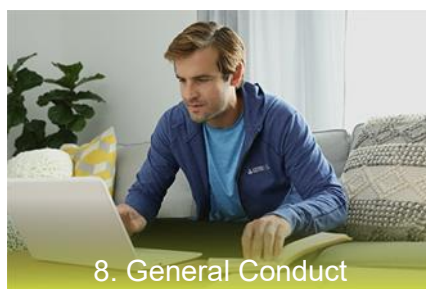
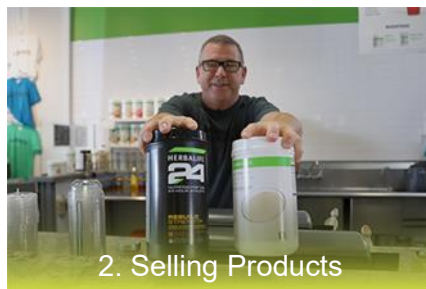
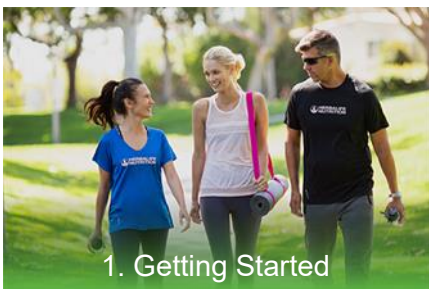


# Rules of the Road

Protecting your Business



# 1. Getting Started



## What You Need to Know

1.1 Required New Distributor Training

1.2 Distributors Are Self-Employed

1.3 No Debt or Forced Purchases

## Education & Resources

[Becoming a Distributor](#)  
[Becoming a Distributor Video](#)  
[Business Tools and Other Optional Expenses](#)  
[Distributor Application and Required Training](#)  
[Distributors Are Independent Business Operators](#)  
[Employer and Franchise Law \(ABCs\)](#)  
[Expenses for New Distributors](#)  
[Herbalife Supports Equal Opportunity](#)  
[Operating Your Business](#)  
[Proper Enrollment Practices](#)  
[Required Distributor Training](#)  
[Speaking with the Press](#)  
[Sponsoring](#)  
[The Rules and the Whys](#)  
[The Rules and the Whys Quick Guide](#)

# 1.1 Required New Distributor Training

## 1. Getting Started

To sell, recruit or earn, all new Distributors must complete the Required Distributor Training.

## Education & Resources

[Required Distributor Training](#)

[The Rules and the Whys](#)

[The Rules and the Whys Quick Guide](#)



## 1.2 Distributors Are Self-Employed

### 1. Getting Started

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.

### Education & Resources

[Distributors Are Independent Business Operators](#)

[Employer and Franchise Law \(ABCs\)](#)

[Herbalife Supports Equal Opportunity](#)

[Operating Your Business](#)

[Proper Enrollment Practices](#)

[Speaking with the Press](#)

[Sponsoring](#)

**Getting Started**

[Go to Main Page](#)



## 1.3 No Debt or Forced Purchases

### 1. Getting Started

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

### Education & Resources

[Becoming a Distributor](#)

[Becoming a Distributor Video](#)

[Business Tools and Other Optional Expenses](#)

[Distributor Application and Required Training](#)

[Expenses for New Distributors](#)

**Getting Started**

[Go to Main Page](#)



## 2. Selling Products



### What You Need to Know

2.1 Prohibited Locations

2.2 Receipt Submission

2.3 Customer Refunds

2.4 High-Pressure Sales

2.5 Product Sales to Non-Distributors for Resale

2.6 Modifications to Products, Labels and Materials

### Education & Resources

[Gold Standard Acknowledgement Form](#)  
[Building the Customer Relationship Flyer](#)  
[Customer Service](#)  
[Product Sales to Non-Distributors](#)  
[Locations Dos and Don'ts Chart](#)  
[Selling Herbalife Products Flyer](#)  
[Association with Herbalife](#)  
[Selling Herbalife Products](#)  
[Selling Herbalife Products Video](#)

[Selling Herbalife Products Online](#)  
[Receipting Training](#)  
[Providing Accurate Receipts](#)  
[Receipting Right](#)  
[Receipting Resource Center](#)  
[Building the Customer Relationship Video](#)  
[Building the Customer Relationship](#)  
[Selling Herbalife Products - Retail Establishments](#)  
[Facebook Marketplace and Online Retail/Auction Marketplaces](#)

## 2.1 Prohibited Locations

### 2. Selling Products

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 non-franchise 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.

## Education & Resources

[Herbalife Sales at Community Events – Advisory](#)

[Herbalife Sales at Community Events - FAQ](#)

[Partnering with Community Businesses – Advisory](#)

[Partnering with Community Businesses - FAQ](#)

[Association with Herbalife](#)

[Building the Customer Relationship Flyer](#)

[Building the Customer Relationship Video](#)

[Facebook Marketplace and Online Retail/Auction Marketplaces](#)

[Locations Dos and Don'ts Chart](#)

[Selling Herbalife Products Flyer](#)

[Selling Herbalife Products](#)

[Selling Herbalife Products Video](#)

[Selling Herbalife Products - Retail Establishments](#)

[Selling Herbalife Products Online](#)

**Selling Products**

[Go to Main Page](#)



## 2.2 Receipt Submission

### 2. Selling Products

At the time of each sale, Distributors must submit a separate, complete, and accurate receipt using Herbalife receipting tools. Distributors may not combine product sales or consumptions (such as product sales/consumptions that occurred at different times or to multiple customers) into a single receipt. A receipt is complete and accurate if it contains the following information:

- the exact product and quantities sold
- the specific method of payment
- the date of sale
- the price paid by the customer
- the customer's first and last name
- the customer's contact information, including at least two of the following: telephone number, email, or address

### Education & Resources

[Receipting Training](#)

[Providing Accurate Receipts](#)

[Receipting Right](#)

[Receipting Resource Center](#)

**Selling Products**

[Go to Main Page](#)



## 2.3 Customer Refunds

### 2. Selling Products

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 Members to the Company for refunds.

### Education & Resources

[Gold Standard Acknowledgement Form](#)  
[Building the Customer Relationship Flyer](#)  
[Building the Customer Relationship Video](#)  
[Customer Service](#)

**Selling Products**  
[Go to Main Page](#)



## 2.4 High-Pressure Sales

### 2. Selling Products

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

**Selling Products**  
[Go to Main Page](#)



## 2.5 Product Sales to Non-Distributors for Resale

### 2. Selling Products

Distributors may only sell products to customers and Preferred Members. Distributors may not otherwise sell or provide Herbalife® products for resale to non-Distributors.

### Education & Resources

[Building the Customer Relationship Flyer](#)  
[Building the Customer Relationship Video](#)  
[Building the Customer Relationship  
Product Sales to Non-Distributors](#)

**Selling Products**  
[Go to Main Page](#)



## 2.6 Modifications to Products, Labels and Materials

### 2. Selling Products

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.

### Education & Resources

[Building the Customer Relationship Flyer](#)

[Building the Customer Relationship Video](#)

[Building the Customer Relationship](#)

**Selling Products**

[Go to Main Page](#)



## 3. Advertising



### What You Need to Know

3.1 Claims

3.2 Online Sales

3.3 Price and Preferred  
Member Advertising

3.4 Herbalife's Intellectual  
Property

3.5 Broadcasting Prohibited

### Education & Resources

[Advertising and Promotion](#)

[Branding and Advertising](#)

[Branding and Advertising - Flyer](#)

[Branding and Advertising Video](#)

[Building the Customer Relationship](#)

[Building the Customer Relationship Flyer](#)

[Claims and Disclaimers Overview Training](#)

[Download: Disclaimer for Weight Loss Claims](#)

[Download: DSHEA Disclaimer for Product Claims](#)

[Download: Earnings and Lifestyle Disclaimer](#)

[Earning and Lifestyle Claims Training](#)

[Education of Virtual Meetings](#)

[Facebook Marketplace and Online Retail/Auction](#)

[Marketplaces](#)

[Guidelines for Tea Kit Promotion on Online Platforms](#)

[How to Share Your Story](#)

[Intellectual Property](#)

[Interviews or Statements to the Media](#)

[Lavish Lifestyle & Reasonable Expectations](#)

[Price Advertising Guidelines](#)

[Product Claims Training](#)

[Prohibition on Associating Herbalife with COVID-19](#)

[Quick Guide to Claims](#)

[Selling Herbalife Products](#)

[Selling Herbalife Products Online](#)

[Selling Herbalife Products use GoHerbalife](#)

[Selling Herbalife Products, Price Advertising](#)

[Statement of Typical Distributor Earnings](#)

[Supporting Your Virtual Meetings](#)

[Unauthorized Product Claims COVID-19](#)

[Weight Loss Claims Training](#)

## 3.1 Claims

### 3. Advertising

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
- do not imply or depict exorbitant earnings or a lavish lifestyle; and
- do not state or imply that attending events is mandatory or guarantees financial success, as attending events is not mandatory and does not guarantee financial success.

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

## Education & Resources

[Claims and Disclaimers Overview Training](#)  
[Download: Disclaimer for Weight Loss Claims](#)  
[Download: DSHA Disclaimer for Product Claims](#)  
[Download: Earnings and Lifestyle Disclaimer](#)  
[Earning and Lifestyle Claims Training](#)  
[Education of Virtual Meetings](#)  
[How to Share Your Story](#)  
[Lavish Lifestyle & Reasonable Expectations](#)  
[Product Claims Training](#)  
[Prohibition on Associating Herbalife with COVID-19](#)  
[Quick Guide to Claims](#)  
[Statement of Typical Distributor Earnings](#)  
[Supporting Your Virtual Meetings](#)  
[Unauthorized Product Claims COVID-19](#)  
[Weight Loss Claims Training](#)

**Advertising**

[Go to Main Page](#)



## 3.2 Online Sales

### 3. Advertising

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

## Education & Resources

[Building the Customer Relationship](#)

[Building the Customer Relationship Flyer](#)

[Facebook Marketplace and Online Retail/Auction Marketplaces](#)

[Guidelines for Tea Kit Promotion on Online Platforms](#)

[Selling Herbalife Products Online](#)

[Selling Herbalife Products use GoHerbalife](#)

**Advertising**

[Go to Main Page](#)



## 3.3 Price and Preferred Member Advertising

### 3. 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 Member program.

### Education & Resources

[Building the Customer Relationship Flyer](#)

[Guidelines for Tea Kit Promotion on Online Platforms](#)

[Price Advertising Guidelines](#)

[Selling Herbalife Products](#)

[Selling Herbalife Products, Price Advertising](#)

[Price Advertising Interactive Guide](#)

**Advertising**

[Go to Main Page](#)



## 3.4 Herbalife's Intellectual Property

### 3 Advertising

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 or resignation.

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

## Education & Resources

[Branding and Advertising](#)  
[Branding and Advertising - Flyer](#)  
[Branding and Advertising Video](#)  
[Intellectual Property](#)

**Advertising**  
[Go to Main Page](#)



## 3.5 Broadcasting Prohibited

### 3. Advertising

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

### Education & Resources

[Advertising and Promotion](#)

[Branding and Advertising - Flyer](#)

[Interviews or Statements to the Media](#)

**Advertising**

[Go to Main Page](#)



## 4. Sales and Marketing



### What You Need to Know

**4.1 One Distributorship  
Permitted per Person**

**4.2 Proper Purchasing**

**4.3 Sales & Marketing Plan  
Manipulation**

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

**4.5 Period of Inactivity**

### Education & Resources

[Becoming a Distributor](#)  
[Protecting the Lines of Sponsorship Video](#)  
[Becoming a Distributor Video](#)  
[Distributor Application and Required Training](#)  
[Protecting the Lines of Sponsorship](#)  
[Period of Inactivity for Preferred Members](#)  
[Period of Inactivity](#)  
[President's Team Qualification and Review](#)  
[Expenses for New Distributors](#)  
[Operating Your Business](#)  
[Distributors Are Independent Business Operators](#)  
[Herbalife Supports Equal Opportunity](#)  
[Operating Your Business Video](#)  
[Proper Enrollment Practices](#)

## 4.1 One Distributorship Permitted per Person

### 4. Sales and Marketing

Individuals may only work in one Herbalife Distributorship, except as permitted in our Inheritance Policy. A Distributor may not also be a Preferred Member. 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.

## Education & Resources

[Becoming a Distributor](#)

[Protecting the Lines of Sponsorship Video](#)

[Becoming a Distributor Video](#)

[Distributor Application and Required Training](#)

**Sales and Marketing**

[Go to Main Page](#)



## 4.2 Proper Purchasing

### 4. Sales and Marketing

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

Distributors may only purchase products directly from the company.

## Education & Resources

[Becoming a Distributor](#)

[Becoming a Distributor Video](#)

[Expenses for New Distributors](#)

[President's Team Qualification and Review](#)

**Sales and Marketing**

[Go to Main Page](#)



## 4.3 Sales & Marketing Plan Manipulation

### 4. Sales and Marketing

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

### Education & Resources

[Operating Your Business](#)

[Operating Your Business Video](#)

[Proper Enrollment Practices](#)

[President's Team Qualification and Review](#)

**Sales and Marketing**

[Go to Main Page](#)



## 4.4 Responsibility for Conduct of Others Assisting with Distributorship

### 4. Sales and Marketing

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.

### Education & Resources

[Operating Your Business](#)

[Operating Your Business Video](#)

[Distributors Are Independent Business Operators](#)

[Herbalife Supports Equal Opportunity](#)

**Sales and Marketing**

[Go to Main Page](#)



## 4.5 Period of Inactivity

### 4. Sales and Marketing

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 Members 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.

## Education & Resources

[Period of Inactivity](#)

[Period of Inactivity for Preferred Members](#)

[Protecting the Lines of Sponsorship](#)

[Protecting the Lines of Sponsorship Video](#)

**Sales and Marketing**

[Go to Main Page](#)



## 5. Sponsoring and Leadership



### What You Need to Know

**5.1 TAB Team  
Acknowledgement**

**5.2 Training**

**5.3 Non-Interference**

**5.4 Association with  
Herbalife**

**5.5 Solicitation of Other  
Opportunities**

**5.6 Leads**

**5.7 Sales of Business Tools  
Not for Profit**

### Education & Resources

[Association with Herbalife](#)  
[Business Tools](#)  
[Business Tools Flyer](#)  
[Business Tools Video](#)  
[Business Tools: Leads](#)  
[Herbalife Supports Equal Opportunity](#)  
[Operating Your Business](#)  
[Operating Your Business Video](#)  
[Promoting and Selling Business Tools](#)  
[Reaching TAB Team](#)

[Reaching TAB Team Video](#)  
[Sponsoring & Training Responsibilities](#)  
[Sponsoring and Leadership](#)  
[Sponsoring Video](#)  
[TAB Team Acknowledgment Form](#)  
[Using Business Tools and Solicitation –](#)  
[Using Business Tools and Solicitation FAQ](#)  
[Distributors Must Not Offer Other Businesses](#)  
[Zumba Copyrights, Trademarks, Trade Names and Logos](#)

## 5.1 TAB Team Acknowledgment

### 5. Sponsoring and Leadership

When a Distributor reaches the TAB Team, they must sign a TAB Team Acknowledgment form before they can get paid a Production Bonus.

### Education & Resources

[Using Business Tools and Solicitation -](#)

[Reaching TAB Team](#)

[Reaching TAB Team Video](#)

[TAB Team Acknowledgment Form](#)

**Sponsoring and Leadership**

[Go to Main Page](#)



## 5.2 Training

### 5. Sponsoring and Leadership

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

### Education & Resources

[Using Business Tools and Solicitation FAQ](#)

[Sponsoring & Training Responsibilities](#)

[Sponsoring and Leadership](#)

[Sponsoring Video](#)

**Sponsoring and Leadership**

[Go to Main Page](#)



## 5.3 Non-Interference

### 5. Sponsoring and Leadership

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

### Education & Resources

[Sponsoring and Leadership](#)

[Sponsoring Video](#)

**Sponsoring and Leadership**

[Go to Main Page](#)



## 5.4 Association with Herbalife

### 5. Sponsoring and Leadership

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

### Education & Resources

[Association with Herbalife](#)

[Herbalife Supports Equal Opportunity](#)

[Using Business Tools and Solicitation FAQ](#)

[Using Business Tools and Solicitation -](#)

[Operating Your Business](#)

[Operating Your Business Video](#)

[Zumba Copyrights, Trademarks, Trade Names and Logos](#)

**Sponsoring and Leadership**

[Go to Main Page](#)



## 5.5 Solicitation of Other Opportunities

### 5. Sponsoring and Leadership

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

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

### Education & Resources

[Business Tools Flyer](#)

[Business Tools Video](#)

[Distributors Must Not Offer Other Businesses](#)

[Operating Your Business Video](#)

[Using Business Tools and Solicitation -](#)

[Using Business Tools and Solicitation FAQ](#)

**Sponsoring and Leadership**

[Go to Main Page](#)



## 5.6 Leads

### 5. Sponsoring and Leadership

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

### Education & Resources

[Business Tools](#)

[Business Tools Flyer](#)

[Business Tools: Leads](#)

**Sponsoring and Leadership**

[Go to Main Page](#)



## 5.7 Sale of Business Tools Not for Profit

### 5. Sponsoring and Leadership

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.

### Education & Resources

[Business Tools](#)

[Business Tools Flyer](#)

[Business Tools: Leads](#)

[Using Business Tools and Solicitation FAQ](#)

[Using Business Tools and Solicitation -](#)

[Promoting and Selling Business Tools](#)

[Sponsoring and Leadership](#)

[Go to Main Page](#)



## 6. Nutrition Clubs and Offices



### What You Need to Know

6.1 Leased or Purchased  
Business Locations

6.2 Multiple Clubs

6.3 Distributors May Not  
Charge for Nutrition Club  
Advice

6.4 Responsible Club  
Operator

6.5 Sharing Club Premises

6.6 Product Preparation

6.7 Delivery

6.8 The Sale of Clubs  
for Profit Prohibited

6.9 Commercial Club  
Signage and Name

6.10 Commercial Club  
Exterior

6.11 Indoor Satellite Club

6.12 Outdoor Satellite Club

6.13 Advertising an Outdoor  
Satellite Club

### Education & Resources

[Commercial Club](#)

[Keys to Your Business Training](#)

[Nutrition Club Essentials Webpage](#)

[Nutrition Club Exterior Guidelines](#)

[Nutrition Club Guide](#)

[Satellite Club Training](#)

[Satellite Clubs FAQs](#)

[Notice - Employer and Franchise Law \(ABCs\)](#)

[Commercial Location Annual Recertification](#)

[Herbalife Clubs, The Power of Community](#)

[Serving Food Items in a Nutrition Club](#)

[Notice of Sales Tax Requirements for Clubs Based in California](#)

[KTYB Module 1: Finding Commercial Location and Complying with  
Local Laws Training](#)

[KTYB Module 3: Registering Your Commercial Location Training  
Guidelines for Selling Promotional Nutrition Club Merchandise](#)

## 6.1 Leased or Purchased Business Locations

### 6. Nutrition Clubs and Offices

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 completed specific training
- prepared a business plan, which they agree to make available to Herbalife upon request; and
- register their location with Herbalife

Distributors who wish to operate their business out of a commercial location that does not require entering into a lease, sublease or purchasing a physical location, must do the following:

- successfully complete specific training
- prepare a business plan, which they agree to make available to Herbalife upon request,
- submit a declaration, which may require the notarized signature of the landlord/owner; and
- register their location with Herbalife

## Education & Resources

[Commercial Club](#)

[Commercial Location Annual Recertification](#)

[Herbalife Clubs, The Power of Community](#)

[Keys to Your Business Training](#)

[Notice of Sales Tax Requirements for Clubs Based in California](#)

[Nutrition Club Essentials Webpage](#)

[Nutrition Club Guide](#)

**Nutrition Clubs and Offices**

[Go to Main Page](#)



## 6.2 Multiple Clubs

### 6. Nutrition Clubs and Offices

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

### Education & Resources

[KTYB Module 1: Finding Commercial Location and Complying with Local Laws Training](#)

[Nutrition Club Guide](#)

[Notice - Employer and Franchise Law \(ABCs\)](#)

[Nutrition Club Essentials Webpage](#)

**Nutrition Clubs and Offices**

[Go to Main Page](#)



## 6.3 Distributors May Not Charge for Nutrition Club Advice

### 6. Nutrition Clubs and Offices

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

### Education & Resources

[KTYB Module 3: Registering Your Commercial Location Training](#)  
[Nutrition Club Guide](#)  
[Nutrition Club Essentials Webpage](#)

**Nutrition Clubs and Offices**

[Go to Main Page](#)



## 6.4 Responsible Club Operator

### 6. Nutrition Clubs and Offices

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.

### Education & Resources

[Notice - Employer and Franchise Law \(ABCs\)](#)

[Nutrition Club Guide](#)

**Nutrition Clubs and Offices**

[Go to Main Page](#)



## 6.5 Sharing Club Premises

### 6. Nutrition Clubs and Offices

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.

### Education & Resources

[Nutrition Club Essentials Webpage](#)

[Nutrition Club Guide](#)

**Nutrition Clubs and Offices**

[Go to Main Page](#)



## 6.6 Product Preparation

### 6. Nutrition Clubs and Offices

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.

## Education & Resources

[Guidelines for Selling Promotional Nutrition Club Merchandise](#)

**Nutrition Clubs and Offices**

[Go to Main Page](#)



## 6.7 Delivery

### 6. Nutrition Clubs and Offices

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.

## Education & Resources

[KTYB Module 3: Registering Your Commercial Location Training](#)

[Nutrition Club Essentials Webpage](#)

[Nutrition Club Guide](#)

**Nutrition Clubs and Offices**

[Go to Main Page](#)



## 6.8 The Sale of Clubs for Profit Prohibited

### 6. Nutrition Clubs and Offices

**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 build-out 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.

### Education & Resources

[Nutrition Club Essentials Webpage](#)

[Nutrition Club Guide](#)

**Nutrition Clubs and Offices**

[Go to Main Page](#)



## 6.9 Commercial Club Signage and Name

### 6. Nutrition Clubs and Offices

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 25-mile 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.

## Education & Resources

[KTYB Module 1: Finding Commercial Location and Complying with Local Laws Training](#)

[KTYB Module 3: Registering Your Commercial Location Training](#)

[Nutrition Club Essentials Webpage](#)

[Nutrition Club Exterior Guidelines](#)

[Nutrition Club Guide](#)

**Nutrition Clubs and Offices**

[Go to Main Page](#)



## 6.10 Commercial Club Exterior

### 6. Nutrition Clubs and Offices

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

- displaying Herbalife branding (names, logos, etc.)
- implying that Herbalife® products are available for purchase; and
- featuring “before and after” photographs

### Education & Resources

[Herbalife Clubs, The Power of Community](#)

[KTYB Module 3: Registering Your Commercial Location Training](#)

[Nutrition Club Essentials Webpage](#)

[Nutrition Club Exterior Guidelines](#)

[Nutrition Club Guide](#)

**Nutrition Clubs and Offices**

[Go to Main Page](#)



## 6.11 Indoor Satellite Club

### 6. Nutrition Clubs and Offices

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

### Education & Resources

[Nutrition Club Essentials Webpage](#)

[Satellite Club Training](#)

[Satellite Clubs FAQs](#)

[Serving Food Items in a Nutrition Club](#)

**Nutrition Clubs and Offices**

[Go to Main Page](#)



## 6.12 Outdoor Satellite Club

### 6. Nutrition Clubs and Offices

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

### Education & Resources

[Nutrition Club Essentials Webpage](#)

[Satellite Club Training](#)

[Satellite Clubs FAQs](#)

[Serving Food Items in a Nutrition Club](#)

**Nutrition Clubs and Offices**

[Go to Main Page](#)



## 6.13 Advertising an Outdoor Satellite Club

### 6. Nutrition Clubs and Offices

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

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

### Education & Resources

[Nutrition Club Essentials Webpage](#)

[Satellite Club Training](#)

[Satellite Clubs FAQs](#)

**Nutrition Clubs and Offices**

[Go to Main Page](#)



## 7. International Business



### What You Need to Know

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

**7.2 No Exporting of Products**

**7.3 Activities in China**

**7.4 Prohibited Countries / Regions and  
Persons**

### Education & Resources

[Business Activities](#)

[Business Activities, Export](#)

[Exporting Products](#)

[Exporting Products - Video](#)

[International Business Activities, Export](#)

[Prohibited Countries](#)

## 7.1 Activities in Countries or Territories Not Yet Open

### 7. Nutrition Clubs and Offices

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

### Education & Resources

[Business Activities](#)

[Business Activities, Export](#)

[Exporting Products](#)

[International Business Activities, Export](#)

[Prohibited Countries](#)

**International Business**

[Go to Main Page](#)



## 7.2 No Exporting of Products

### 7. Nutrition Clubs and Offices

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 traveling.

### Education & Resources

[Business Activities](#)

[Business Activities, Export](#)

[Exporting Products](#)

[International Business Activities, Export](#)

[Prohibited Countries](#)

**International Business**

[Go to Main Page](#)



## 7.3 Activities in China

### 7. Nutrition Clubs and Offices

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

## Education & Resources

[Business Activities](#)

[Business Activities, Export](#)

[Exporting Products](#)

[International Business Activities, Export](#)

[Prohibited Countries](#)

**International Business**

[Go to Main Page](#)



## 7.4 Prohibited Countries / Regions and Persons

### 7. Nutrition Clubs and Offices

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

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.

## Education & Resources

[Business Activities](#)

[Business Activities, Export](#)

[Exporting Products](#)

[International Business Activities, Export](#)

[Prohibited Countries](#)

**International Business**

[Go to Main Page](#)



## 8. General Conduct



### What You Need to Know

**8.1 Compliance with  
Applicable Laws and Rules**

**8.2 Truthful Submissions  
and Communications with  
Herbalife**

**8.3 Maintaining Reputation  
and Image of Herbalife**

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

**8.5 No Anti-Competitive  
Behavior**

**8.6 Game Promotions**

### Education & Resources

[Becoming a Distributor](#)  
[Becoming a Distributor Video](#)  
[Branding and Advertising](#)  
[Game Promotions](#)  
[Game Promotions FAQ](#)  
[Operating Your Business](#)  
[Operating Your Business Video](#)  
[Proper Enrollment Practices](#)  
[Receipting Resource Center](#)  
[Intellectual Property](#)  
[The Rules and the Whys - Flyer](#)  
[The Rules and the Whys - Video](#)

[Challenges and Game Promotions - Webpage](#)  
[Distributor Application and Required Training](#)  
[Distributors Are Independent Business Operators](#)  
[Game Promotions Requirements & Guidelines](#)  
[Herbalife Supports Equal Opportunity](#)  
[How to promote Distributor Organization Challenges](#)  
[How to promote your WLC & Transformation Challenges](#)  
[Interviews or Statements to the Media](#)

## 8.1 Compliance with Applicable Laws and Rules

### 8. General Conduct

Distributors must follow all laws (including Rules, Regulations, and ordinances) 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.

## Education & Resources

[Operating Your Business](#)

[Operating Your Business Video](#)

[The Rules and the Whys - Flyer](#)

[The Rules and the Whys - Video](#)

**General Conduct**

[Go to Main Page](#)



## 8.2 Truthful Submissions and Communications with Herbalife

### 8. General Conduct

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

### Education & Resources

[Becoming a Distributor](#)

[Becoming a Distributor Video](#)

[Distributor Application and Required Training](#)

[Proper Enrollment Practices](#)

[Receipting Resource Center](#)

**General Conduct**

[Go to Main Page](#)



## 8.3 Maintaining Reputation and Image of Herbalife

### 8. General Conduct

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

### Education & Resources

[Branding and Advertising](#)

[Distributors Are Independent Business Operators](#)

[Herbalife Supports Equal Opportunity](#)

[Intellectual Property](#)

[Interviews or Statements to the Media](#)

[Operating Your Business](#)

[Operating Your Business Video](#)

**General Conduct**

[Go to Main Page](#)



## 8.4 Conduct Regarding Harassment, Discrimination and Inappropriate Conduct

### 8. General Conduct

Herbalife prohibits harassment, unlawful discrimination and inappropriate conduct.

### Education & Resources

[Herbalife Supports Equal Opportunity](#)

[Operating Your Business](#)

[Operating Your Business Video](#)

**General Conduct**

[Go to Main Page](#)



## 8.5 No Anti-Competitive Behavior

### 8. Nutrition Clubs and Offices

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 Members or Distributors

**General Conduct**

[Go to Main Page](#)



## 8.6 Game Promotions

### 8. Nutrition Clubs and Offices

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

## Education & Resources

[Challenges and Game Promotions - Webpage](#)

[Game Promotions](#)

[Game Promotions FAQ](#)

[Game Promotions Requirements & Guidelines](#)

[How to promote Distributor Organization Challenges](#)

[How to promote your WLC & Transformation Challenges](#)

**General Conduct**

[Go to Main Page](#)



## 9. Administrative



### What You Need to Know

**9.1 Distributorship  
Eligibility**

**9.2 Transferring your  
Distributorship**

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

**9.4 Inheritance**

**9.5 Resignation**

**9.6 Sales to Customers**

**9.7 Payments and  
Adjustments**

**9.8 Maintaining Lines of  
Sponsorship**

**9.9 Enforcement Procedures**

**9.10 Additional Legal  
Provisions**

**9.11 Arbitration Agreement**

**9.12 Privacy and Data  
Protection**

**9.13 Definitions**

### Education & Resources

[About Privacy](#)

## 9.1 Distributorship Eligibility

### 9. Administrative

#### 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.\*

**Puerto Rico Residents:** An Applicant must be at least 21 years of age to become an Herbalife Distributor and to conduct business in Puerto Rico.

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

#### 9.1.2 Special Rules for Applicants Age 14–17 (Puerto Rico Residents Age 14–20)

A minor who is at least 14 years of age who lives and proposes to conduct business in the United States and Puerto Rico may submit an Agreement, accompanied by a [Deed of Guarantee for Minors form](#). The Deed of Guarantee signed by the minor's parent or legal guardian is an agreement that (1) the minor's parent or legal guardian accepts responsibility for the actions of the minor and (2) will not participate in the operation of the minor's Distributorship if the minor's parent or legal guardian currently operates or participates in the operation of an Herbalife Independent Distributorship.

#### 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.

**Administrative**  
[Go to Main Page](#)



## 9.2 Transferring Your Distributorship

### 9. Administrative

#### 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.

#### 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).

#### 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.

#### 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

**Administrative**

[Go to Main Page](#)

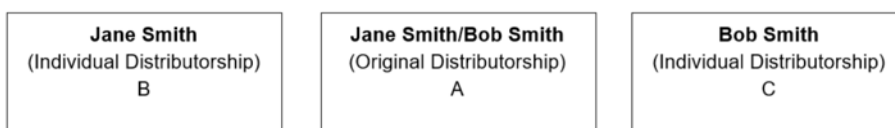


## 9.3 Separation, Divorce and Dissolution of Life Partner Relationship

### 9. Administrative

#### 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 Acknowledgment Forms for the Distributor and spouse, reflecting

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

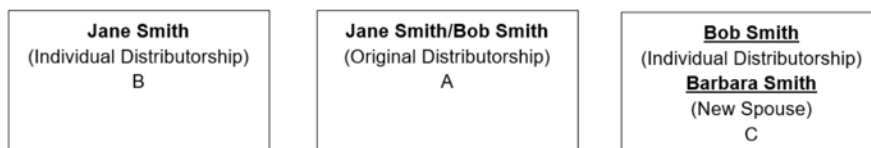
- newly completed and signed Agreements for the Distributor and Life Partner, sponsored by the Sponsor of the original Distributorship
- a signed and notarized Dissolution of Life Partner Relationship Form from both parties. (If both parties do not provide the signed and notarized Form, a court order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



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

### 9. Administrative

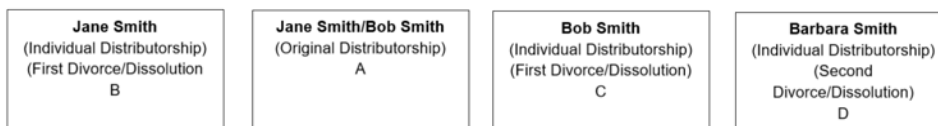
If a Distributor remarries or designates a new Life Partner, that person's new spouse or Life Partner may be added to the Distributor's new, separate Distributorship to support the Distributor in the business and for recognition purposes.



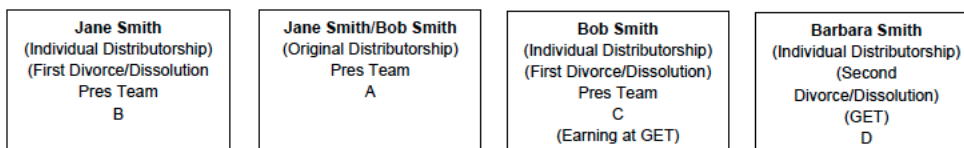
#### More Than One Dissolution or Divorce:

Herbalife will only associate one set of 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.



**Administrative**

[Go to Main Page](#)



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

### 9. Administrative

#### 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.



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

### 9. Administrative

#### 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.

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

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

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



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

### 9. Administrative

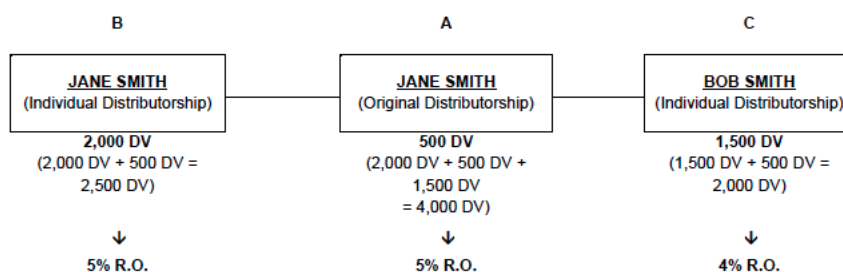
For the purpose of Royalty Override percentage eligibility, the original Distributorship will include its own Documented Volume and the Documented Volume of each individual Distributorship. Production Bonus percentage eligibility for the original Distributorship will be based on the highest of the two individual Distributorships.

**Example:**

**Documented Volume (DV)**

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

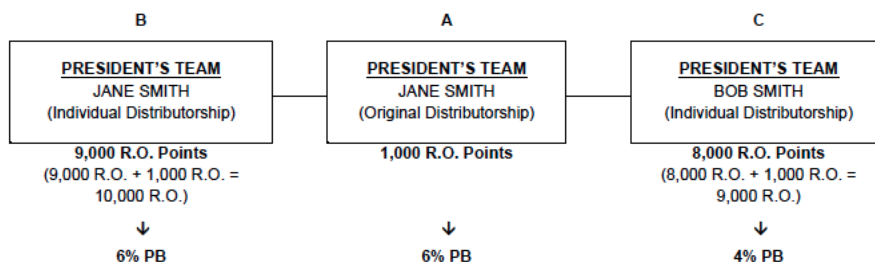
**B + A and C + A**



**Royalty Points**

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

**B + A and C + A**



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

### 9. Administrative

**Requirements:** Each individual Distributorship must comply with all requirements to earn Royalty Overrides. Each Distributorship must also achieve the necessary Documented 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 an individual Distributorship, combined with the original Distributorship, reaches 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.



## 9.4 Inheritance

### 9. Administrative

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 Herbalife for more information or view the **Herbalife Distributorship – Planning Ahead** document available on MyHerbalife.com.

†The Deceased Transfer Declaration Form is available from Herbalife.

‡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 Documented Volume with the inherited Distributorship's Total Documented Volume. The heir is responsible for payment of fees and debts of each Distributorship.

**Administrative**

[Go to Main Page](#)



## 9.5 Resignation

### 9. Administrative

Distributors may resign by submitting a resignation 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 resignation becomes effective when received and accepted by Herbalife.

There is a 100% refund guarantee on unopened products and unused U.S. and Puerto Rico corporate event tickets, including taxes and any handling costs, that were purchased in the previous 12 months if the Distributorship is canceled for any reason. The cost of shipping, both the initial delivery and return shipping, will also be refunded. To obtain a refund, Distributors may call Herbalife at 855-757-4747 or submit the refund form available at MyHerbalife.com ([Repurchase of Inventory](#)).

**Administrative**

[Go to Main Page](#)



## 9.6 Sales to Customers

### 9. Administrative

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.

**Administrative**

[Go to Main Page](#)



## 9.7 Payments and Adjustments

### 9. Administrative

To qualify for monthly Royalty Overrides, Production Bonuses or other bonuses offered by Herbalife, Distributors must meet Documented Volume and Royalty Point requirements that are fully defined in the Sales & Marketing Plan and in other literature and promotional material.

**Administrative**

[Go to Main Page](#)



## 9.8 Maintaining Lines of Sponsorship

### 9. Administrative

#### 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 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.

#### 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.



## 9.8 Maintaining Lines of Sponsorship

### 9. Administrative

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 Members.

If the request for a change of sponsorship is denied, the Distributor may resign their Distributorship and comply with the Period of Inactivity before reapplying for Herbalife 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.



## 9.9 Enforcement Procedures

### 9. Administrative

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.

#### 9.9.1 Complaint Procedure

Distributors should report suspected violations to Herbalife at MyHerbalife.com or by calling Herbalife tollfree at 866-866-4744. Required information includes the nature of the complaint and the factual details that support the allegations.\*

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

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

#### 9.9.2 Inquiry

If Herbalife determines, in its sole and absolute discretion, that there is sufficient information to support an allegation, Herbalife will contact the Distributor who is the subject of the complaint to permit the Distributor an opportunity to respond. In certain circumstances, it may be necessary to place restrictions on a Distributorship while an inquiry is in process.



## 9.9 Enforcement Procedures

### 9. Administrative

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

#### 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
- prohibition from attending or speaking at Herbalife sponsored events
- disqualification from participation in the annual Mark Hughes Bonus
- disqualification from participation in the Production Bonus program
- permanent loss of lineage
- volume and earnings adjustments; and/or
- termination of Distributorship (see “Termination or Deletion of a Distributorship” below)

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

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

#### 9.9.4 Requests for Reconsideration (Unrelated to Terminations)

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



## 9.9 Enforcement Procedures

### 9. Administrative

If the reconsideration request is not submitted within the 15-day period, the request will be denied, although Herbalife reserves the right to consider evidence submitted beyond the 15-day period in its sole and absolute discretion.

#### 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.

A terminated Distributor† may no longer:

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

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

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

#### 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 in its sole and absolute discretion.

The appeal will be reviewed by a committee comprised of an appointed representative from each of: the Sales Department, the Distributor 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. Administrative

**References Below to “Agreement” Mean the Application and Entire Contractual Relationship Between Distributor and Herbalife.**

#### 9.10.1 Damages

To the fullest extent allowed by applicable law, neither Herbalife nor Distributor shall be liable to the other for any incidental, consequential, special, exemplary or punitive damages under any legal or equitable theory, regardless of whether the possibility of such damages is known by either party.

#### 9.10.2 Waiver and Delay

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

#### 9.10.3 Severability

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

#### 9.10.4 Choice of Law

The Agreement, and any dispute arising from the relationship between Herbalife and Distributor, shall be governed by California substantive law\* without the application of conflict of law principles, except that the interpretation and enforcement of Arbitration shall be governed by federal law.

\*Puerto Rico Residents: Shall be governed by the domestic law of Commonwealth of Puerto Rico.

#### 9.10.5 Indemnification

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

#### 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 another Distributor.

**Administrative**  
[Go to Main Page](#)



## 9.11 Arbitration Agreement

### 9. Administrative

Distributors and Herbalife agree to submit to arbitration any disputes that they cannot resolve informally. Herbalife reserves the right (with some restrictions) to amend the Arbitration Agreement. The current version is below. References below to “Agreement” mean the entire contractual relationship between Distributor and Herbalife.

#### 9.11.1 Overview

Herbalife will try to resolve any dispute amicably and informally. However, if there is a dispute that cannot be resolved informally, Herbalife and Distributor each agrees, subject to Rules Jury and Class Action Waiver and Scope below, to resolve the dispute solely and exclusively by binding arbitration. Arbitration proceedings are designed to provide parties with a fair hearing that is faster and less formal than a lawsuit in court. Arbitration uses a neutral arbitrator instead of a judge or jury, allows for limited discovery, and is subject to very limited review by courts. Arbitrators can award the same damages and relief that a court can award. The following provisions are referred to as the “Arbitration Agreement.”

*Puerto Rico Residents: Puerto Rico does not have small claims courts. Any variation in terms in this Arbitration Agreement for Puerto Rico Residents is indicated below in italics.*

#### 9.11.2 Jury and Class Action Waiver

Herbalife and Distributor both waive the right to trial by jury. Also, any arbitration under the Agreement shall take place on an individual basis; class or representative actions shall not be permitted. If the foregoing provision is, for any reason, found to be unenforceable, then the Arbitration Agreement shall be null and void (but the Agreement shall remain in full force and effect).

*Puerto Rico Residents: Distributors in Puerto Rico agree that Herbalife and Distributor are each waiving the right to a trial in any local or Federal Court of justice in Puerto Rico.*

#### 9.11.3 Scope

Herbalife and Distributor agree, with two exceptions, to arbitrate all disputes and claims between them, including, without limitation, disputes or claims arising out of or relating to the Agreement, the Rules of the Road, Sales & Marketing Plan decisions, relationships with other Distributors, and the purchase, sale or use of Herbalife® products, and regardless of whether the dispute or claim arose before Distributor’s contractual relationship with Herbalife. The two exceptions are: (1) either Herbalife or Distributor may bring suit in court to enjoin infringement or other misuse of intellectual property rights, and (2) Distributor may bring an individual action for monetary damages (but no other relief) in small claims court where permitted by law.

#### 9.11.4 Applicable Rules

The interpretation and enforcement of this Arbitration Agreement is governed by the Federal Arbitration Act. Any arbitration that is commenced pursuant to this Arbitration Agreement is governed by the Commercial Arbitration Rules (“AAA Rules”) of the American Arbitration



## 9.11 Arbitration Agreement

### 9. Administrative

Association ("AAA"), except as modified herein, and will be administered by the AAA. The AAA Rules are available online at [adr.org](http://www.adr.org), by calling the AAA at 1-800-778-7879, or by writing to the Herbalife Notice Address, Office of the General Counsel, Herbalife International of America, Inc., 800 West Olympic Blvd., Suite 406, Los Angeles, CA 90015.

#### 9.11.5 Commencing Arbitration

Forms and instructions for giving notice and commencing arbitration can be obtained at <http://www.adr.org>, by calling the AAA at 1-800-778-7879, or by writing to the Herbalife Notice Address. If either Herbalife or Distributor is sued in arbitration, they may assert any counterclaims they may have against the other party.

#### 9.11.6 Arbitration Fees

For any arbitration initiated by Distributor in accordance with the AAA Rules, Herbalife will pay all administration and arbitrator fees and will promptly reimburse Distributor for any initial filing fee unless (i) Distributor seeks more than \$75,000 in damages, or (ii) the arbitrator finds that Distributor's claim or demand for relief is frivolous or was brought for an improper purpose under the standards of Federal Rule of Civil Procedure 11(b), in which case the payment of fees will instead be governed by the AAA Rules and Distributor must reimburse Herbalife for any payments that would have been Distributor's obligation to pay under the AAA Rules.

#### 9.11.7 Arbitration Procedure

All arbitration procedures, including, without limitation, representation by counsel, determinations of arbitrability, selecting and communicating with the arbitrator, discovery, confidentiality, pre-hearing conferences, and evidentiary hearings, will be governed by the AAA Rules. Note: As explained in the AAA Rules, the arbitrator shall determine the scope and enforceability of this Arbitration Agreement and the arbitrability of any disputes. Hearings will take place in the county (or parish) where Distributor resides unless the parties agree otherwise.

#### 9.11.8 Arbitration Award

The arbitrator shall issue a written award in accordance with the AAA Rules but may only award declaratory or injunctive relief in favor of the individual party seeking relief and only to the extent necessary to provide relief warranted by that party's individual claim. Regardless of whether attorneys' fees and costs are recoverable by law, Herbalife will pay Distributor's reasonable attorneys' fees and costs if the arbitrator issues an award in Distributor's favor, unless Herbalife made a written settlement offer worth more than the award before an arbitrator was selected. Herbalife will be responsible for its own attorneys' fees and costs.

#### 9.11.9 Amendments

No amendment or modification of the Agreement will apply to claims that have accrued or are otherwise known to Herbalife at the time of the amendment, modification or termination.



## 9.12 Privacy and Data Protection

### 9. Administrative

Unless otherwise indicated, Herbalife collects, uses and shares “Personal Information” (e.g., your first and last name, mailing address, city, state, zip code, telephone number, email address, credit card and banking information) in accordance with its Privacy Policy located at <http://www.herbalife.com/privacy-policy>. California residents, please see our Supplemental Privacy Notice for California Residents (<https://www.herbalife.com/privacy-policy#CaliforniaSupplement>) (a paper copy is available upon request).

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 Members 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 and Preferred Members 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 and Preferred Members 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 Independent Distributors, their customers or the Preferred Members 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 Sweepstakes, Weight Loss Challenges and Body Transformation Challenges. Distributors must abide by applicable privacy and data protection laws, including international data transfer restrictions, with respect to all Personal



## 9.12 Privacy and Data Protection

### 9. Administrative

Information obtained by Distributor (from Herbalife or otherwise) in connection with the Distributor's Herbalife business. In addition, it is the Distributor's responsibility to maintain the security of all Personal Information that he or she receives and to retain such information only 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.

### Education & Resources

[About Privacy - MyHerbalife](#)



## 9.13 Definitions

### 9. Administrative

**Application and Agreement:** The Herbalife Independent Distributorship Application and Agreement and the entire contractual relationship between the Distributor and Herbalife, including the Sales & Marketing Plan, the Rules of the Road and other documents posted on MyHerbalife.com 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 which has not been made 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 International of America, Inc.

**Customer:** Preferred Members 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 Distributor Services Fee which is charged by Herbalife for computer processing and other services provided to Distributors.

**Former Participant:** A former Distributor, Preferred Member, spouse, Life Partner or an individual who assisted in a Distributorship.

**General Public:** People whom a Distributor has not had prior personal contact within any matter.

**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, as well as leads-related advertising, advertising slots or decision packs.

**Life Partner:** A person designated by a Distributor as their Life Partner on the "Add Life Partner Request Form".



## 9.13 Definitions

### 9. Administrative

**Lineage Reports:** These reports contain information regarding other Distributors and Preferred Members 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.

**Period of Inactivity:** A waiting period where Former Participants may not participate in the Herbalife business in any way prior to changing Sponsors. See Rule Period of Inactivity for more information.

**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.

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

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

**Sponsor:** The Distributor who brings individuals into the Herbalife business and Preferred Membership Program.

