"/> Mastercard <input type="checkbox"/> AMEX		SUBTOTAL/ SOUS-TOTAL	
Delivery Date/Date de livraison		PROV. TAX/ TAXE PRO	
Comments/Commentaires		FREIGHT/ TRANSPORT	
		G.S.T. (TPS)/ H.S.T. (TVH)	
		TOTAL/TOTAL	

CUSTOMER SIGNATURE/SIGNATURE DU CLIENT \_\_\_\_\_ LOCATION OF SALE/ENDROIT DE LA VENTE \_\_\_\_\_

MEMBER (VENDOR) SIGNATURE/SIGNATURE DU MEMBRE (VENDEUR) \_\_\_\_\_

MEMBER (VENDOR) NAME/NOM DU MEMBRE (VENDEUR) \_\_\_\_\_

ADDRESS/ADRESSE \_\_\_\_\_

CITY/VILLE \_\_\_\_\_ PROVINCE \_\_\_\_\_ PHONE/TÉLÉPHONE ( \_\_\_\_\_ )

EMAIL (Courriel)/FAX \_\_\_\_\_

WHITE/BLANCHE - CUSTOMER/CLIENT CANARY/CANARIE - MEMBER/MEMBRE

By signing this form, I give consent to my Herbalife Independent Distributor ("Distributor") to use my information for purposes of processing my order and providing me with customer service. I further consent to the sharing of my information with Herbalife of Canada LTD ("Herbalife") so that they may facilitate my order, validate sales and fulfill compliance obligations. Herbalife or its authorized third parties may contact me directly for these purposes. I understand that Herbalife may in turn share my data with its affiliates, third-party service providers, and other persons identified in Herbalife's Privacy Policy at <https://www.herbalife.ca/privacy-policy>, including persons located in countries outside of Canada (such as the United States and Mexico) that may not offer the same level of data protection as my own country. For more details, I understand that I may view Herbalife's Privacy Policy at <https://www.herbalife.ca/privacy-policy>, or contact Herbalife at +1 866-622-1222 or [Privacy@Herbalife.com](mailto:Privacy@Herbalife.com).

En signant ce formulaire, j'autorise mon distributeur indépendant Herbalife (« le distributeur ») à utiliser mes informations aux fins de traiter ma commande et de me fournir un service client. Je consens en outre au partage de mes informations avec Herbalife of Canada LTD (« Herbalife ») afin qu'ils puissent faciliter ma commande, valider les ventes et respecter les obligations de conformité. Herbalife ou ses tiers autorisés peuvent me contacter directement à ces fins. Je comprends qu'Herbalife peut à son tour partager mes données avec ses affiliés, des tiers fournisseurs de services et d'autres personnes identifiées dans la politique de confidentialité d'Herbalife à <https://www.herbalife.ca/fr/privacy-policy>, y compris des personnes qui résident dans des pays hors du Canada (comme les États-Unis et le Mexique) et qui n'offrent pas forcément le même niveau de protection des données que mon propre pays. Pour plus de détails, je comprends que je peux consulter la politique de confidentialité d'Herbalife à <https://www.herbalife.ca/fr/privacy-policy>, contacter Herbalife au 866-622-1222 ou consulter [privacy@herbalife.com](mailto:privacy@herbalife.com).

**SEE OVERLEAF FOR STATEMENT OF CANCELLATION RIGHTS/BUYER'S RIGHTS TO CANCEL.  
 VOIR AU VERSO POUR LA DÉCLARATION DES DROITS DE RÉSILIATION/DROITS D'ANNULATION DE L'ACHETEUR.**

**All taxes calculated on customer's address / Toutes les taxes ont été calculées à partir de l'adresse du client**

## STATEMENT OF CANCELLATION RIGHTS/BUYER'S RIGHT TO CANCEL

Manitoba, Saskatchewan, Alberta, Yukon, Nunavut, Northwest Territories, Nova Scotia,  
British Columbia, Newfoundland and Labrador, New Brunswick and Prince Edward Island

YOU MAY CANCEL THIS CONTRACT FROM THE DAY YOU ENTER INTO THE CONTRACT UNTIL 10 DAYS AFTER YOU RECEIVE A COPY OF THE CONTRACT. YOU DO NOT NEED A REASON TO CANCEL.

If you do not receive the goods or services within 30 days of the date stated in the contract, you may cancel this contract within one year of the contract date. You lose that right if you accept delivery after the 30 days. There are other grounds for extended cancellation. For more information, you may contact your provincial/territorial consumer affairs office.

If you cancel this contract, the seller has 15 days to refund your money and any trade-in, or the cash value of the trade-in. You must then return the goods.

To cancel, you must give notice of cancellation at the address in this contract. You must give notice of cancellation by a method that will allow you to prove that you gave notice, including registered mail, fax or by personal delivery.

**FOR BRITISH COLUMBIA CONTRACTS ONLY:** This is a contract to which the Business Practices and Consumer Protection Act applies.

### FOR ONTARIO CONTRACTS ONLY:

#### YOUR RIGHTS UNDER THE CONSUMER PROTECTION ACT, 2002

You may cancel this agreement at any time during the period that ends ten (10) days after the day you receive a written copy of the agreement. You do not need to give the supplier a reason for cancelling during this 10-day period.

If the supplier does not make delivery within 30 days after the delivery date specified in this agreement or if the supplier does not begin performance of his, her or its obligations within 30 days after the commencement date specified in this agreement, you may cancel this agreement at any time before delivery or commencement of performance. You lose the right to cancel if, after the 30-day period has expired, you agree to accept delivery or authorize commencement of performance. If the delivery date or commencement date is not specified in this agreement and the supplier does not deliver or commence performance within 30 days after the date this agreement is entered into, you may cancel this agreement at any time before delivery or commencement of performance.

You lose the right to cancel if, after the 30-day period has expired, you agree to accept delivery or authorize commencement of performance. In addition, there are other grounds that allow you to cancel this agreement. You may also have other rights, duties and remedies at law. For more information, you may contact the Ministry of Consumer and Business Services.

To cancel this agreement, you must give notice of cancellation to the supplier, at the address set out in the agreement, by any means that allows you to prove the date on which you gave notice. If no address is set out in the agreement, use any address of the supplier that is on record with the Government of Ontario or the Government of Canada or is known by you. If you cancel this agreement, the supplier has fifteen (15) days to refund any payment you have made and return to you all goods delivered under a trade-in arrangement (or refund an amount equal to the trade-in allowance). However, if you cancel this agreement after having solicited the goods or services from the supplier and having requested that delivery be made or performance be commenced within ten (10) days after the date this agreement is entered into, the supplier is entitled to reasonable compensation for the goods and services that you received before the earlier of the 11th day after the date this agreement was entered into and the date on which you gave notice of cancellation to the supplier, except goods that can be repossessed by or returned to the supplier. If the supplier requests in writing repossession of any goods that came into your possession under the agreement, you must return the goods to the supplier's address, or allow one of the following persons to repossess the goods at your address: the supplier, a person designated in writing by the supplier.

If you cancel this agreement, you must take reasonable care of any goods that came into your possession under the agreement until one of the following happens: The supplier repossesses the goods. The supplier has been given a reasonable opportunity to repossess the goods and twenty-one (21) days have passed since the agreement was cancelled. You return the goods. The supplier directs you in writing to destroy the goods and you do so in accordance with the supplier's instructions.

### DROIT DE RÉSILIATION DE L'ACHETEUR

VOUS POUVEZ RÉSILIER LE PRÉSENT CONTRAT À COMPTER DE LA DATE DE CONCLUSION DU CONTRAT, ET CE, PENDANT UNE PÉRIODE DE 10 JOURS APRÈS LA RÉCEPTION D'UNE COPIE DU CONTRAT. VOUS N'AVEZ PAS BESOIN DE DONNER UNE RAISON POUR RÉSILIER LE CONTRAT.

Si vous ne recevez pas le bien ou le service au cours des 30 jours qui suivent la date indiquée dans le contrat, vous avez un an, à compter de la date du contrat, pour résilier le contrat. Toutefois, vous perdez ce droit de résiliation si vous acceptez la livraison après la période de 30 jours. Le droit de résiliation peut être prolongé pour d'autres raisons. Pour de plus amples renseignements, communiquez avec votre bureau provincial/territorial de la consommation.

Si vous résiliez le présent contrat, le vendeur doit, dans les 15 jours qui suivent, vous rembourser toute somme que vous lui avez versée et vous remettre tout bien qu'il a pris en échange ou la somme correspondant à la valeur de ce dernier. Vous devez alors retourner le bien acheté.

Pour résilier le présent contrat, il vous suffit de donner un avis de résiliation à l'adresse mentionnée dans ce contrat. L'avis doit être donné par un moyen qui vous permet de prouver que l'avis a réellement été donné, y compris par courrier recommandé, télécopieur ou remise en personne.

**For Nova Scotia and Manitoba Customers:** You may give notice of cancellation at the applicable address below:

Herbalife of Canada Ltd.  
1791 Barrington Street, Suite 300, TD Centre  
Halifax, NS B3J 3K9  
Tel: 902-464-1987 Fax: 902-429-5237

Andrew L. Thompson/Arthur J. Stacey  
2200-201 Portage Avenue  
Winnipeg, MB R3B 3L3  
Tel: 204-934-2350 Fax: 204-934-0558





**Herbalife du Canada Ltée**  
**Herbalife of Canada Ltd.**  
 202- 4 Place Du Commerce  
 Brossard, QC J4W 3B3  
 T.866-622-1222 F. 514-336-4846

**FORMULAIRE DE COMMANDE AU DÉTAIL /**  
**RETAIL ORDER FORM**

POUR UTILISATION AU QUÉBEC SEULEMENT / FOR USE IN QUEBEC ONLY

**CONTRAT DE VENTE / SALES CONTRACT**

Acheteur/Customer		Vendeur/Seller		
Nom/Name		Nom/Name	Numéro d'identification/I.D. #	
Adresse/Address		Adresse/Address		
Ville/City	Province	Ville/City	Province	
Code postal/Postal Code	Téléphone/Phone	Code postal/Postal Code	Téléphone/Phone	
Numéro d'inventaire / Stock #	Quantité / Quantity	Description/Description	Prix unitaire / Unit Price	Total
No. d'enregistrement de TPS/GST Registration #		Total		
No. de permis du commerçant itinérant Itinerant Merchant Permit #		Expédition et manutention/ Shipping and Handling		
Garantie de satisfaction du client: Si vous n'êtes pas entièrement satisfait de ce produit, veuillez retourner la portion non-utilisée dans les 30 jours suivant l'achat au membre où il a été acheté pour un remboursement complet du prix payé.		Sous-total/Subtotal		
Customer Satisfaction Guarantee: If during the first 30 days after purchasing this product you are not satisfied for any reason, return the unused portion of the product to the Distributor who sold it to you for a full refund of the purchase price.		T.P.S./GST		
		Sous-total/Subtotal		
		T.V.Q./QST		
		<b>Total de la commande/Total Order</b>		<b>\$</b>
<b>LIVRAISON/DELIVERY:</b>		<b>PAIEMENT/PAYMENT:</b> <input type="checkbox"/> Comptant/Cash <input type="checkbox"/> Chèque/Check <input type="checkbox"/> Visa <input type="checkbox"/> MasterCard		
J'ai reçu la marchandise (initiales)/I have received these goods (initial)		No. de carte/Card Number		Date d'expiration/Expiry Date
La marchandise sera livrée le/Goods to be Delivered on		Signature/Signature		
Date de la vente/Date of Sale		Endroit de la vente/Location of Sale		
Signature de l'acheteur/Customer's Signature		Signature du vendeur/Seller's Signature		

By signing this form, I give consent to my Herbalife Independent Distributor ("Distributor") to use my information for purposes of processing my order and providing me with customer service. I further consent to the sharing of my information with Herbalife of Canada LTD ("Herbalife") so that they may facilitate my order, validate sales and fulfill compliance obligations. Herbalife or its authorized third parties may contact me directly for these purposes. I understand that Herbalife may in turn share my data with its affiliates, third party service providers, and other persons identified in Herbalife's privacy policy at <https://www.herbalife.ca/privacy-policy>, including persons located in countries outside of Canada (such as the United States and Mexico) that may not offer the same level of data protection as my own country. For more details, I understand that I may view Herbalife's privacy policy at <https://www.herbalife.ca/privacy-policy>, or contact Herbalife at +1 866-622-1211 or [privacy@herbalife.com](mailto:privacy@herbalife.com).

En signant ce formulaire, j'autorise mon distributeur indépendant Herbalife (« le distributeur ») à utiliser mes informations aux fins de traiter ma commande et de me fournir un service client. Je consens en outre au partage de mes informations avec Herbalife of Canada LTD (« Herbalife ») afin qu'ils puissent faciliter ma commande, valider les ventes et respecter les obligations de conformité. Herbalife ou ses tiers autorisés peuvent me contacter directement à ces fins. Je comprends qu'Herbalife peut à son tour partager mes données avec ses affiliés, des tiers fournisseurs de services et d'autres personnes identifiées dans la politique de confidentialité d'Herbalife à <https://www.herbalife.cafr/privacy-policy>, y compris des personnes qui résident dans des pays hors du Canada (comme les États-Unis et le Mexique) et qui n'offrent pas forcément le même niveau de protection des données que mon propre pays. Pour plus de détails, je comprends que je peux consulter la politique de confidentialité d'Herbalife à <https://www.herbalife.cafr/privacy-policy>, contacter Herbalife au 866-622-1211 ou consulter [privacy@herbalife.com](mailto:privacy@herbalife.com).

**FORMULAIRE D'ANNULATION** (partie détachable de l'annexe) / **CANCELLATION FORM** (detachable from schedule)

À COMPLÉTER PAR LE COMMERÇANT / TO BE COMPLETED BY THE MERCHANT  
 À / To: \_\_\_\_\_  
 (Nom du commerçant itinérant ou du représentant / Name of itinerant merchant or representative)

(\_\_\_\_\_) \_\_\_\_\_  
 Numéro de téléphone du commerçant itinérant ou du représentant / Telephone number of itinerant merchant or representative  
 (\_\_\_\_\_) \_\_\_\_\_  
 Numéro de télécopieur du commerçant itinérant ou du représentant / Fax number of itinerant merchant or representative

(Adresse du commerçant itinérant ou de son représentant / Address of itinerant merchant or representative)

Le cas échéant, adresse technologique du commerçant itinérant ou du représentant / Where applicable, technological address of itinerant merchant or representative

**VOIR AU VERSO LA DÉCLARATION CONCERNANT LES DROITS D'ANNULATION / SEE OVERLEAF FOR STATEMENT OF CANCELLATION RIGHTS**



## ÉNONCÉ DES DROITS DE RÉOLUTION DU CONSOMMATEUR

(LOI SUR LA PROTECTION DU CONSOMMATEUR, ARTICLE 58)

Vous pouvez résoudre ce contrat, pour n'importe quelle raison, pendant une période de 10 jours après la réception du double du contrat et des documents qui doivent y être annexés.

Si vous ne recevez pas le bien ou le service au cours des 30 jours qui suivent une date indiquée dans le contrat, vous avez 1 an pour résoudre le contrat. Toutefois, vous perdez ce droit de résolution si vous acceptez la livraison après cette période de 30 jours. Le délai d'exercice du droit de résolution peut aussi être porté à 1 an pour d'autres raisons, notamment pour absence de permis, pour absence ou pour déficience de cautionnement ou pour non-conformité du contrat. Pour de plus amples renseignements, communiquez avec un conseiller juridique ou l'Office de la protection du consommateur.

Lorsque le contrat est résolu, le commerçant itinérant doit vous rembourser toutes les sommes que vous lui avez versées et vous restituer tout bien qu'il a reçu en paiement, en échange ou en acompte; s'il ne peut restituer ce bien, le commerçant itinérant doit remettre une somme correspondant au prix de ce bien indiqué au contrat ou, à défaut, la valeur de ce bien dans les 15 jours de la résolution. Dans le même délai, vous devez remettre au commerçant itinérant le bien que vous avez reçu du commerçant.

Pour résoudre le contrat, il suffit soit de remettre au commerçant itinérant ou à son représentant le bien que vous avez reçu, soit de lui retourner le formulaire d'annulation imprimé ci-dessous ou de lui envoyer un autre avis écrit à cet effet. Le formulaire ou l'avis doit être adressé au commerçant itinérant ou à son représentant, à l'adresse ci-dessous indiquée sur le formulaire ou à une autre adresse du commerçant itinérant ou du représentant indiquée dans le contrat. L'avis peut être remis en personne. Il peut aussi être donné par tout autre moyen. Il est recommandé d'utiliser un moyen qui permet au consommateur de prouver son envoi: par courrier recommandé, par courrier électronique, par télécopieur ou par un service de messagerie.

## STATEMENT OF CONSUMER CANCELLATION RIGHTS

(CONSUMER PROTECTION ACT, SECTION 58)

You may cancel this contract for any reason within 10 days after you receive a copy of the contract along with the other required documents.

If you do not receive the goods or services within 30 days of the date stated in the contract, you may cancel the contract within one year. You lose that right if you accept delivery after the 30-day period. There are other grounds for an extension of the cancellation period to one year, for example if the itinerant merchant does not hold a permit or has not provided the required security at the time the contract is entered into or if the contract is incorrectly made or worded. For more information, you may seek legal advice or contact the Office de la protection du consommateur.

If you cancel the contract, the itinerant merchant must refund all amounts you have paid, and return to you the goods received in payment, as a trade-in or on account; if the merchant is unable to return the goods, you are entitled to receive an amount of money corresponding to the value indicated in the contract or the cash value of the goods, within 15 days of cancellation. You also have 15 days to return to the merchant any goods you received from the merchant.

To cancel, you must return the items received from the merchant to the merchant or the merchant's representative, send the merchant the cancellation form printed below, or send the merchant another written notice of cancellation. The form or written notice must be sent to the merchant or the merchant's representative at the address indicated on the form, or at any other address indicated in the contract. You may give notice of cancellation in person. You may also use any other method. It is recommended to use a method that will allow you to prove that you gave notice, including registered mail, email, fax and courier.

### À COMPLÉTER PAR LE CONSOMMATEUR / TO BE COMPLETED BY THE CONSUMER

Date: \_\_\_\_\_ (date d'envoi du formulaire / date on which form is sent) En vertu de l'article 59 de la *Loi sur la protection du consommateur*, j'annule le contrat n° / By Virtue of section 59 of the Consumer Protection Act, I hereby cancel the contract No. \_\_\_\_\_ (numéro du contrat, s'il est indiqué / contract number, if any) conclu le / made on \_\_\_\_\_ (date du contrat / date of contract) à / at:

\_\_\_\_\_  
(Adresse où le consommateur a signé le contrat / Address where contract was signed by consumer)

(\_\_\_\_\_) \_\_\_\_\_  
Numéro de téléphone du consommateur / Telephone number of consumer

\_\_\_\_\_  
(Nom du consommateur / Name of consumer)

\_\_\_\_\_  
Numéro de télécopieur du consommateur / Fax number of consumer

\_\_\_\_\_  
(Adresse du consommateur / Address of consumer)

\_\_\_\_\_  
Adresse électronique du consommateur / Electronic address of consumer

\_\_\_\_\_  
(Signature du consommateur / Signature of consumer)



## Automatic Payment Service (APS) Business Authorization Agreement

I acknowledge that this authorization is provided for the benefit of Herbalife of Canada Ltd. ("Herbalife") and my financial institution and is provided in accordance with the Rules of the Canadian Payments Association. I warrant and guarantee that all persons whose signatures are required to sign on this account have signed this Agreement below. I hereby authorize Herbalife to draw from my account and financial institution specified below for the purpose of payments to Herbalife for product, literature and/or sales promotion orders (The "Herbalife Orders"). The payments for variable monetary amounts will be triggered sporadically in conjunction with the orders I placed with Herbalife.

This authorization shall remain in effect until properly revoked by me in writing at any time. I agree that I must provide reasonable notice (not to exceed 30 days) of revocation to Herbalife. I understand that Herbalife and/or my financial institution reserve the right to terminate this payment plan upon written notice to me. I may obtain a copy of a revocation form, or further information on my right to cancel a PAD Agreement, at my financial institution or by visiting [www.cdnpay.ca](http://www.cdnpay.ca). Revocation of this authorization does not terminate any contract for goods or services that exists between me and Herbalife.

I acknowledge that my financial institution is not required to verify that a debit has been made in accordance with Authorization Agreement, including verifying the purpose of payment.

I have certain recourse rights if any debit does not comply with this Agreement. For example, I have the right to receive reimbursement for any debit that is not authorized or is not consistent with this PAD Agreement. To obtain more information on my recourse rights, I may contact my financial institution or visit [www.cdnpay.ca](http://www.cdnpay.ca).

I acknowledge that provision and delivery of authorization to Herbalife constitutes delivery by me to my financial institution and hereby waive any pre-authorization or notice requirements.

The account that Herbalife is authorized to draw upon is indicated below. Herbalife, in writing, of any change in the account information provided in this authorization prior to the next due date of the pre-authorized debit from my account. Herbalife will charge \$25.00 for returned payments and it may also result in having this payment option suspended. At any time, should you have any questions regarding APS, you may contact Herbalife of Canada via any of the following:

- Phone: 866-622-1222
- Fax: 514-336-4846
- Email: [MontrealSales@herbalife.com](mailto:MontrealSales@herbalife.com)
- Address: Herbalife Canada Finance  
202- 4 Place Du Commerce  
Brossard, QC J4W 3B3

APS is available to :

- ❖ Supervisors who qualified for 30 days or more (method of payment for all order types)
- ❖ Distributors (method of payment for Herbalife Advantage Program – HAP orders Only)

### DISTRIBUTOR DETAILS (Please print)

Name (as shown on your financial institution's records)

Daytime Telephone Number

Home Address Street

City

Province

Postal Code

Herbalife I.D. Number

Name as indicated on Herbalife Distributorship Application

Email Address

Please provide a four-digit personal identification number (P.I.N.) to be used by Herbalife for verification purposes.

### DISTRIBUTOR'S BANKING DETAILS (Please print)

**IMPORTANT: PLEASE ALLOW 15 DAYS FOR PROCESSING.** To avoid delay in processing, you must attach a *personalized check* marked "VOID". In addition, please verify this information with your bank, particularly if using a credit union account as the transit/routing number may be different than what is on your check or deposit ticket.

Transit Routing Number (9 digits)

Bank Account Number Checking

Herbalife Distributor's Signature

Date

If joint Bank Account (other Signature)

Date

Herbalife of Canada LTD. Signature

Date

Return this completed authorization Agreement to Herbalife of Canada LTD.

**Attention: Herbalife Canada Finance**  
**202- 4 Place Du Commerce**  
**Brossard, QC J4W 3B3**



**CHANGE OF ADDRESS FORM**

**HERBALIFE OF CANADA LTD.**  
202- 4 Place Du Commerce  
Brossard, QC J4W 3B3

**Member Services**  
Phone: 866-622-1222  
Fax: 514-336-4846

If you wish to request a change of address, the following procedures must be followed:

- Complete this form.
- Mail/Fax this form using the information above to the attention of MEMBER SERVICES
- You may also submit your Change of Address information directly to Herbalife online at MyHerbalife.com (If change is within the same country)

Allow at least ten days from the date you send this form for the requested change to be made by Herbalife. All changes will be effective immediately upon completion of the processing of this form by Herbalife.

Do you wish to change your (please check):

- Email Address
- Residential Address

\* If this is a change to your country of address, please contact Member Services, as you will need to supply additional documentation for this change to be processed.

**PERSONAL INFORMATION**

Last Name First Name Middle Name

Herbalife ID Number

Previous Email Address

New Email Address

**Previous Address**

**New Address**

Country of Address

Country of Address

Street Address

Street Address

City Province Postal Code

City Province Postal Code

Country Code Area Code Day Phone

Country Code Area Code Day Phone

Area Code Evening Phone

Area Code Evening Phone

Area Code Fax

Area Code Fax

**IMPORTANT: If the new address provided above is a P.O. Box, you must fill out the information below and provide a Residential Address (cannot be a P.O. Box).**

**New Residential Address**

Country of Address

Street Address

City Province Postal Code

Country Code Area Code Day Phone

Area Code Evening Phone

Area Code Fax

Your Signature: \_\_\_\_\_ Date: \_\_\_\_\_



**Herbalife of Canada Ltd.**  
 Refunds and Repurchase Department  
 Email: [rrmon@herbalife.com](mailto:rrmon@herbalife.com)  
 Telephone: (866) 622-1222

**CUSTOMER REQUEST FOR REFUND FORM**

**Retail Customer Information**

The personal information entered on this form, will be used by Herbalife to process your request, to fulfill our legal and contractual obligations, and as otherwise described in our privacy policy, located at <https://www.herbalife.ca/footer-pages/privacy-policy/>. Herbalife or its authorized service providers may contact you directly for these purposes. Contact us at +1 866-866-4744 or [Privacy@herbalife.com](mailto:Privacy@herbalife.com) for more information.

<b>Customer's Name:</b>
Address:
City:
Postal Code:
Providence:
Telephone:
Email:

<b>Please state the reasons for being dissatisfied with the product:</b>

In accordance with Herbalife's Satisfaction Guarantee: I return a copy of the refund request form, along with **the products**, to my Herbalife Independent Distributor. I certify, on this date \_\_\_\_/\_\_\_\_/\_\_\_\_\_, I requested a refund or credit toward the purchase of another Herbalife products in the amount of \$ \_\_\_\_\_ and I acknowledge having received:

- Refund (PayPal, Cash App, Direct Deposit)       Refund via Cash       Full credit towards other Herbalife Products

**Customer's Signature:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Herbalife Independent Distributor**

This form must be completely and properly filled out and signed, to be returned, along with a copy of receipt, proof of refund and **the products** to Herbalife within **(30)** days of refunding the customer. Contact the Refunds & Repurchase department to obtain an authorization number as Herbalife requires the products to be returned to the company. You may call 866-622-1222 or send an email to [rrmon@herbalife.com](mailto:rrmon@herbalife.com).

Herbalife ID Number:
Distributor's Name:
Distributor's Address:
City:
Postal Code:
Providence:
Telephone:
Email:

<b>Please indicate the "Ship To" address for your product replacement:</b>
<input type="checkbox"/> Same as Distributor's Address
Name:
Address:
Town/City:
Postal Code:
Country:

I certify that on this date \_\_\_\_/\_\_\_\_/\_\_\_\_\_, I have refunded the above stated amount of \$ \_\_\_\_\_ to my customer, or upon their request I have issued my customer a full credit towards the purchase of other Herbalife products.

**Distributor's Signature:** \_\_\_\_\_

**Date:** \_\_\_\_\_

You may refer to the Herbalife Satisfaction Guarantee available on MyHerbalife.com for detailed requirements. Herbalife may contact your customer to help us identify what can be done as a company to further assist your customers, and better our products.

**\*\* All requirements must be met for Herbalife to process your request\*\***

**FOR HERBALIFE USE ONLY**

Within 30 days following the Distributor's refund to the customer, Refunds & Repurchase has:

- Received a Copy of the Receipt  
 Received a Copy of Proof of Refund (bank statement, PayPal transaction, cash app transaction) **or** replacement order number  
 Received Products



**Herbalife of Canada LTD**

202- 4 Place Du Commerce  
Brossard, QC J4W 3B3

**EARNINGS CERTIFICATION FORM  
ROYALTY OVERRIDE / PRODUCTION BONUS AND  
10 RETAIL CUSTOMERS / 70% RULE DOCUMENTATION**

Tel: 866-622-1211

This form must be completed and submitted to Herbalife monthly to comply with the 10 Retail Customers and 70% Rules. Listed below are several methods the Form can be submitted to Herbalife. No matter which method is chosen, **the form must be received by Herbalife no later than the fifth of each month** for the prior month's activity. (**Note:** Mail must be postmarked no later than the last day of the month).

**METHODS TO SUBMIT THE FORM:**

1. **Download the form:** [Log on to] [ca.MyHerbalife.com](http://ca.MyHerbalife.com) [Click on] [My Office](#) [Click on] [Documents and Policies](#)

2. **Submit the form automatically:** [Log on to] [ca.MyHerbalife.com](http://ca.MyHerbalife.com) [Click on] [Ten Customer Form](#) [Click on] [Submit 10 Customers Form](#)

3. **By Mail:** Herbalife of Canada LTD  
202- 4 Place Du Commerce  
Brossard, QC J4W 3B3

4. **By Fax:** 514-336-4846

**In addition to all the existing Royalty Override requirements**, you must also comply in a timely manner with the 10 RETAIL CUSTOMERS and 70% RULES in order to receive your Royalty Override / Production Bonus payments.

**The 10 RETAIL CUSTOMERS RULE** means that you must make not less than one sale at retail to each of 10 customers during a given month.

**Other activities that can count towards this requirement are:**

*A sale directly by the Company to a first level Preferred Customer (except if Preferred Customer is part of your household)*

*A sale directly made by the Company to a first downline with up to 200 personally purchased Volume Points (and no downline) which may be counted by the first Upline Supervisor as a sale to one (1) retail customer; and*

*\* A Nutrition Club attendee who consumed products during ten (10) visits to a Nutrition Club within one Volume month, which may be counted by the Nutrition Club operator as a sale to one (1) retail customer.*

**The 70% RULE** means that at least 70% of the total value of products you acquire each month must be sold or consumed, each month. Sales may be to retail customers, or wholesale to downlines. For the purpose of this rule, consumption means product consumed at Nutrition Clubs.

I certify that during the month of \_\_\_\_\_, in the year of \_\_\_\_\_ I have fulfilled the requirements outlined in the box above. And will, upon request (for verification purposes) furnish to Herbalife the following information concerning such customers: names, addresses, phone numbers, email addresses and copies of retail receipts (and/or in the case of Club activities, a log of attendee visits inclusive of attendee names, dates of visits, contact information). I agree to maintain all such records for a period of two (2) years.

I certify that I have provided my Customers with the Privacy Notice located on the Retail Order Form, or similar notice which, at a minimum informs the customers that I may share their data with Herbalife, and I have collected their corresponding written consents.

My total personal retail sales for the month total: \$ \_\_\_\_\_

Herbalife ID Number: \_\_\_\_\_

Please print name: \_\_\_\_\_

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

Keep one copy of this form for your personal files.

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## REPURCHASE OF INVENTORY

The opportunity to be a Herbalife Independent Distributor is entirely voluntary. If a Distributor terminates their distributorship for any reason, the Distributor is entitled to a full refund of the cost of the IBP/Digital Starter Kit (if termination occurs within 12 months of becoming a Distributor) and any unopened products and Herbalife® produced literature and sales aids that are purchased within the previous 12 months and returned to Herbalife. The amount of the refund includes the cost of the items, any taxes, and any shipping and handling costs on the original delivery and return of the items to Herbalife. Herbalife will also arrange for the pick-up of items to be returned to Herbalife.

Herbalife will deduct the amount of Royalty Overrides, Commissions, Production Bonuses and any other earnings or benefits paid on the returned products from the respective earners and adjust qualifications as necessary.

### **How to Initiate a Repurchase of Inventory**

A Distributor may have the right to have Herbalife repurchase resalable inventory, under certain terms and conditions.

To initiate a repurchase of inventory the first step is to complete the required forms, then email them to Herbalife

- Inventory Repurchase Request Form
- Product Return Form

#### **Email Address:**

[rrmon@herbalife.com](mailto:rrmon@herbalife.com)

#### **Phone Number:**

1-866-622-1222

The forms must be accompanied by or preceded by a signed letter of request for termination, or instead of the letter, the completed and signed Inventory Repurchase Request Form will be accepted by Herbalife as your request for termination.

### **Return Product Authorization**

- If you have met the requirements specified on the Inventory Repurchase Request Form and submitted your forms to Herbalife via any of the methods previously described, please contact Herbalife's Repurchase Department at 1-866-622-1222 to arrange the pickup of your inventory.
- Please be aware that all terms and conditions must be met, and to avoid handling delays, each side of your package must reflect the letters "BB" followed by your Herbalife Identification Number in large print and the Authorization Number (i.e., CABB1000000).
- Once Herbalife has processed the return, the payment due will be issued.
- Herbalife will have no responsibility for items shipped that are outside of the guidelines provided.

For questions regarding the process, please contact Herbalife's Refunds & Repurchase Department toll-free at 1-866-622-1222.



Herbalife of Canada Ltd.

### Inventory Repurchase Request Form

(This form is required.)

This form must be signed, dated, and returned to Herbalife to initiate your request.

- I hereby permanently terminate my membership as an Independent Distributor.
- I understand that only unopened products and Herbalife produced literature and sales aids that are purchased within the last 12 months are eligible for repurchase by Herbalife.
- I understand my refund will be issued for the cost I paid for the items, plus any taxes and any shipping and handlings costs on the original delivery and return of the items to Herbalife. Herbalife will also arrange for the pickup of items to be returned to Herbalife.
- I understand that I will be refunded via the same method of payment that was used when I bought the items. If I didn't pay via credit card, the refund will be via check or EFT.
- I understand that Herbalife has no responsibility for the items returned that are not eligible for a refund pursuant to Herbalife's policy.
- I have included proof of purchase for this merchandise (copies of credit card statements, money orders or cancelled checks), which I did not purchase directly from Herbalife.
- I understand that if I permanently terminate my membership within 12 months after the date Herbalife accepted my Herbalife Distributorship Application and Agreement, I am entitled to a full refund of the cost of my Herbalife International Business Pack/Digital Starter Kit whether or not in resalable condition.

By my signature, I acknowledge and agree to the above.

\_\_\_\_\_  
(Name – Print Full Name)

\_\_\_\_\_  
(Herbalife Identification Number)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Date)

If you agree to the terms and meet the requirements specified above, please contact Herbalife's Repurchase Department at 1-866-622-1222 to arrange the pickup of your inventory and to obtain the EFT Form if you didn't originally pay for the orders via credit card.

The personal information entered on this form, will be used by Herbalife to process your request, to fulfill our legal and contractual obligations, and as otherwise described in our privacy policy, located at <https://www.herbalife.ca/footer-pages/privacy-policy/>. Herbalife or its authorized service providers may contact you directly for these purposes. Contact us at +1 866-866-4744 or [Privacy@herbalife.com](mailto:Privacy@herbalife.com) for more information.





**HERBALIFE OF CANADA LTD**  
 202- 4 Place Du Commerce  
 Brossard, QC J4W 3B3

Member Services Tel: (866) 622-1222  
 Member Services Fax: (514) 336-4846

**BANK INFORMATION  
 FORM  
 CANADA ONLY**

If you wish to enroll or change your Canadian Herbalife earnings through Direct Deposit (Electronic Fund Transfer (EFT) the following procedure must be followed:

- Complete this form; attach a voided personalized cheque or letter of account verification from your bank.
- Send the original copy to the above address – Attention: Member Services

**Enroll in Direct Deposit (EFT)**

**Change Bank Details for Direct Deposit (EFT)**

**Disable Direct Deposit (EFT)**

If enrolling by fax or mail a copy of a voided cheque or letter of account verification from your bank is required.  
 All changes will be made upon completion of this form and processing by Herbalife. Please allow 10 business days for processing.

**Distributor Information**

Herbalife ID Number

Account Holder First Name (Must Match name on Distributor's records)

Account Holders Last Name (Must match name on Distributor's records)

**Canadian Bank Account Information**

**Please deposit my future Canadian Herbalife earnings (if any) to the Canadian bank account I have listed below.**

Account Holder First Name (Must match name on Bank Statement)

Account Holder Last Name (Must match name on Bank Statement)

Bank Routing Number

Account Type : Checking

Savings

Financial Institution:



Bank Account Number

By completing, signing and returning this form to Herbalife, I authorize and consent to Herbalife collecting, using and disclosing my personal information as required for the purpose of depositing my net earnings and any other sums ("Deposit") due to me from Herbalife in the Account identified above. This authorization and consent shall remain effective until revoked by me in writing. Herbalife shall take (i) reasonable steps to ensure that information that is collected from you is accurate and as up to date as possible and (ii) appropriate steps to keep your information secure while it is in Herbalife's possession. I understand and agree that Herbalife shall have no liability for the failure of any deposit to reach my account in a timely and accurate manner. In the event of any error, Herbalife will fully cooperate to rectify such error. Since no data transmission can be guaranteed 100% secure, I acknowledge and agree that Herbalife shall not be responsible for any harm that results from any breach of confidentiality arising out of any communication with, or transmission to, my financial institution in connection with any Deposit.

Account Holder Signature \_\_\_\_\_

Date \_\_\_\_\_

**\*\*\* Form will not be processed without a copy of a voided check or letter of account verification from your bank \*\*\***





# Nutrition Club Operator's Notice



This Nutrition Club is operated by Herbalife Independent Distributor (“Name of primary Operator”) \_\_\_\_\_.  
Operator’s mailing address is \_\_\_\_\_, and Operator’s  
business phone number is \_\_\_\_\_.

Operator, not Herbalife is responsible for all of the activities related to this Nutrition Club.

Nutrition Clubs bring people together with a focus on good nutrition and living an active, healthy lifestyle.

Many Club customers have managed their weight using the Herbalife products. Any reasonable diet or weight-management program includes calorie reduction, exercise, and sensible meals. Always consult your primary physician before starting an exercise or weightmanagement program.

In addition, Herbalife’s products distributed in Nutrition Clubs are not intended to prevent, treat or cure diseases or medical conditions.

From time to time, you might hear your Nutrition Club Operator or other Distributors talk about their success as Herbalife Independent Distributors. Income depicted is unique to the individual and is not typical. Achievements required skill and consistent work. For typical earnings, see the [Herbalife to Statement of Typical Distributor Earnings](#) on [MyHerbalife.com/en-ca](#).

# Hygiene & Sanitary Practices Notice



Although Nutrition Clubs are not retail establishments, cafes or restaurants, Herbalife requires a Nutrition Club operator to practice good hygiene and keep the Club clean and sanitary.

Club operators are responsible for understanding all applicable food safety and water requirements under local law. Listed below are the core principles of good hygiene and sanitation that are always required.

- Keep your Club, particularly your entire kitchen area, clean at all times.
- Thoroughly clean and sanitize kitchen equipment before and after each use, including blenders and cutting boards.
- Frequently wash hands and forearms with soap and warm water.
- Inspect ingredients such as fruits and vegetables for freshness and quality upon delivery and again before use. Wash fruits and vegetables prior to use.
- Store fruits, vegetables, milk, and other perishables in refrigerators or freezers, in separate containers.
- Buy ice in small bags for immediate use; if you use an ice maker, regularly empty accumulated ice and clean the equipment.
- Use disposable cups to serve beverages.
- Distribute disposable stirrers, spoons, and other utensils. Immediately clean up spills and empty trash bins frequently.
- Keep cleaning equipment and solutions/substances away from food preparation and utensil cleaning areas.

Health codes and food safety law require more than these simple steps. Some require special fixtures and equipment. Some specify the methods and temperatures for cleaning equipment. Some require completion of a food handling course before you can prepare food for consumers.

Please check with your local health and safety department to learn about any additional requirements.

## Healthy Weight Challenge Participation Agreement

Thank you for your interest in the Healthy Weight Challenge! Through the Challenge, Herbalife Distributors are able to help participants work toward their weight-management goals. We want you to have a great time as you have fun and meet new friends at our Healthy Weight Challenge. Remember that any reasonable diet or weight-management program includes exercise and sensible meals, and it's always a good idea to consult your primary physician before starting an exercise or weight-management program.

The Distributor(s) responsible for this Challenge:

Name(s): \_\_\_\_\_

Contact Information: \_\_\_\_\_

Please read this document carefully and sign it to confirm that you understand all of the general terms of the Healthy Weight Challenge.

- In return for your Participation Fee of \$\_\_\_\_\_ and upon signing this document, you are entitled to participate in the Healthy Weight Challenge identified below and you will be eligible for the various prizes and/or rewards, which are awarded upon its conclusion. You will also attend weekly weigh-ins where you will have the opportunity to ask questions, and receive information.
- This Healthy Weight Challenge begins the week of \_\_\_\_/\_\_\_\_, 20\_\_\_\_ and ends the week of \_\_\_\_/\_\_\_\_, 20\_\_\_\_.
- Members are independent businesspersons; they are solely and exclusively responsible for the operation and details of each Healthy Weight Challenge.
- The purchase or consumption of Herbalife products in conjunction with your participation is recommended, but not required.
- The Participation Fee of \$\_\_\_\_\_ covers all prizes rewards, plus minimal operational costs.
- The *Weight-Gain Fee* is \$1\* per 500 kilograms for weight gained since the last recorded weigh-in.
- The *Absence Fee* is \$5\* for each absence. One (1) absence is allowed without penalty.
- The Participation Fee is fully refundable if requested by the participant within the first 48 hours of the Challenge start date.
- *Healthy Weight Rewards* are awarded to the top 3 weight losers as follows:
  - 1st Place: 50 percent will be awarded to the person who has lost the greatest percentage of his/her body weight by the end of the Challenge.
  - 2nd Place: 30 percent will be awarded to the person who has lost the next greatest percentage of his/her body weight by the end of the Challenge.
  - 3rd Place: 20 percent will be awarded to the person who has lost the next greatest percentage of his/her body weight by the end of the Challenge.

- A *Centimeters Reward* is awarded to the participant who loses the most centimeters and is not also a top 3 weight loser; this winner receives all money collected from Weight-Gain and Absence Fees.
- The odds of receiving a Healthy Weight Reward depend on the skill in losing weight and the number of participants within the Challenge. Rewards will be given at the last Challenge Meeting.
- If, after reading this document, you have any further questions about the Healthy Weight Challenge, do not hesitate to ask the Distributor(s) listed in this Agreement.
- As a participant, you should communicate regularly and fully about your progress and never hesitate to ask questions, so you can receive the appropriate information.
- You must be at least 18 years of age to enter a Healthy Weight Challenge;
- Herbalife Distributors are independent businesspersons, and as such they may, or may not have received formal training as counselors, dietitians or otherwise. Herbalife assumes no responsibility or liability with regard to such activities.

By checking this box, I agree to receive information about this Healthy Weight Challenge and Herbalife products, services & promotions via email from the Distributor(s) listed in this Agreement.

By checking this box, I agree that the Distributor(s) listed in this Agreement may provide Herbalife with my contact information so that I can receive information about Herbalife products, services & promotions via email directly from Herbalife.

I, \_\_\_\_\_, have reviewed and agree to all of the above.  
(PRINT NAME)

Signature: \_\_\_\_\_ Date: \_\_\_\_ / \_\_\_\_ / \_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ Province/Territory: \_\_\_\_\_ Postal Code: \_\_\_\_\_

Phone: \_\_\_\_\_

Email: \_\_\_\_\_

How did you hear about this Challenge? (please check)

Prior participant       Referred by a friend (name): \_\_\_\_\_

Newspaper ad       Postcard (colour of postcard or name listed): \_\_\_\_\_

Other: \_



## BUSINESS TOOLS AND OTHER OPTIONAL EXPENSES

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

### **Debt**

Should I take on debt to pursue the Herbalife business 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 business. We strongly discourage taking on debt in connection with your Herbalife business.

### **Business Tools**

***Should I buy services, products, software or systems that might help me run my Herbalife 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 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® products to Customers is the core of a successful Herbalife business, and Business Tools might distract you from this focus.

Herbalife 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 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.

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’s Rules of the Road and the law. In addition, because they are not produced or endorsed by Herbalife, 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 our Member Services Department at 866-622-1222 and we will attempt to assist.

Please see Rules, 1.2 No Debt or Forced Purchases, 5.7 Sale of Business Tools Not for Profit and 5.2 Training for more information.

## BUSINESS TOOLS AND OTHER OPTIONAL EXPENSES

### **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® 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 Club, please make sure you only purchase what you know you can resell within a reasonable amount of time. See Rules, 1.2 No Debt or Forced Purchases, 4.2 Proper Purchasing, 2.2 Receipts and Records for more information.

### **Offices and Commercial Clubs**

#### ***Should I sign a lease and make other purchases to open a private office for my Herbalife business or Commercial Club?***

Most Distributors find that a home-based business provides the convenience, ease and flexibility they want from the Herbalife opportunity. Having a business location outside of your home is a serious financial commitment. If you take your time to gain experience and learn from others, you will be in a better position to make the decision that is right for you.

This is why Herbalife requires all Distributors to undergo a one year waiting period, complete a training course, and prepare a written business plan before leasing or purchasing a private office for their Herbalife business or Commercial Club, which they must maintain as part of their business records.

Please see Rule, 6.1 Leased or Purchased Business Locations for more information.

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## CHAPTER 1 GETTING STARTED

### **1.1 Distributors Are Self-Employed**

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

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

Employees may not engage in Distributor activities.

---

### **1.2 No Debt or Forced Purchases**

Encouraging debt or requiring any purchase other than the IBP is prohibited.

## CHAPTER 2 SELLING PRODUCTS

### 2.1 Prohibited Locations

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

Distributors are only allowed to operate unenclosed Clubs in wellness locations such as gyms, spas, wellness centers, meditation centers and yoga or Pilates Studios. In all other service establishments such as beauty salons, tax services, etc., the Club must be in an enclosed room.

---

### 2.2 Receipts and Records

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

---

### 2.3 Customers Refunds

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

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

Distributors should refer Preferred Customers to the Company for refunds.

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### 2.4 High-Pressure Sales

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

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### 2.5 Product Sales to Non-Distributors for Resale

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

---

### 2.6 Modifications to Products, Labels and Materials

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

## CHAPTER 3 ADVERTISING

### 3.1 Claims

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

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

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

---

### 3.2 Online Sales

Distributors may only sell products online using platforms created by Herbalife.

---

### 3.3 Price and Preferred Customer Advertising

Distributors may not publicly display prices unless permitted by Herbalife on its official platforms. They may use terms referring to discounts but cannot use dollar or percentage amounts, or any terms implying "free" when promoting prepared product consumptions, single serve kits, and the Preferred Customer program.

---

### 3.4 Herbalife's Intellectual Property

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

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

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

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

---

### 3.5 Broadcasting Prohibited

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

## CHAPTER 4 SALES AND MARKETING PLAN FUNDAMENTALS

### 4.1 One Distributorship Permitted Per Person

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

---

### 4.2 Proper Purchasing

Non-Supervisor Distributors may only purchase Herbalife® products directly from Herbalife, their Sponsor, or first upline Fully Qualified Supervisor. Distributors may not place or pay for orders in other Distributor's name unless Herbalife has written permission from that person.

---

### 4.3 Sales & Marketing Plan Manipulation

Distributors may not attempt to manipulate the Sales & Marketing Plan.

---

### 4.4 Responsibility for Conduct of Others Assisting with Distributorship

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

---

### 4.5 Period of Inactivity

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

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

Preferred Customers must complete a 90-day waiting period from last order placed.

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

---

### 4.6 10 Retail Customers

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

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

### 4.7 70%

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

## CHAPTER 5 SPONSORING AND LEADERSHIP

### 5.1 TAB Team Agreement

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

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### 5.2 Training

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

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### 5.3 No Interfering

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

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### 5.4 Association with Herbalife

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

---

### 5.5 Solicitation of other Opportunities

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

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

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### 5.6 Leads

Distributors may not buy or sell Leads, but they can generate Leads for themselves or give them for free to others.

---

### 5.7 Sale of Business Tools Not for Profit

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

## CHAPTER 6 NUTRITION CLUBS AND OFFICES

### 6.1 Leased or Purchased Business Locations

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

- been a Distributor for at least twelve (12) consecutive months
  - successfully complete specific training
  - prepared a business plan, which they agree to make available to Herbalife upon request; and
  - register their location with Herbalife
- 

### 6.2 Multiple Clubs

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

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### 6.3 Distributors may not Charge for Nutrition Club Advice

Distributors may not charge other Distributors for help or advice with opening or running a Club except as set out in the Training Rule.

---

### 6.4 Responsible Club Operator

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

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

---

### 6.5 Sharing Club Premises

A Club operator may only charge other Distributors for the cost of using their Club, not for a profit. All Distributors subleasing space within the Club must complete the Commercial Club requirements.

---

### 6.6 Product Preparation

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

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

---

### 6.7 Delivery

Distributors may not:

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

## CHAPTER 6 NUTRITION CLUBS AND OFFICES (cont.)

### 6.8 The Sale of Clubs for Profit Prohibited

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

Before entering into the lease, the Distributor must first satisfy the Commercial Club operator requirements.

---

### 6.9 Commercial Club Signage and Name

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

If a Distributor uses an exterior sign they may not:

- use the same name or similar sign within a 40 kilometers radius.
- imply that Herbalife® products are available for purchase.
- use signage as an identifier to a specific group (Geographical Location, Distributor Organization, Nutrition Clubs, etc.) in such a way that it may be construed as a Franchise or part of a chain of Nutrition Clubs; or
- use Herbalife Intellectual Property, product names or brands.

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

---

### 6.10 Commercial Club Exterior

The following are not allowed on the Club's exterior:

- display Herbalife branding (names, logos, etc.)
  - imply that Herbalife® products are available for purchase; and
  - feature "Before & After" photographs.
- 

### 6.11 Indoor Satellite Club

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

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

### 6.12 Outdoor Satellite Club

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

- promoting or advertising products for sale
  - exterior signage
- 

### 6.13 Advertising an Outdoor Satellite Club

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

- name of the Operator
- services
- phone number and/or email address

## CHAPTER 7 INTERNATIONAL BUSINESS

### 7.1 Activities in Countries or Territories Not Yet Open

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

---

### 7.2 No Exporting of Products

Distributors may not ship, sell, export, or distribute products from one country to another. Subject to applicable law, Distributors may carry up to 1,500 Volume Points of products per month with them for personal consumption while travelling.

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### 7.3 Activities in China

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

---

### 7.4 Prohibited Countries/Regions and Persons

Distributors may not be a resident of, or conduct Herbalife business activities within, a Prohibited Country/Regions. A Distributor may not directly or indirectly conduct any Herbalife business activities with an individual or entity who the Distributor has reason to believe is:

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

## CHAPTER 8 GENERAL CONDUCT

### **8.1 Compliance with Applicable Laws and Rules**

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

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

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

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### **8.2 Truthful Submissions and Communications with Herbalife**

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

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### **8.3 Maintaining Reputation and Image of Herbalife**

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

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### **8.4 Conduct Regarding Harassment, Discrimination, and Inappropriate Conduct**

Herbalife prohibits harassment, unlawful discrimination, and inappropriate conduct.

---

### **8.5 No Anti-Competitive Behavior**

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

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

### **8.6 Game Promotions**

Distributors may not set up lotteries or raffles in connection with their Herbalife business. They also cannot require participants to purchase products to join the challenge. Other game promotions, like weight loss challenges, body transformation challenges, organizational sales promotions, marathons, and drawings may be permitted provided they abide by the Canada Challenges and Game Promotions Guidelines.

## CHAPTER 9 ADMINISTRATIVE

### 9.1 Distributorship Eligibility

#### 9.1.1 Distributorship Minimum Age

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

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

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#### 9.1.2 Special Rules for Applicants Age 14–17

A minor who is at least 14 years of age who lives and proposes to conduct business in Canada may submit an Application accompanied by a letter from the minor's parent(s) or legal guardian(s) accepting responsibility for the actions of the minor. If a parent or legal guardian is an Herbalife Distributor, the parent or legal guardian must also provide:

1. Written consent of the parent or guardian's Sponsor and upline Distributors (up to and including the first three active upline Supervisors) or an explanation as to why such consents have not been obtained;\* and
2. A letter signed by the parent or guardian that they will not participate in the operation of the minor's Distributorship

\*Herbalife reserves the right to accept the request without upline consent and may require additional information at its sole discretion.

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#### 9.1.3 Recognition of Spouse and Life Partner

Distributors may add their spouse or Life Partner to their Distributorship record to support them in the business and for recognition\* 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 impacted.†

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

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

## CHAPTER 9 ADMINISTRATIVE (cont.)

### 9.2 Transferring Your Distributorship

#### 9.2.1 Assignment, Sale, or Transfer of Distributorship

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

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

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

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

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#### 9.2.3 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.

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#### 9.2.4 Responsibility After Transfer

After transfer of the Distributorship:

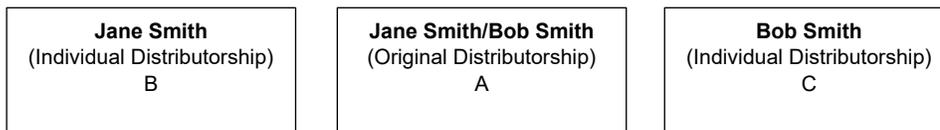
- the Transferee shall be responsible to Herbalife for any and all violations of the Rules committed by or on behalf of the Transferor in connection with the Distributorship.
- for a period of six months following the effective date of the transfer, acts by the Transferor and/or the Transferor's spouse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

## CHAPTER 9 ADMINISTRATIVE (cont.)

### 9.3 Separation, Divorce and Dissolution of Life Partner Relationship

#### 9.3.1 Establishing a New Distributorship

If a Distributor's spouse or Life Partner wishes to continue in the Herbalife business during divorce proceedings or immediately after a divorce or dissolution of a Life Partner relationship, the Distributor and spouse/Life Partner each must start a new separate Distributorship under the original Distributor's Sponsor. Herbalife will deactivate the buying privileges of the original Distributorship and credit each new separate Distributorship with the business activity of the original Distributorship through an "Association." (See Divorce and Dissolution of a Life Partner Relationship and the Herbalife Sales & Marketing Plan Rule.) Each Distributor must use the new 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 by giving each person a 50% ownership.

Herbalife must receive the following documents to establish new Distributorships:

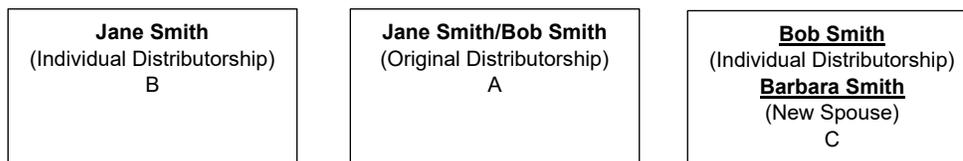
#### From a Divorcing Couple

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

#### From Partners in Dissolution of Life Partner Relationship

- newly completed and signed Agreements for the Distributor and Life Partner, sponsored by the Sponsor of the original Distributorship
- a signed and notarized Dissolution of Life Partner Relationship Form from both parties. (If both parties do not provide the signed and notarized Form, a court order indicating that the relationship has ended will be required)
- newly completed and signed TAB Team Production Bonus Agreements 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.

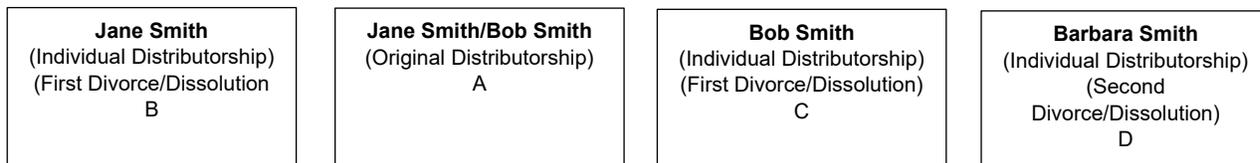


## CHAPTER 9 ADMINISTRATIVE (cont.)

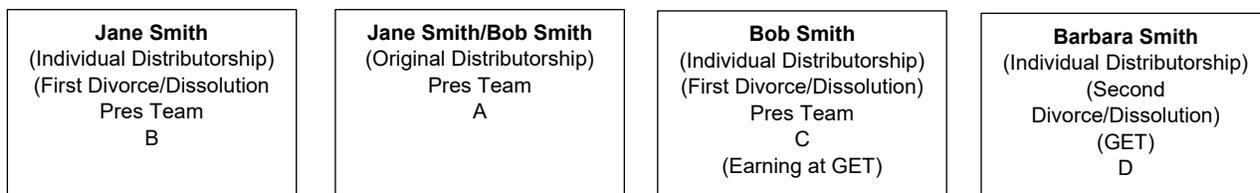
### More Than One Dissolution or Divorce:

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

For example, if Bob and Barbara divorce, Barbara may start a new 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 Global Expansion (GET) Team, so Barbara’s new Distributorship (“D”) will be established at GET level.



### 9.3.2 Requests to Modify the Original Distributorship

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

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

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

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

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

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

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

For Herbalife to accept the new Agreement:

- the Distributor must submit their request within one year of the transfer if Supervisor and below, or within two years of the transfer if World Team and above.
- the Sponsor of the original Distributorship must sponsor the new Distributorship.

The new Distributorship’s status will be equal to the status of the original at the time of the transfer.

## CHAPTER 9 ADMINISTRATIVE (cont.)

### 9.3.3 Joining Under a Different Sponsor/Participating in Another Distributorship

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

#### From a Divorcing Couple

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

#### From Partners in Dissolution of Life Partner Relationship

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

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

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

\*Forms and Agreements are available through Herbalife.

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

Total Volume: Each individual Distributorship will receive Total Volume credit from the original Distributorship to combine with its own Total Volume ("Association"). This will determine each individual Distributorship's eligibility to earn Royalty Overrides, qualifications, requalifications and/or Production Bonuses.

For the purpose of Royalty Override percentage eligibility, the original Distributorship will include its own Total Volume and the Total Volume of each individual Distributorship.

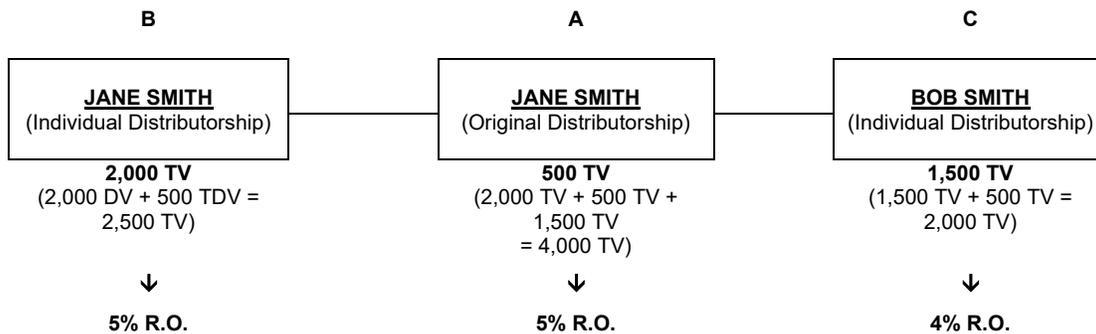
Production Bonus percentage eligibility for the original Distributorship will be based on the highest of the two individual Distributorships.

## CHAPTER 9 ADMINISTRATIVE (cont.)

**Example:  
Volume Points (DV)**

**Volume for B and C will be as follows:**

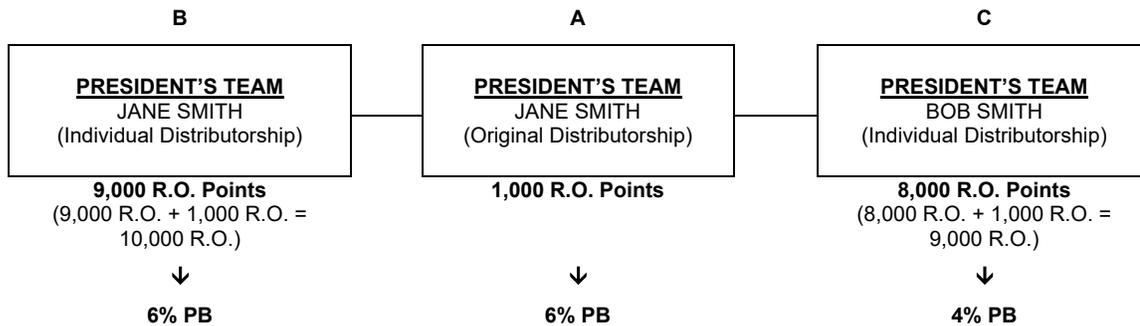
**B + A and C + A**



### Royalty Points

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

**B + A and C + A**



**Requirements:** Each individual Distributorship must comply with the 10 Retail Customers Rule, the 70% Rule, and any other requirements to earn Royalty Overrides. Each Distributorship must also achieve the necessary volume to meet the Matching Volume requirements for their own downline who are qualifying for Supervisor status. The buying privileges of the original Distributorship will be temporarily granted to accommodate any Matching Volume requirements for its downline qualifiers.

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

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

## CHAPTER 9 ADMINISTRATIVE (cont.)

### 9.4 Inheritance\*

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

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

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

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

Requests to cancel a deceased’s Distributorship must be made directly to Herbalife.

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

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

‡Inherited Distributorships are considered to be separate entities, each subject to fulfilling the business activities, 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.

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### 9.5 Termination of Distributorship

A Distributor may request that Herbalife terminate their Distributorship by submitting a termination request through the Online Self-Service Center on Myherbalife.com, or by submitting an email request to [USARecAdmin@Herbalife.com](mailto:USARecAdmin@Herbalife.com), from the email address on record, or by submitting a signed letter to Herbalife. The termination becomes effective when received and accepted by Herbalife.

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### 9.6 Sales to Consumers

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

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### 9.7 Payments and Adjustments

To qualify for monthly Royalty Overrides, Production Bonuses or other bonuses offered by Herbalife, Distributors must meet sales production and Royalty Point requirements that are fully defined in the Sales & Marketing Plan and in other literature and promotional material. Additionally, in order to earn these payments, Distributors must meet certain requirements for Retail Customers and product distribution and confirm those on the 1st of each month on the [Earnings Certification Form](#).\*

\*[Earnings Certification Forms](#) are available on [MyHerbalife.com](#).

## CHAPTER 9 ADMINISTRATIVE (cont.)

### 9.8 Maintaining Lines of Sponsorship

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

#### 9.8.1 Sponsorship Correction

A Distributor who wishes to request a sponsorship correction must complete and submit a: “Change of Sponsorship Request” Form, \* “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 accepting the current Distributorship Agreement
- the current and proposed Sponsor are in the same Line
- the current Distributorship has not reached the level of Supervisor
- the Distributor making the request has not yet sponsored any other Distributors

\*The required Change of Sponsorship Request and Change of Sponsorship Consent Forms may be obtained from Herbalife. These forms and all other specified documentation must be submitted to Herbalife in order for Herbalife to consider the request. In place of notarization, each Distributor may submit their completed and signed forms individually via email to [USARecAdmin@herbalife.com](mailto:USARecAdmin@herbalife.com), using the email address listed in Herbalife’s records.\*\*

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

#### 9.8.2 Applying for Change of Sponsorship

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

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

A Distributor who wishes to request a sponsorship change should first consult with their upline to discuss and review the circumstances. Should the Distributor then wish to continue, they must complete and submit a notarized “Change of Sponsorship Request” Form,\* along with a notarized “Change of Sponsorship Consent” Form from the current Sponsor and all Royalty Override and Production Bonus earners in the upline, up to and including the active President’s Team member earning a 7% Production Bonus. In addition, Herbalife must receive a notarized “Change of Sponsorship Acceptance” Form from the proposed Sponsor.

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

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

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

\*The required Change of Sponsorship Request and Change of Sponsorship Consent Forms may be obtained from Herbalife. These forms and all other specified documentation must be submitted to Herbalife in order for Herbalife to consider the request. In place of notarization, each Distributor may submit their completed and signed forms individually via email to [USARecAdmin@herbalife.com](mailto:USARecAdmin@herbalife.com), using the email address listed in Herbalife’s records.\*\*

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

## 9.9 ENFORCEMENT PROCEDURES

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

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

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

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### 9.9.1 Complaint Procedure

Distributors should report suspected violations on an Official Complaint Form\*. Required information includes the nature of the complaint and the factual details that support the allegations.† The Official Complaint Form must be signed and include the reporting Distributors Herbalife ID number.

\*The Form can be obtained through Herbalife or by accessing MyHerbalife.com.

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

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### 9.9.2 Inquiry

If Herbalife determines in its sole and absolute discretion there is sufficient information to support the allegation, a Herbalife representative will contact the Distributor who is the subject of the complaint to permit the Distributor to provide a response. In certain circumstances it may become necessary to place restrictions on a Distributorship while an inquiry is in process. Those restrictions may include a prohibition from attending Herbalife events and suspension or denial of:

- buying privileges
- payment of Royalty Overrides
- payment of TAB Team Production Bonus
- awards or benefits (e.g., vacations, pins, etc.).
- speaking at Herbalife-sponsored training seminars or meetings
- qualifications in progress; and/or
- the right to represent oneself as an Herbalife Independent Distributor

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

## 9.9 ENFORCEMENT PROCEDURES (cont.)

### 9.9.3 Sanctions

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

Herbalife shall have sole and absolute discretion to determine the appropriate penalty based on the nature of the violation and consequence that resulted or could result, including:

- suspension of all Distributor rights and privileges
- monetary sanctions
- obligation to reimburse Herbalife legal fees
- removal of the Speaker Program
- disqualification from participation in the annual Mark Hughes Bonus
- disqualification from participation in the Production Bonus program
- permanent loss of lineage
- termination of Distributorship (see “Termination or Deletion of a Distributorship” below)

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

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### 9.9.4 Requests for Reconsideration (Unrelated to Terminations)

Distributors may submit a request for Herbalife’s reconsideration of a decision within 7 business days of the date of the decision. When requesting reconsideration, the Distributor may submit additional information they believe should be considered and must also state why this information was not provided during the inquiry. If the reconsideration request is not submitted within the 7-day period, the request will be denied.

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### 9.9.5 Termination of a Distributorship

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

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

The termination is effective on the date indicated in the written notification provided by Herbalife to the Distributor. Upon termination of a Distributorship, the Distributor will have no claim against Herbalife as a result of the termination. The Distributor may no longer conduct business or represent themselves as an Herbalife Independent Distributor.

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

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### 9.9.6 Appealing a Termination

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

## 9.10 ADDITIONAL LEGAL PROVISIONS

### 9.10.1 Damages

Neither Herbalife nor Distributor shall be liable to the other for any incidental, consequential, punitive, or exemplary damages, regardless of whether the claim is based on contract, tort, or any other legal or equitable theory, and regardless of whether the possibility of such damages is known by either party, to the full extent such remedies may be waived under applicable law.

### 9.10.2 Waiver and Delay

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

### 9.10.3 Severability

If any provision in any agreement between Herbalife and Distributor 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.

### 9.10.4 Choice of Law and Forum

This Agreement, and any dispute arising from the relationship between Herbalife and Distributors, shall be governed by the substantive laws of the State of California 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 the State of California.

### 9.10.5 Indemnification

Distributor will indemnify, defend, and hold harmless Herbalife from any suit, action, demand, prosecution, or claim of any kind, and any related cost or liability, relating to or arising from Distributor's breach of any agreement with Herbalife or the conduct of Distributor's Herbalife business. Herbalife may offset reasonable amounts against amounts which would otherwise be due to Distributor to cover such indemnity.

### 9.10.6 Claims Between Distributors

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

## 9.11 PRIVACY AND DATA PROTECTION

Unless otherwise indicated, Herbalife collects uses and shares “Personal Information” (including, your first and last name, mailing address, province, state, zip code/postal code, telephone number, email address, credit card, banking information and purchase and sales information) in accordance with its Privacy Policy located at <https://www.herbalife.ca/footer-pages/privacy-policy/>.

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

One way that Herbalife shares information with Distributors is through Lineage Reports. These reports contain information regarding other Distributors within a Distributor’s downline, such as their name and contact information, their Herbalife Identification Number, and business metrics such as their level or rank, volume, and sales statistics. Lineage Reports are provided to Distributors in the strictest confidence and for the sole purpose of supporting the Distributors in further developing their Herbalife businesses. Lineage Reports, including all Personal Information and other data contained therein, constitute confidential, proprietary trade secrets of Herbalife. Distributors may not collect, distribute, or gather confidential information or personal or aggregate information about other Herbalife Distributors, their Customers, or the Preferred Customers they sponsor, except in connection with their downlines and solely for the purposes of promoting their Herbalife businesses, and to manage, motivate and train their downlines.

Distributors may also collect Personal Information from individuals directly or by other means, such as when they collect contact and payment information from Customers to process product orders, or when they collect information from Customers in connection with Wellness Evaluations or contests, such as 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 or otherwise) in connection with the Distributor’s Herbalife business as well as other applicable laws, including anti-spam, telemarketing, and consumer protection laws. In addition, it is the Distributor’s responsibility to maintain the security of all Personal Information that he or she receives using reasonable physical, technical, and administrative safeguards and to use, disclose and retain such information only in accordance with applicable laws. 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 data, biometric data, and data relating to children/minors. Distributors authorize Herbalife to send electronic communications to Distributor’s Customers on behalf of Distributors. In all cases, a Distributor shall be responsible for ensuring any such communications comply with applicable privacy and anti-spam laws, including all applicable consent, email content, and unsubscribe requirements.

## 9.12 DEFINITIONS

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

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

**Business Tool:** A sales aid not provided by Herbalife.

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

**Club:** Nutrition Club.

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

**Company:** Herbalife of Canada, LTD.

**Customer:** Preferred Customers or Retail Customers.

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

**Distributorship:** A Distributor's Herbalife independent business.

**Fee:** Annual Distributorship Services Fee which is charged by Herbalife for computer processing and other services provided to Distributors.

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

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

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

**IBP or International Business Pack:** An IBP is a Business Starter Kit for Herbalife Distributors.

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

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

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

**Materials:** Herbalife-produced literature and sales aids.

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

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

## 9.12 DEFINITIONS (cont.)

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

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

**Sponsor:** The Distributor who brings individuals into the Herbalife business and Preferred Customership Program.

**Transferee:** The Distributor to whom a Distributorship is transferred.

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

