

HERBALIFE



FUN

SIMPLE

MAGICAL

*“With self-discipline
most anything is
possible.”*

Theodore Roosevelt
26th President
of the United States

UNDERSTAND PLAN BUILD

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HERBALIFE®

4

Sales & Marketing Plan and Business Rules

Overview

Herbalife's Sales & Marketing Plan offers you unique opportunities which can lead to higher levels of success and to great achievement. The plan was developed by Herbalife's first Distributor and founder, Mark Hughes. The result is arguably the best Sales & Marketing Plan in the industry. Herbalife's Sales & Marketing Plan pays a high percentage of product revenues to Members and 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 Herbalife Member. Each Member'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 Member and their downline organization.

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

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

Becoming a Member – The Important First Step

The only required purchase in order to become an Herbalife Member is the Mini Herbalife Member Pack (Mini HMP), or at your election, an Herbalife Member Pack (HMP). The Mini HMP (as well as the larger version) contains the Herbalife Membership 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 Member when your properly completed Application has been processed and accepted by the Herbalife World Operations Home Office. This process takes only a few days, but in the meantime, you are entitled to purchase Herbalife® products from or through the Herbalife Sales Order Department, your Sponsor or first upline Fully Qualified Supervisor at the applicable discount. Once your Application has been accepted, your contract with Herbalife becomes effective immediately, giving you all the rights, responsibilities and privileges of an Herbalife Member.

Income Opportunities

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

Immediate Retail Profit

25% to 50%

The profit from direct sales to customers.

Daily Wholesale Profit

Up to 25% of earn base

The difference between what you pay for products and what Members in your personal organization pay for products.

Monthly Royalty Override Income

Up to 5% on the sales of all your Supervisors

As a Supervisor, you earn up to 5% on the earn base value of all of your Supervisors, three active levels of downline.

Monthly Production Bonuses

TAB Team members can earn an extra 2% to 7%

Organizational Production Bonus.

Annual Bonuses

A bonus to Top Achievers in recognition of outstanding performance.

Qualify for Special Vacations and Training Events

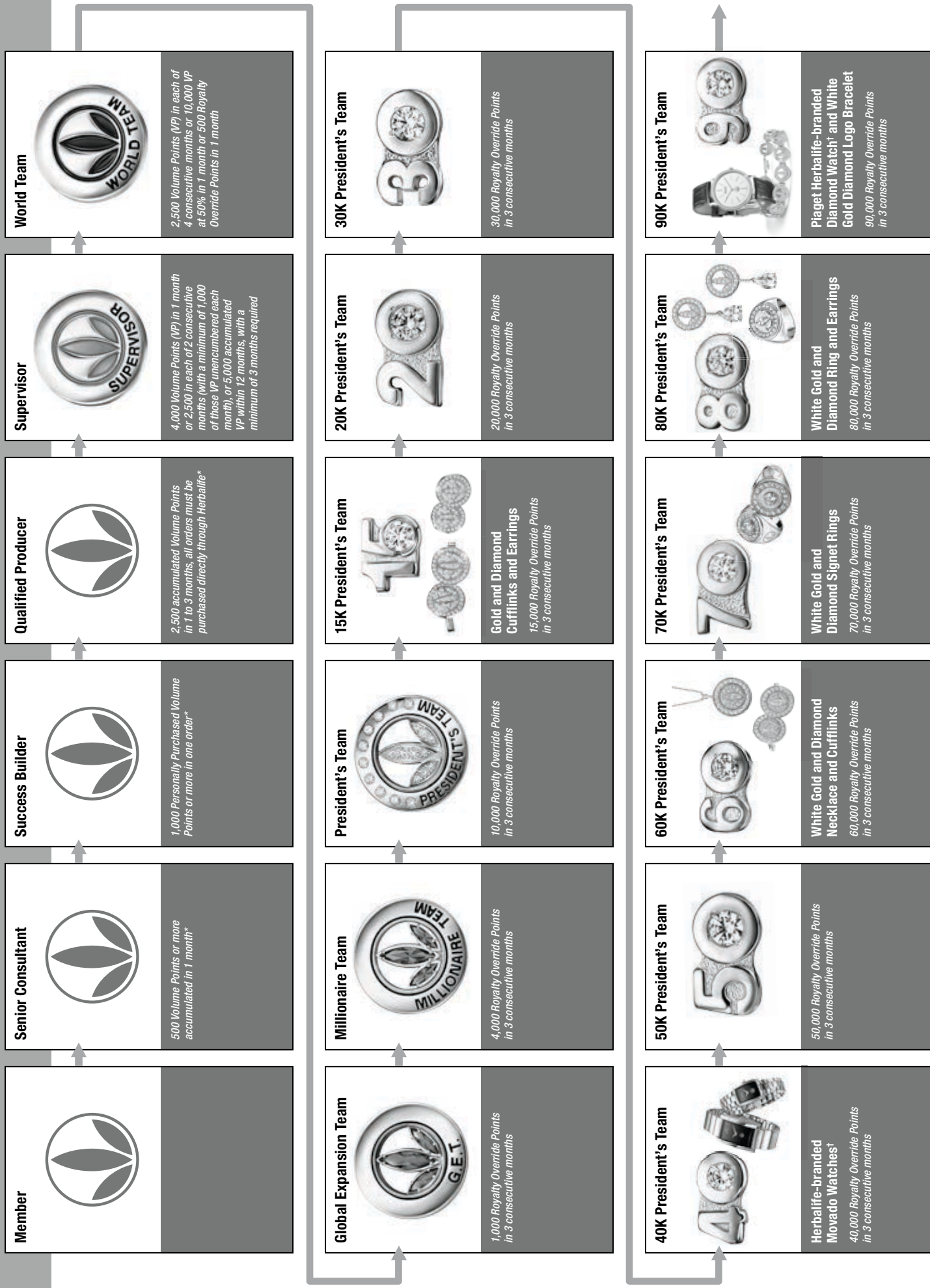
Members who qualify are rewarded for consistent performance and efforts in building their business.

Plus other special promotions and bonuses throughout the year.



HERBALIFE®

STEPS TO SUCCESS



[†]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 HMP. ^{*}Actual watch model may vary based on availability at time of qualification.



HERBALIFE®

PRESIDENT'S TEAM PLUS AWARDS AND RECOGNITION

1 Diamond



Executive President's Team
1 first line, Fully Qualified President's team member* in any line of your organization

2 Diamond



Senior Executive President's Team
2 first line, Fully Qualified President's team members* in 2 separate lines of your downline organization

3 Diamond



International Executive President's Team
3 first line, Fully Qualified President's team members* in 3 separate lines of your downline organization

4 Diamond



Chief Executive President's Team
4 first line, Fully Qualified President's team members* in 4 separate lines of your downline organization

5 Diamond



Chairman's Club
5 first line, Fully Qualified President's team members* in 5 separate lines of your downline organization

6 Diamond



Chairman's Club
6 first line, Fully Qualified President's team members* in 6 separate lines of your downline organization

7 Diamond



Chairman's Club
7 first line, Fully Qualified President's team members* in 7 separate lines of your downline organization

8 Diamond



Chairman's Club
8 first line, Fully Qualified President's team members* in 8 separate lines of your downline organization

9 Diamond



Chairman's Club
9 first line, Fully Qualified President's team members* in 9 separate lines of your downline organization

10 Diamond



Founder's Circle
10 first line, Fully Qualified President's team members* in 10 separate lines of your downline organization

Baume & Mercier Watches†



250,000 Royalty Override Points in 12 consecutive months (calendar year)

Gold and Diamond Marquis Rings



500,000 Royalty Override Points in 12 consecutive months (calendar year)

Piaget Gold and Diamond Watches†



750,000 Royalty Override Points in 12 consecutive months (calendar year)

Piaget Diamond Watches†



1,000,000 Royalty Override Points in 12 consecutive months (calendar year)

*For complete qualification details, refer to your HMP.
†Actual watch model may vary based on availability at time of qualification.



HERBALIFE®

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 Members in recognition of their contributions and longevity with Herbalife

3-Year Anniversary



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

5-Year Anniversary



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

7-Year Anniversary



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

10-Year Anniversary



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

15-Year Anniversary



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

20-Year Anniversary



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

25-Year Anniversary



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

30-Year Anniversary



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

*For complete qualification details, refer to your HMP.

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® product has a Volume Point value assigned to it that is equal in all countries (see order forms and price lists for exact information). Official Herbalife Member Packs (HMPs), literature items and sales tools do not count as volume. As you order products, you accumulate credit for the amount of 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 credited to you in various ways depending on who purchased the volume, 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 Sales Volume Month

Definition of Volume Month

Sales Volume is credited 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 is Sunday, 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

Sales Volume is credited to the Volume Month in which the order is both placed and full payment is received by Herbalife, except for orders that meet the rules and conditions that apply to Add-On Sales Volume.

Under no circumstances can volume be placed for a prior order month, with the exception of a Matching Volume order.

Add-On Sales Volume

All of 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, plus
- 2. Full payment must be made, or initiated, by the same last order day of the month. If payment is mailed, then the postmark must be stamped the designated last day. If the payment is a wire transfer, direct deposit or other bank transaction, a receipt must be supplied to verify the transaction date was on, or prior to, the last designated order day of the month, plus

- 3. Full payment must be received by Herbalife no later than the 5th day of the following month. If the 5th of the month falls on a Sunday or a holiday, then the payment must be received by the 4th of the following month.

If for any reason, a payment is not approved for acceptance, such as with a credit card, personal check or APS, then the order will be canceled and the Volume will not be applied unless another order was placed and paid within the time periods indicated.

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

Personally Purchased Volume

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

Downline Volume

As a non-Supervisor, Downline Volume is based on volume which is placed by your downline directly from Herbalife ordering between 25% to 42% discount.

Downline Volume Example			
	Purchases/ Discount %		Downline Volume
A Supervisor	2,500 Volume Points @ 50% Discount	=	*
B Senior Consultant	500 Volume Points @ 35% Discount	=	900 Volume Points (C & D's Volume)
C Senior Consultant	500 Volume Points @ 35% Discount	=	400 Volume Points (D's Volume)
D Member	400 Volume Points @ 25% Discount	=	0

*For Fully Qualified Supervisors, Downline Volume is credited as Personal Volume or Group Volume.

Personal Volume

As a Fully Qualified Supervisor, Personal Volume is the volume purchased using your Herbalife Identification Number, as well as the volume purchased by your non-Supervisor downline, down to your first Fully Qualified Supervisor.

Non-Supervisor Members may purchase directly from Herbalife, from their Sponsor or their first upline Supervisor.

Therefore, if you are a Fully Qualified Supervisor, all of your own orders purchased at 50% – as well as all orders purchased by your downline Members, Senior Consultants, Success Builders and Qualified Producers at 25% to 42% discount – count as your Personal Volume.

Personal Volume Example

	Purchases/ Discount %	Personal Volume
A Supervisor	1,500 Personal Volume Points + B, C & D's Volume	= 3,500 Personal Volume
B Success Builder	1,400 Volume Points + C & D's Volume @ 42% Discount	= 2,000 Personal Volume
C Senior Consultant	200 Volume Points + D's Volume @ 35% Discount	= 600 Personal Volume
D Member	400 Volume Points @ 25% Discount	= 400 Personal Volume

Group Volume

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

This Temporary 50% Volume is accumulated as Personal Volume for the Qualifying Supervisor who purchased it, but is Group Volume for the Fully Qualified Supervisor. The Fully Qualified Supervisor may earn Royalty Overrides on their Group 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 Volume Example

	Purchases/ Discount %	Personal Volume
A Supervisor	2,500 Volume Points + B & C's Volume	6,500 Personal Volume + 1,000 Group Volume 7,500 Total Volume
B Qualifying Supervisor	1,000 Volume Points @ Temporary 50% Discount + C's Volume	= 5,000 Personal Volume
C Senior Consultant	4,000 Volume Points @ 42% Discount	= 4,000 Personal Volume

Total Volume

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

Organizational Volume

Organizational Volume is the accumulated Volume amount on which a Supervisor earns Royalty Overrides. (See the "Organizational Volume Example" on the following page.)

Encumbered and Unencumbered Volume

Encumbered Volume

Encumbered Volume is all volume produced by any Member qualifying for Supervisor in your personal organization.

Unencumbered Volume

Unencumbered Volume is all volume produced by anyone in your personal organization, down to the first qualified Supervisor, who achieves less than 2,500 Volume Points in one Volume Month, plus all your own Personal Volume. Therefore, this is volume that is not used by anyone for Supervisor qualification purposes.

The example on the following page illustrates the use of Encumbered and Unencumbered Volume for each of the Members.

Matching Volume

Matching Volume is the volume a sponsoring Supervisor must have through personal orders, or by Members in their personal organization in a given month, to equal or exceed the volume achieved by their downline Member(s) who are qualifying for Supervisor.

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

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

MEMBER BENEFITS

Organizational Volume Example

A Supervisor	2,500 Volume Points	
1st Level Supervisor	10,000 Total Volume Points	= 30,000 Organizational Volume
2nd Level Supervisor	10,000 Total Volume Points	
3rd Level Supervisor	10,000 Personal Volume Points	

Encumbered and Unencumbered Volume

A Supervisor	2,500 Total Volume Points + B & C's Volume	=	2,500 Unencumbered 5,000 Encumbered to A
B Member Qualifying Supervisor	1,000 Total Volume Points + C's Volume	=	1,000 Unencumbered 4,000 Encumbered to B
C Member Qualifying Supervisor	4,000 Total Volume Points	=	4,000 Unencumbered to C

Matching Volume Example

Matching Volume Requirement for Supervisor "A"			
A Sponsoring Supervisor	4,000 Personal Volume + 1,000 Group Volume = 5,000 Total Volume		
B Qualifying Supervisor	1,000 Volume Points @ Temporary 50% Discount	=	1,000 Group Volume for "A"
C Qualifying Supervisor	4,000 Volume Points @ 42% Discount	=	4,000 Personal Volume for "A"

Retail Profit

As a Member, you may purchase Herbalife products at a wholesale discount of 25% to 50% on earn base value. As your volume increases, this discount will increase up to a maximum of 50% when you qualify as a Supervisor. You earn an immediate Retail Profit of 25% to 50% when you sell these products to customers. The difference between the discounted product price paid by you and the retail price paid by your customer is your Retail Profit. (See the "Retail Profit Example.")

Retail Profit Example

Full Retail	Earn Base	Cost (at 25% discount taken from Earn Base)	Profit
\$110	\$100	\$85	\$25

Wholesale Profit (Commissions)

In addition to Retail Profit, as an Herbalife Member, you can also earn Wholesale Profit on products purchased by your downline. Your Wholesale Profit, also called Commissions, is the difference between the discounted price you pay for products and the discounted price paid by your downline.

If you sell products directly to your downline, you can earn up to 25% Wholesale Profit immediately. If your downline purchase their product directly from Herbalife, then Herbalife pays the difference in discount percentage to the Qualified Producer and/or Fully Qualified Supervisor on the order during the monthly Royalty Override process. These payments are called Commissions and are Wholesale Profit. (See the "Wholesale Profit [Commissions] Example" below.)

Wholesale Profit (Commissions) Example

Retail	Earn Base	Your Cost	Your Downline's Cost (at 50%)	Your Profit (at 25%)
\$110	\$100	\$60	\$85	\$25

Split Commission Example

Total Retail	Earn Base	Discount Level	Your Downline's Cost	Split Commissions To the Qualified Producer (QP) To the Supervisor	
\$110	\$100	25%	\$85	\$17	\$8
\$110	\$100	25%	\$85	N/A (no QP)	\$25
\$110	\$100	35%	\$75	\$7	\$8
\$110	\$100	35%	\$75	N/A (no QP)	\$15

Senior Consultant




Improve Your Profits With the Discount Scale

As you and your non-Supervisor Downline sell more Herbalife 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

Members purchase at a 25% discount for all orders until they become eligible for a higher discount. Thereafter, they begin purchasing on the Discount Scale each month as indicated below at no less than 35% discount.

The accumulating Volume Points can either come from orders placed by you directly with Herbalife, which are referred to as Personally Purchased Volume, or they can also come from orders your downline place with Herbalife, which are called Downline Volume. Both types of volume may be used to achieve Senior Consultant Level at 35% or 42% discount.

Level	Monthly Volume	Discount	Eligibility
 Senior Consultant	Achieve 500 Volume Points	35%	All orders will be placed at 35% discount until you become eligible for a higher discount.
 Senior Consultant	Achieve 2,000 Volume Points	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.
 Success Builder	Minimum 1,000 Volume Points (One Order)	42%	This order entitles you to a 42% discount on this order and all orders for the remainder of the Volume Month.

Note:

All of your Personal Sales Volume, plus your downline's Sales Volume, count as your Total Volume. Once you are on the Discount Scale, your discount will never be less than 35% for as long as you remain an active Member. The more you sell, the greater your profit potential. Remember that each Volume Month you begin again at 35% and can work your way up the scale – up to 42% discount.

Level	Monthly Volume	Discount	Eligibility
Qualified Producer	Achieve 2,500 Personally Purchased Volume (PPV) in 1–3 months	42%	As a Qualified Producer you are entitled to a 42% discount on every order. (Must requalify annually) Volume can be achieved with all PPV or utilizing up to 1,000 Downline Volume Points, with the remaining 1,500 as Personally Purchased Volume.
Qualifying Supervisor	Achieve 4,000 Volume Points in one month with a minimum 1,000 Volume Points unencumbered or - Achieve 2,500 Volume Points in each of two consecutive months with a minimum 1,000 Volume Points unencumbered or - Accumulate 5,000 Volume Points within 12 months with a minimum of 3 months required	Temporary 50%	Once Qualifying Volume Points are achieved additional orders are purchased at a Temporary 50% discount.
Supervisor	3 ways to qualify: See "Qualifying as a Supervisor" in this section of the Career Book for details	50%	As a Supervisor, you are entitled to a 50% discount on every order. (Must requalify annually.)

Herbalife Advantage Program

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

The Herbalife Advantage Program (HAP) is open to all Members. HAP is a monthly automatic shipment program that provides Herbalife Members the following added benefits:

- 35% to 50% Discount - You'll save on the products you use most while you enjoy all the benefits of being a HAP member
- 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 being a HAP member.
- 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 product line and place your personal automatic monthly HAP order over the phone with the Herbalife Advantage Program Department at 866-866-4744, 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 two HAP deadlines: the 11th or the 18th 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.

Success Builder

As an Herbalife Member, you have an opportunity to place a single order of 1,000 Volume Points purchased at a 42% discount. This qualifies you to become a Success Builder. As a Success Builder, you will be able to order at a 42% discount for the remainder of the Volume Month. If you place your Success Builder order directly with Herbalife, you are automatically updated to this prestigious position.

As a Success Builder, you will:

- Receive a 42% discount on your Success Builder Order
- Receive a 42% discount on additional purchases in the same Volume Month

Qualified Producer

As an Herbalife Member, you have the opportunity to place your orders directly with Herbalife and accumulate personally purchased volume that counts toward your Qualified Producer status. When you achieve 2,500 personally purchased Volume Points within 1 to 3 months, you will become a Qualified Producer. **You can also reach this status by utilizing up to 1,000 Downline Volume Points, with the remaining 1,500 as Personally Purchased Volume.**

You are automatically updated to this prestigious position on the 1st of the month following the month your qualification volume was achieved.

You will be able to maintain your 42% discount as long as you retain your Qualified Producer status.

A Qualified Producer is eligible to:

- Earn a 42% Retail Profit
- Earn up to 17% Wholesale Profit (Commissions) on earn base purchases made by downline at 25% or 35%

Requalification:

All Qualified Producers must requalify their status annually between February 1 and January 31 to maintain their rights and privileges. The requalification requirements are the same as the Qualified Producer requirements.

In addition to requalifying their Qualified Producer status, a Qualified Producer must assure their Annual Membership Services Fee is current and paid.

Failure to requalify each year by January 31, will cause a Qualified Producer to be demoted to Senior Consultant (35% discount level) and lose all of their Qualified Producer privileges.

Supervisor

As an Herbalife Supervisor you will earn the highest discount of 50%, plus Retail and Wholesale Profit, and become eligible to earn Royalty Overrides (R.O.).

A Fully Qualified Supervisor is eligible to:

- Earn a 50% Retail Profit
- Earn up to 25% Wholesale Profit
- Earn an R.O. of 1% to 5% on their first-level Supervisor
- Earn an R.O. of 1% to 5% on their second-level Supervisor
- Earn an R.O. of 1% to 5% on their third-level Supervisor
- Attend special workshops and training sessions
- Qualify for special Supervisor recognition



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

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 2,500 Volume Points for two consecutive months (with a minimum of 1,000 of those 2,500 Volume Points Unencumbered for each month).
- **Accumulated Qualification:** Achieve 5,000 Personally Purchased Volume Points within 12 months (of which a minimum of 3 months is required). Members have the opportunity to qualify via this method when purchasing their orders directly with Herbalife. **You can use up to 1,000 Downline Volume Points with the remaining 4,000 as Personally Purchased Volume.**

Supervisor Qualification Form:

If orders are placed directly with Herbalife, a Supervisor Qualification Form is not required. Members are promoted to Supervisor on the 1st of the month following the month their qualification volume was achieved.

It is necessary for a Supervisor Qualification Form to be completed and sent to Herbalife for all Members who are qualifying for Supervisor. These forms are available in the "Sample Forms" section of this book and from your upline Supervisor. This form must be completed in full with all necessary attachments and submitted on or after the 1st of the month following the qualification, and received by Herbalife no later than the 5th of the month. If a Member is completing a two-month Supervisor qualification, then a Supervisor Qualification Form must be completed and sent to Herbalife at the 1st of each month following the month the Qualifying Volume was achieved.

Qualifying Supervisor

Eligibility for Temporary 50% Discount

A Member who has completed the required Volume Points toward Supervisor Qualification is considered a **Qualifying Supervisor** until the 1st of the following month, when they become a **Fully Qualified Supervisor**. As a **Qualifying Supervisor**, they are eligible for a temporary 50% discount for the remainder of the Volume Month in which their qualifying Volume Points were achieved.

All 50% discount orders must be purchased directly from Herbalife. If you have not purchased your qualifying order directly from Herbalife, your Supervisor must contact Herbalife to authorize you to purchase at the temporary 50% discount. The authorization, once approved, will be in effect until the 1st of the following month, at which time you will be entitled to all the privileges of a Fully Qualified Supervisor, assuming all other Supervisor requirements have been met.

The upline Supervisor must have adequate Personal Volume credited with Herbalife in that month to qualify the Supervisor.

To assure volume on the order is credited properly, it is imperative that the Order Form be completed correctly. The Temporary 50% Purchaser must assure that their Name and Herbalife ID Number are entered on the Wholesale Product Order Form in the "Qualifying Supervisor - Temporary 50%" space to assure proper crediting of Volume. The name and Herbalife ID Number of the first upline "Fully Qualified Supervisor" who is authorizing the 50% discount must also be entered in the "Fully Qualified Supervisor" space. Adjustments to the order after the order is placed are not permitted. Volume purchased at Temporary 50% is considered Group Volume for the Fully Qualified Supervisor.

Definition of Matching Volume

The definition of Matching Volume is the Total Volume a sponsoring Supervisor must achieve in any given Volume Month when their downline are qualifying as Supervisor.

Whenever a Fully Qualified Supervisor sponsors a Member(s) to the Supervisor position, the sponsoring Supervisor's Total Volume must be at least the same amount as the Member's volume within that same Volume Month. Supervisors are not permitted to qualify Members as Supervisors using volume purchased in a prior Volume Month, unless an equal amount is purchased from Herbalife in the current month to replace it.

Matching Volume for Supervisor Qualification

The sponsoring Supervisor must have at least 4,000 Personal Volume Points for each of their downline organizations that are qualifying for Supervisor using a one-month qualification. The sponsoring Supervisor must have at least 2,500 Personal Volume Points each month for each of their downline organizations who is qualifying for Supervisor with a qualification of two consecutive months.

The sponsoring Supervisor, however, must have enough Total Volume to match all orders submitted by their downline who are qualifying for Supervisor.

For example, suppose a Supervisor sponsors a Member who qualifies for Supervisor in September with 4,000 Total Volume Points. If the orders to qualify are purchased directly from Herbalife, either at 42% by the Member or directly by the Supervisor, the volume will be automatically matched. If the orders are purchased directly from the Supervisor, the Supervisor must ensure that an equal amount of volume is purchased from Herbalife during the qualifying month in order to match volume.

Failure to Match Volume

When a Supervisor Qualification Form is received from a Member and the first upline Fully Qualified Supervisor does not have enough Total Volume Points for the month the qualifying Supervisor's volume was achieved to confirm the orders submitted by the Member to qualify, then the Fully Qualified Supervisor is "short" Matching Volume. Herbalife will notify the Supervisor that they must place a Matching Volume Order for the amount they 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 as "Matching Volume Order for Month of _____."

Matching Volume Order

To receive proper credit for this volume, the order must be clearly identified as Matching Volume Order for the appropriate month and year, with full payment included. The order may not be combined with other volume. A Matching Volume Order can only be accepted by Herbalife if the Company has identified a Matching Volume problem and notified the Supervisor accordingly, and has authorized the Order Department to accept the order. This order will be applied to the Volume Month specified. Matching Volume Orders placed after the Volume Month in question do not count for Royalty Point qualifications for TAB Team Production Bonuses or other earnings for the Supervisor. However, appropriate adjustments will be made on the order to the upline Royalty and Production Bonus receiving Supervisors of the sponsoring Supervisor.

Matching Volume Permanent Penalty

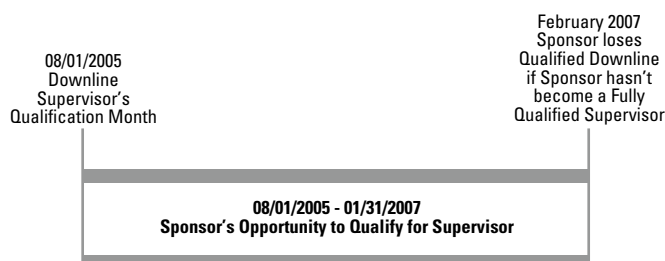
The Supervisor must place the Matching Volume Order once they have received notification to do so from Herbalife to avoid a penalty. If the Supervisor who is short volume, fails to place an order to Match Volume, a Matching Volume Penalty will be assessed. The penalty is that the Supervisor will permanently lose a Supervisor who qualified the month in question and that Supervisor's downline.

Failure to Qualify as a Supervisor

If a Member's sponsored downline becomes a Fully Qualified Supervisor before the Member does, the Member will have one year from the date of the downline's qualification to also become a Fully Qualified Supervisor (applied at the end of the Supervisor's first requalification year).

If a Member does not become a Fully Qualified Supervisor within the one year following their downline's Supervisor qualification, the Member will permanently lose that downline to their first upline Supervisor.

Example:



Requalification

All Supervisors must requalify their status annually between February 1 and January 31 to maintain their 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 2,500 Volume Points for two consecutive months (with a minimum of 1,000 of those 2,500 Volume Points unencumbered for each month).
- Twelve-Month Requalification: Accumulate 4,000 Unencumbered Total Volume Points over the 12-month Requalification period.

Or,

Accumulate 10,000 Unencumbered Total Volume Points over the 12-month requalification period.

The computer system will automatically requalify you each year if the volume requirements are met during the qualification period, so there is no need to resubmit an application. As a reminder, you have the advantage of receiving a 50% discount on your requalification volume.

In addition to requalifying their Supervisor status, a Supervisor must assure their Annual Membership Services Fee is current and paid. Failure to pay the Annual Membership Services Fee prior to or within 90 days after requalification will result in suspension of qualification, ordering privileges and earnings until the Annual Membership Services Fee is paid.

Supervisors who do not complete their Supervisor Requalification will lose all rights and privileges of a Supervisor. This includes, but is not limited to, the loss of any lineage that includes a Supervisor. In this case, the entire downline lineage will be moved to the next upline Fully Qualified Supervisor.

Failure to requalify each year by January 31 will cause a Supervisor to be demoted to the position of Senior Consultant, unless they have met the requirements to requalify as a Qualified Producer. To requalify as a Qualified Producer, the Supervisor must achieve 2,500 Personal Volume Points within 1 to 3 consecutive Volume months between the requalification period of February 1 and January 31.

Supervisors who accumulate 4,000 unencumbered Volume Points between February 1 and January 31 will retain their Supervisor status and 50% buying privileges. It is important to note that if you requalify using this method, any leg with a Supervisor will be lost to the upline Supervisor.

However, if you accumulate 10,000 unencumbered Volume Points you will be able to retain your downline Supervisors.

As a Supervisor with Fully Qualified or Qualifying Supervisors in your first three downline levels, you may qualify to earn Royalty Overrides of 1% to 5% of your Organizational Volume. Royalty Overrides are paid on the 15th of each month for the prior month's business.

Three Levels of Success

The people you personally sponsor as Herbalife Members 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 Members in your First Level sponsor other Members, these new Members become your second level. When your Second Level, in turn, sponsor others, those they sponsor become the third level in your Herbalife organization.

By training your downline and encouraging them to follow your example, you are assisting every Member on your team to 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 Volume.

Royalty Override Sliding 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%

Payment of Royalty Overrides

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

Royalty Overrides are paid as follows:

- The 1% to 5% Royalty Override is paid on the Total Volume of personally sponsored first-level qualified Supervisors.

- The 1% to 5% Royalty Override is paid on the Total Volume of second-level qualified Supervisors (e.g., a Supervisor who has been sponsored in turn by your personally sponsored Supervisor).
- The 1% to 5% Royalty Override is paid on the Personal Volume of third-level Supervisors (e.g., a Supervisor who has been sponsored in turn by a second-level Supervisor).

In the following example, at a full 5%, your Royalty Override is calculated on 30,000 Organizational 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

YOU	2,500 Volume Points	=	Your Total Royalty Override = 1,500 Royalty Points
First-Level Supervisor	10,000 Volume Points	=	5% = 500 Royalty Points
Second-Level Supervisor	10,000 Volume Points	=	5% = 500 Royalty Points
Third-Level Supervisor	10,000 Volume Points	=	5% = 500 Royalty Points

Additional Requirements

Supervisors who meet the specified requirements to earn Royalty Overrides must also comply with Herbalife's 10 Retail Customers Rule and the 70% Rule, to earn and receive both Royalty Overrides and Production Bonus. The Supervisor must confirm their adherence to these requirements by submitting the Earnings Certification Form each month. If the Supervisor fails to comply with either of these rules, the Royalty Overrides and Production Bonus will not be paid to the Distributor.

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

*In some cases, for reasons which relate to currency, cost and other factors, the base against which earnings are calculated may not be equal to the retail price in the particular country.

and the actual percentage earned by the downline Royalty contributing Supervisor.

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

Royalty Override Roll-Up Example		
YOU	2,500 Total Volume Points 5% Royalty Override	= Earns 5% Royalty Override on First-, Second- and Third-Level Supervisors = Earns 4% Royalty Override Roll-Up on Fourth-Level Supervisor
First-Level Supervisor	2,500 Total Volume Points 5% Royalty Override	= Earns 5% Royalty Override on Second-, Third- and Fourth-Level Supervisors
Second-Level Supervisor	2,500 Total Volume Points 5% Royalty Override	= Earns 5% Royalty Override on Third- and Fourth-Level Supervisors
Third-Level Supervisor	500 Total Volume Points 1% Royalty Override	= Earns 1% Royalty Override on Fourth-Level Supervisor
Fourth-Level Supervisor	1,000 Total Volume Points No Royalty Override	= 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 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 Volume Points, each Volume Month, for 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 listed



above, you are promoted to World Team member 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, World Team pin and Herbalife daily journal

Plus You Become Eligible to:

- Attend special planning and training sessions targeted to accelerate your progress to TAB Team.
- Qualify for special Company qualifications.

TAB Team

Successful Supervisors have the opportunity to proceed to the higher scale of the Herbalife Sales & Marketing Plan, which is the Top Achievers Business (TAB) Team. Upon meeting initial requirements, Supervisors may obtain TAB Team status. There are three steps within the TAB Team: Global Expansion Team (GET), Millionaire Team and President's Team.

Achieving TAB Team status is a prestigious recognition within Herbalife. TAB Team status indicates that the Supervisor has developed a strong, active downline Supervisor base and has demonstrated a willingness to take a leadership role within Herbalife. Your Form and Acknowledgment to qualify for this status brings with it the responsibility to exclusively promote the Herbalife products and opportunity. You'll receive additional benefits and earn leadership status. Reaching each new level enables you to participate in advanced training, earn unrivaled Production Bonuses and qualify for exceptional awards and incentives.

TAB Team Production Bonus

As a TAB Team, you are eligible to receive from a 2% to 7% Production Bonus on your entire downline organization's volume. Production Bonus earnings are paid monthly to all qualified TAB Team. It is necessary to submit a completed TAB Team Production Bonus Acknowledgment Form and also comply with Herbalife's 10 Retail Customers Rule and the 70% Rule to be eligible for Production Bonus payments. The TAB Team Production Bonus is, in part, a reward for your undivided loyalty. (Please refer to the "Sample Forms" section of this book.) The Application must have been accepted and approved by Herbalife in order to receive payments. This form will be sent to you by Herbalife during your qualification period. (See individual team qualifications for specific Production Bonus qualifications.)

Annual Bonuses

A bonus payment representing a percentage of Herbalife's worldwide sales is distributed annually among Herbalife's President's Team members in recognition of their outstanding performance in advancing sales of Herbalife products. (Refer to "Mark Hughes Bonus Award Rules" distributed to President's Team members, and available online at MyHerbalife.com.)

Vacation and Training Events

Reward, recognition and training are of the utmost importance at Herbalife. Vacation and Training Events (when offered) are both fun and informative and are held in exciting locations around the world. The Vacation and Training Events will teach you how to meet your goals, increase your earning power and build an international business without leaving the comfort of your own home! You'll learn all this while enjoying an exciting, adventurous vacation guaranteed to make an extraordinary impact on your life.

Global Expansion Team (GET)

To Qualify:

Achieve 1,000 Royalty Points each month for three consecutive months. The first of the following month you are promoted to Global Expansion Team (GET) member.

You Receive:

- A Global Expansion Team plaque and pin
- All the benefits of a Supervisor

Plus You Become Eligible to:

- Earn TAB Team Production Bonus based on your qualification level. (Please refer to the "TAB Team Production Bonus Payout Guidelines" section in this book.) Upon completion of your Qualification, you will receive a detailed communication that further specifies your monthly TAB Team Production Bonus earning requirements.
- Qualify for Vacation and Training Events.
- Participate in special advanced trainings.
- Participate in special conference calls.



Millionaire Team

To Qualify:

Achieve 4,000 Royalty Points each month for three consecutive months. The first of the following month, you are promoted to Millionaire Team member.

You Receive:

- A Millionaire Team plaque and pin
- All the benefits of a Supervisor

Plus You Become Eligible to:

- Earn TAB Team Production Bonus based on your qualification level. (Please refer to the "TAB Team Production Bonus Payout Guidelines" section of this book.) Upon completion of your Qualification, you will receive a detailed communication that further specifies your monthly TAB Team Production Bonus earning requirements.
- Qualify for Vacation and Training Events.
- Develop your teaching skills and assist with worldwide trainings.
- Participate in special conference calls.



President's Team

To Qualify:

- President's Team: Achieve 10,000 Royalty Points in three consecutive months. After a waiting period of three months, earn a 2% to 6% Production Bonus.
- 20K President: Achieve 20,000 Royalty Points in three consecutive months. After a waiting period of three months, earn a 2% to 6.5% Production Bonus.
- 30K President: Achieve 30,000 Royalty Points in three consecutive months. After a waiting period of three months, earn a 2% to 6.75% Production Bonus.
- 50K President: Achieve 50,000 Royalty Points in three consecutive months. After a waiting period of three months, earn a 2% to 7% Production Bonus.



You Receive:

- A prestigious President's Team plaque and pin
- All the benefits of a Supervisor

Plus You Become Eligible to:

- Earn TAB Team Production Bonus based on your qualification level. (Please refer to the "TAB Team Production Bonus Payout Guidelines.") Upon completion of your Qualification, you will receive a detailed communication that further specifies your monthly TAB Team Production Bonus earning requirements.
- Qualify for Vacation and Training Events.
- As a leader, assist with worldwide trainings.
- Participate in special conference calls.

Awards Policies

Herbalife International delivers recognition awards (such as, but not limited to) pins, plaques, and jewelry in a timely manner to Members 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 that is received defective or otherwise damaged, the Member may return the item(s) for free replacement within six months of the original qualification date associated with the award. After this six-month period, the Member may return damaged item(s) to be professionally refurbished or repaired which shall be at their cost paid through an earning deduction. Any deviations from this policy shall be at the sole and absolute discretion of Herbalife.

Request may be submitted by phone or in writing to:

Local Member Services
P.O. Box 80210
Los Angeles, CA 90080-0210
or
toll-free at 866-866-4744.

President's Team Plus Awards and Recognition

	One Diamond	Executive President's Team To achieve this reward, you must have one (1) first-line, Fully Qualified President's Team member in any line of your downline organization.
	Two Diamonds	Senior Executive President's Team To achieve this reward, you must have two (2) first-line, Fully Qualified President's Team members in two separate lines of your downline organization.
	Three Diamonds	International Executive President's Team To achieve this reward, you must have three (3) first-line, Fully Qualified President's Team members in three separate lines of your downline organization.
	Four Diamonds	Chief Executive President's Team To achieve this reward, you must have four (4) first-line, Fully Qualified President's Team members in four separate lines of your downline organization.
	Five Diamonds	Chairman's Club To achieve this reward, you must have five (5) 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 achieve this reward, 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).



Baume & Mercier Watch[†] 250,000 Royalty Override Points



Marquis Diamond Ring 500,000 Royalty Override Points



Piaget Gold and Diamond Watch[†] 750,000 Royalty Override Points



Piaget Diamond Watch[†] 1,000,000 Royalty Override Points

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

STATEMENT OF AVERAGE GROSS COMPENSATION PAID BY HERBALIFE TO U.S. MEMBERS IN 2013

People become Herbalife Members for a number of reasons. A substantial majority (73%)⁽¹⁾ join us primarily to receive a discounted price on products they and their families enjoy. Others wish to earn part-time money, wanting to give direct sales a try. They are encouraged by Herbalife's minimal start-up costs (at their option, a Mini Herbalife Member Pack [Mini HMP] at (USD) 59.50 or full HMP at (USD) 92.25,⁽²⁾ plus applicable sales tax, shipping and handling) and money-back guarantee.⁽³⁾ There is no need to purchase large amounts of inventory or to purchase other materials. In fact, Herbalife's corporate policy discourages the purchase of sales aids, especially in the first few months of a Membership.

If you are someone who seeks to build a part-time or full-time income, we want you to have realistic expectations of the possible income you can earn. The Herbalife earnings opportunity is something like a gym membership: results vary with the time, energy and dedication you put into it. Anyone considering the Herbalife opportunity needs to understand the realities of direct selling. It is hard work. There is no shortcut to riches, no guarantee of success. However, for those who devote the time and energy to develop a stable base of customers and then mentor and train others to do the same, the opportunity for personal growth and an attractive part-time or full-time income exists.

PROFIT ON YOUR OWN SALES: One element of the income a Member can earn is the profit, after expenses, from the resale of Herbalife® products. Members decide for themselves the way they do the business, the number of days and hours they work, the expenses they incur and the prices they charge.

MULTILEVEL COMPENSATION: Some Members (22.2%) sponsor others to become Herbalife Members. In that way, they may seek to build and maintain their

own downline sales organization. They are not paid anything for sponsoring new Members. They are paid solely based on product sales to their downline Members for their own consumption or to sell to others. This multilevel compensation opportunity is detailed in Herbalife's Sales & Marketing Plan, which is available to all Members online at www.MyHerbalife.com. **For the 13.6% of Herbalife Members who are Sales Leaders⁽⁴⁾ with a downline, the average compensation received from the Company in 2013 was (USD) 5,381. These amounts are before expenses incurred in the operation or promotion of their business.**

In the chart below, we summarize the economic benefits available to Herbalife Members in 2013. For most people (88%), the economic benefits resulted exclusively from a discounted price on products they purchased for personal and family use or for resale to others, neither of which took the form of a payment from the Company.

The multilevel compensation paid to Members summarized below does not include expenses incurred by a Member in the operation or promotion of his or her business, which can vary widely and might include advertising or promotional expenses, product samples, training, rent, travel, telephone and Internet costs, and miscellaneous expenses. The compensation summarized below is not necessarily representative of the compensation, if any, that any particular Member will receive. These figures should not be considered as guarantees or projections of your actual compensation or profits. Success with Herbalife results only from successful product sales efforts, which require hard work, diligence and leadership. Your success will depend upon how effectively you exercise these qualities.

⁽¹⁾ 73%, based on a survey of former U.S. Members by Lieberman Research Worldwide, Inc. ("LRW") in January 2013, with a margin of error of +/- 3.7%.

⁽²⁾ Prices quoted are for the U.S. as of April 2014, and are subject to change. For current prices, see opportunity.herbalife.com.

⁽³⁾ If requested within 90 days for the return of the HMP and one year for the return of resalable inventory, upon leaving the business.

⁽⁴⁾ Sales Leaders are Members who achieved the level of Supervisor or higher. See details on Herbalife's Sales & Marketing Plan at MyHerbalife.com. 55.1% of Sales Leaders as of February 1, 2013, requalified by January 31, 2014 (including 37.5% of first time Sales Leaders).

Single-Level Members (No Downline)							
Economic Opportunity	Members*		The economic rewards for single-level Members are the wholesale pricing received on products for consumption by the Member and his or her family as well as the opportunity to retail product to non-Members. Neither of these rewards are payments made by the company and therefore are excluded from this chart.				
	Number	%					
<ul style="list-style-type: none">• Wholesale price on product purchases• Retail profit on sales to non-Members	408,640	77.8%					
Non-Sales Leaders With a Downline							
Economic Opportunity	Members		In addition to the economic rewards of the single-level Members above, which are not included in this chart, certain non-sales leaders with a downline may be eligible for payments from Herbalife for wholesale commissions on downline product purchases made directly with Herbalife.				
	Number	%					
<ul style="list-style-type: none">• Wholesale price on product purchases• Retail profit on sales to non-Members• Wholesale profit on sales to another Member	45,076	8.6%	2,929 of the 5,037 eligible Members earned such payments in 2013. The average total payments to the 2,929 Members was (USD) 105.				
Sales Leaders With a Downline							
Economic Opportunity	Members		All Sales Leaders with a Downline				This chart includes all Commissions, Royalties and Bonuses paid by Herbalife. It does not include amounts earned by Members on their sales of Herbalife® products directly to others.
	Number	%	Average Payments from Herbalife (USD)	Number of Members	% of Total Grouping	Average Gross Payments (USD)	
<ul style="list-style-type: none">• Wholesale price on product purchases• Retail profit on sales to non-Members• Wholesale profit on sales to another Member• Multilevel compensation on downline sales<ul style="list-style-type: none">• Royalties• Bonuses	71,535	13.6%	>250,000	199	0.3%	666,680	
			100,001-250,000	505	0.7%	148,413	
			50,001-100,000	600	0.8%	69,573	
			25,001-50,000	1,247	1.7%	35,536	
			10,001-25,000	2,116	3.0%	15,644	
			5,001-10,000	2,716	3.8%	7,079	
			1,001-5,000	11,942	16.7%	2,244	
			1-1,000	40,120	56.1%	302	
			0	12,090	16.9%	0	
			Total	71,535	100.0%	5,381	
*45,048 of the 408,640 single-level Members are sales leaders without a downline.							

The majority of those Members who earned in excess of (USD) 100,000 from Herbalife in 2013 had reached the level of Herbalife's President's Team. During 2013, 53 U.S. Members achieved the level of President's Team. They averaged nine years as an Herbalife Member before reaching President's Team, with the longest duration being 31 years and the shortest being less than three years.

STATEMENT OF AVERAGE GROSS COMPENSATION PAID BY HERBALIFE TO PUERTO RICO MEMBERS IN 2013

People become Herbalife Members for a number of reasons. A substantial majority (73%)¹ join us primarily to receive a discounted price on products they and their families enjoy. Others wish to earn part-time money, wanting to give direct sales a try. They are encouraged by Herbalife's minimal start-up costs (at their option, a Mini Herbalife Member Pack [Mini HMP] at (USD) 59.50 or full HMP at (USD) 92.25,² plus applicable sales tax, shipping and handling) and money-back guarantee.³ There is no need to purchase large amounts of inventory or to purchase other materials. In fact, Herbalife's corporate policy discourages the purchase of sales aids, especially in the first few months of a Membership.

If you are someone who seeks to build a part-time or full-time income, we want you to have realistic expectations of the possible income you can earn. The Herbalife earnings opportunity is something like a gym membership: results vary with the time, energy and dedication you put into it. Anyone considering the Herbalife opportunity needs to understand the realities of direct selling. It is hard work. There is no shortcut to riches, no guarantee of success. However, for those who devote the time and energy to develop a stable base of customers and then mentor and train others to do the same, the opportunity for personal growth and an attractive part-time or full-time income exists.

PROFIT ON YOUR OWN SALES: One element of the income a Member can earn is the profit, after expenses, from the resale of Herbalife® products. Members decide for themselves the way they do the business, the number of days and hours they work, the expenses they incur and the prices they charge.

MULTILEVEL COMPENSATION: Some Members (23%) sponsor others to become Herbalife Members. In that way, they may seek to build and maintain their own downline sales organization. They are not paid anything

for sponsoring new Members. They are paid solely based on product sales to their downline Members for their own consumption or to sell to others. This multilevel compensation opportunity is detailed in Herbalife's Sales & Marketing Plan, which is available to all Members online at pr.MyHerbalife.com. **For the 12.2% of Herbalife Members who are Sales Leaders⁴ with a downline, the average compensation received from the Company in 2013 was (USD) 4,863. These amounts are before expenses incurred in the operation or promotion of their business.**

In the chart below, we summarize the economic benefits available to Herbalife Members in 2013. For most people (89%), the economic benefits resulted exclusively from a discounted price on products they purchased for personal and family use or for resale to others, neither of which took the form of a payment from the Company.

The multilevel compensation paid to Members summarized below does not include expenses incurred by a Member in the operation or promotion of his or her business, which can vary widely and might include advertising or promotional expenses, product samples, training, rent, travel, telephone and Internet costs, and miscellaneous expenses. The compensation summarized below is not necessarily representative of the compensation, if any, that any particular Member will receive. These figures should not be considered as guarantees or projections of your actual compensation or profits. Success with Herbalife results only from successful product sales efforts, which require hard work, diligence and leadership. Your success will depend upon how effectively you exercise these qualities.

⁽¹⁾ 73%, based on a survey of former U.S. Members by Lieberman Research Worldwide, Inc. ("LRW") in January 2013, with a margin of error of +/- 3.7%.

⁽²⁾ Prices quoted are for Puerto Rico as of April 2014, and are subject to change. For current prices, see Opportunity.herbalife.com.

⁽³⁾ If requested within 90 days for the return of the HMP and one year for the return of resalable inventory, upon leaving the business.

⁽⁴⁾ Sales Leaders are Members who achieved the level of Supervisor or higher. See details on Herbalife's Sales & Marketing Plan at pr.MyHerbalife.com. 69.1% of Sales Leaders as of February 1, 2013, requalified by January 31, 2014 (including 67.7% of first time Sales Leaders).

Single-Level Members (No Downline)							
Economic Opportunity	Members*		The economic rewards for single-level Members are the wholesale pricing received on products for consumption by the Member and his or her family as well as the opportunity to retail product to non-Members. Neither of these rewards are payments made by the company and therefore are excluded from this chart.				
	Number	%					
<ul style="list-style-type: none">Wholesale price on product purchasesRetail profit on sales to non-Members	16,058	77.0%					
Non-Sales Leaders With a Downline							
Economic Opportunity	Members		In addition to the economic rewards of the single-level Members above, which are not included in this chart, certain non-Sales Leaders with a downline may be eligible for payments from Herbalife for wholesale commissions on downline product purchases made directly with Herbalife.				
	Number	%					
<ul style="list-style-type: none">Wholesale price on product purchasesRetail profit on sales to non-MembersWholesale profit on sales to another Member	2,249	10.8%	153 of the 270 eligible Members earned such payments in 2013. The average total payments to the 153 Members was (USD) 99.				
Sales Leaders With a Downline							
Economic Opportunity	Members		All Sales Leaders with a Downline				This chart includes all Commissions, Royalties and Bonuses paid by Herbalife. It does not include amounts earned by Members on their sales of Herbalife® products directly to others.
	Number	%	Average Payments from Herbalife (USD)	Number of Members	% of Total Grouping	Average Gross Payments (USD)	
<ul style="list-style-type: none">Wholesale price on product purchasesRetail profit on sales to non-MembersWholesale profit on sales to another MemberMultilevel compensation on downline sales<ul style="list-style-type: none">RoyaltiesBonuses	2,555	12.2%	>50,000	44	1.7%	164,213	
			25,001-50,000	40	1.6%	34,885	
			10,001-25,000	87	3.4%	16,164	
			5,001-10,000	113	4.4%	6,969	
			1,001-5,000	518	20.3%	2,211	
			1-1,000	1,390	54.4%	334	
			0	363	14.2%	0	
			Total	2,555	100.0%	4,863	
*857 of the 16,058 single-level Members are Sales Leaders without a downline.							

The majority of those Members who earned in excess of (USD) 50,000 from Herbalife in 2013 had reached the level of Herbalife's President's Team. During 2013, ten Puerto Rican Members achieved the level of President's Team. They averaged five years as an Herbalife Member before reaching President's Team, with the longest duration being 12 years and the shortest being less than three years.

Qualifications by Team Level

Following is an easy-to-understand graph of qualifications for each team level.

Qualifications		Waiting and Earning Periods		
Team	Achieve required Royalty Points each month for 3 consecutive months		Waiting Period	Earning Period
Global Expansion Team (GET)	1,000		None	12 months from Fully Qualified/Requalified Date
Millionaire Team (MILL)	4,000		2 months	12 months after waiting period is complete
President's Team (PRES)	10,000		3 months	12 months after waiting period is complete
PRES 20K (20K)	20,000		3 months	12 months after waiting period is complete
PRES 30K (30K)	30,000		3 months	12 months after waiting period is complete
PRES 50K (50K)	50,000		3 months	12 months after waiting period is complete

Production Bonus Earning % Requirements

Once you have qualified and/or requalified for a particular TAB Team earning % level, the following must be achieved in each of the earning months to receive a TAB Team Production Bonus ("PB" on the following table) during your earning period:

Max Earning % Level	Total Volume Points Required	Royalty Points Required for Max 2% TAB Team PB	Royalty Points Required for Max 4% TAB Team PB	Royalty Points Required for Max 6% TAB Team PB	Royalty Points Required for Max 6.5% TAB Team PB	Royalty Points Required for Max 6.75% TAB Team PB	Royalty Points Required for Max 7% TAB Team PB
2%	5,000	1,000					
4%	3,000	1,000	4,000				
6%	2,500	1,000	4,000	10,000			
6.5%	2,500	1,000	4,000	10,000	20,000		
6.75%	2,500	1,000	4,000	10,000	20,000	30,000	
7%	2,500	1,000	4,000	10,000	20,000	30,000	50,000

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 TAB Team Production Bonus at a lower % level than you, you will earn the % difference on their downline. For example, if you earn a TAB Team Production Bonus at the 6% level and your downline TAB Team earns a TAB Team Production Bonus at the 2% level, you will earn 6% on that TAB Team and the remaining 4% TAB Team Production Bonus on their downline organization down to the next TAB Team Production Bonus earning member. Your TAB Team Production Bonus earnings below those downline TAB Team earners will depend upon the earning % of each TAB Team.
- When a downline TAB Team earns a TAB Team Production Bonus at the same % level as you, you will earn on that TAB Team, but you will be unable to earn a TAB Team Production Bonus on their downline.
- When a downline TAB Team earns a TAB Team Production Bonus at a higher level than you, you will be unable to earn a TAB Team Production Bonus on that downline and their organization.
- Remember, to be eligible to receive the TAB Team 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.

Production Bonus Eligibility Period Examples

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 Royalty Points	1,000 Royalty Points	1,000 Royalty Points	Eligible to earn 2% TAB Team PB from April to March														
			Requalification Period from April to March														

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

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 Royalty Points x 3 months			Waiting Period			Eligible to earn 6% TAB Team PB from July to June											
			Requalification Period from April to March														

Production Bonus Requalification

To continue earning your TAB Team Production Bonus, you need to requalify at your team level or above. Here's how you do just that:

Requalification

To remain at your earning level, simply achieve three consecutive months of Royalty Point requirements (same as original qualification) every year during your requalification period.

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

If you don't requalify for any TAB Team Production Bonus earning % level during your last requalification period and later qualify for the same level, you will need to observe the waiting period before you start earning at that level.

Requalification Period

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

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

Customer: Anyone who is not an Herbalife Member who purchases Herbalife products at retail price.

Cut Off: As a Production Bonus earner, when you have a downline Production Bonus earner earning an equal Production Bonus earning percentage, you will be able to earn your eligible Production Bonus percentage on volume down to and including that person, but will be “cut off” from earning a Production Bonus on any lineage below that person. When you have a downline Production Bonus earner earning at a lower Production Bonus earning percentage than you are, you will earn your full Production Bonus percentage down to and including the volume of that Production Bonus earner and earn the percentage difference on their downline below. For example, if your Production Bonus earning percentage is 6% and the Production Bonus earning percentage of the person downline is 4%, you’ll earn 6% on volume down to and including the volume of that person and 2% (6% to 4%) on the volume down to the next Production Bonus earner.

Distributor: Any Herbalife Member who has risen to the level of Supervisor, or above in Herbalife is also referred to as a Distributor.

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

Downline Organization: All Members personally sponsored by you as well as all other persons sponsored by them.

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

First-Level Member: All Herbalife Members 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 Member: A Member who activates the regular monthly automatic ordering procedure called Herbalife Advantage Program (HAP). The HAP Program is not available for the residents of Puerto Rico.

Lineage: All Members who are part of one organization as a result of sponsoring or being sponsored.

Member: Anyone who purchases an Official Herbalife Member Pack (HMP) and submits to Herbalife a valid and complete Membership Application and whose Application has been accepted by Herbalife.

Production Bonus: A bonus of 2%, 4%, or 6% to 7% on downline Organizational Volume earned by eligible members of the TAB Team who meet certain requirements.

Profit, Retail: The difference between the discounted product price paid by a Member and the retail price paid by a customer.

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

Qualified Producer: A Member who accumulates 2,500 personally purchased Volume Points within 1 to 3 months and is entitled to purchase at a 42% discount and earn split commissions. This status can be reached by utilizing up to 1,000 Downline Volume Points, with the remaining 1,500 as Personally Purchased Volume.

Qualifying Month: The month in which a Member achieves the required volume for Supervisor qualification.

Qualifying Supervisor: A Member 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.

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

Royalty Points: Used for qualification purposes, this is the sum of a Supervisor’s Organizational Volume times 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 Member who has qualified to purchase at 35% to 42% discount.

Split Commission: The commission earned from a downline purchasing at less than 42% discount. A commission of 7% or 17% is first paid to the first upline Qualified Producer and the remaining 8% is paid to the first upline Fully Qualified Supervisor.

Sponsor: A Member who brings another individual into Herbalife.

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

Supervisor's Personal Organization: Includes all Members in the Supervisor's downline who are at Member, Senior Consultant, Success Builder, Qualified Producer and Qualifying Supervisor levels.

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

10 Retail Customers Rule: A Member 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 Member must sell to retail customers, and/or sell at wholesale to downline Members, at least 70% of the total value of Herbalife products they hold for resale, in order to qualify for TAB Team and 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: As a non-Supervisor, Downline Volume is based on volume which is placed by your downline Members directly from Herbalife ordering between 25% to 42% discount.

Volume, Encumbered: All volume produced by anyone in your personal organization who has achieved 2,500 Volume Points or more in one Volume Month. This is volume being used by them for Supervisor qualification purposes.

Volume, Group: 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 Member(s) who are qualifying for Supervisor.

Volume, Organizational: The volume on which a Supervisor is paid a Royalty Override.

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

Volume, Unencumbered: All volume produced by anyone in your personal organization who has achieved less than 2,500 Volume Points in one Volume Month, and all your own Personal Volume. Volume that is not used by anyone else for Supervisor qualification purposes.

Volume Point: A point value assigned to each Herbalife product that is equal in all countries. Volume Points are used for qualification and bonuses.

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 our consumers will find our products satisfactory in every way. However, if for any reason, a retail customer is not completely satisfied with any Herbalife product purchased from an Herbalife Member, the customer may request a refund from the Member within 30 days from the date the customer receives the product. The customer will be instructed to return the unused portion of the product, or the original product labels, or the empty product containers, along with a copy of the retail receipt/copy of the Retail Order Form, to the Member from whom the customer purchased the product. The Member must offer the customer a full credit toward the purchase of other Herbalife products or a full refund of the purchase price.

Similarly, subject to certain conditions, Members 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 product. To initiate the exchange, contact the Refunds & Repurchase Department at 310-410-9600 extension 43132 for a "Return Authorization Number."

Member Must Honor Guarantee

Herbalife's Satisfaction Guarantee is limited only by the terms of certain specific warranties attached to or packaged with certain products and does not apply to any product intentionally damaged or misused. If the retail customer is not satisfied, the Member must honor the product guarantee quickly and courteously, according to the instructions that follow.

A Member is required to fully complete and provide an official Herbalife Retail Order Form with each retail sale made. It is important for the customer to know how to reach the Member for more products, questions, etc. The Member must maintain a copy of the Retail Order Form for their records so they can properly follow up with their customer.

If, however, a customer requests a refund, then the Member must complete a Request for Refund Form, a copy of which is included in the "Sample Forms" section of this book. The Member 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 Member may then submit the Request for Refund Form, a copy of the customer's original Retail Order Form, along with the unused portion of the product, or the original product labels, or the empty product containers 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 Member as soon as all the required documentation has been received. In the case of a Member returning product, there may be additional inquiry to ensure that the reason for the return is the Member's dissatisfaction as a consumer of the products returned.

This section of the Career Book is designed to acquaint you with Herbalife's 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 the United States, other countries and the direct-selling industry, Herbalife has developed a set of rules for the conduct of an Herbalife Membership, to ensure the maximum fairness and protection for all Members.

These rules provide consistency, security, integrity and honesty, enabling the Company, Members, 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, mail or email, or to place and pick up your orders in person, please contact Herbalife at 866-866-4744. For TTY assistance please contact 800-503-6180.

Important Ordering Tips

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

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 in person at an Herbalife Sales or Distribution Center. All orders will be shipped on the next business day, 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, 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, Automatic Payment System [APS] PIN number, etc.).
- All calculations – prices, discounts, Volume Points, and taxes of the city/county/state to which you are shipping. (Please have the correct ZIP code available.) Refer to the latest U.S. price list on MyHerbalife.com.
- Provide the stock number(s), description and quantity of the item(s) you are ordering.
- Complete all calculations and totals.

Mail Orders

All orders must be completely filled out, with appropriate payment included. Herbalife sells in individual units, only as specified on the order form.

Depending on the method of mail, you should address your orders as follows:

VIA REGULAR MAIL

Herbalife International of America, Inc.
Attn: Sales Order Department
P.O. Box 80210
Los Angeles, CA 90080-0210
United States of America

VIA EXPRESS MAIL (e.g., Federal Express)

Herbalife International of America, Inc.
Attn: Sales Order Department
950 West 190th Street
Torrance, CA 90502-1001
United States of America

To assure correct and prompt processing of your orders, make sure they are correctly and completely filled out, with an acceptable form of payment attached.

Telephone Orders

To place your telephone orders, please call the Sales Order Department toll-free at 866-866-4744 between the hours of:

Monday–Friday: 9:00 a.m.–6:00 p.m. (PT)
Saturday: 6:00 a.m.–2:00 p.m. (PT)
EOM: 9:00 a.m.–12:00 a.m. (PT)
Holidays: 9:00 a.m.–2:00 p.m. (PT) or Closed
Closed Sunday

TTY Assistance

TTY Users: 800-503-6180

Monday–Friday: 9:00 a.m.–6:00 p.m. (PT)
Closed Saturday and Sunday

After payment has cleared, your order will be transmitted.

Acceptable methods of telephone payment are:

- Major Credit Cards (Visa, MasterCard, American Express and Discover).
- Automatic Payment System (APS); approved applications must be on file at the World Home 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” (EOM) day. Please have your order ready before calling the Sales Order Department.

Walk-In Orders

If you are located near Los Angeles, Riverside or Tracy, CA; Memphis, TN; Dallas or Houston, TX; Phoenix, AZ; Chicago, IL; or Bronx or Brooklyn, NY, the fastest way to receive product(s) is to place, pay for and pick up your order in person at one of our Sales or Distribution Centers. The addresses of our U.S. Sales and Distribution Centers are listed below for your reference:

Los Angeles Distribution Center (LADC)

18431 S. Wilmington Avenue
Carson, CA 90746
Telephone: 310-952-0100
Monday–Friday: 9:00 a.m.–7:00 p.m. (PT)
Saturday: 9:00 a.m.–5:00 p.m. (PT)
Closed Sunday

Memphis Distribution Center

5025 Crumpler Road
Memphis, TN 38141
Telephone: 901-795-5056
Monday–Friday: 8:00 a.m.–7:00 p.m. (CT)
Closed Saturday and Sunday

Dallas Sales Center

8105 North Beltline Road, Suite 120
Irving, TX 75063
Telephone: 214-441-3333
Monday–Friday: 10:00 a.m.–7:00 p.m. (CT)
Saturday: 10:00 a.m.–3:00 p.m. (CT)
Closed Sunday

Phoenix Sales Center

1606 E. University Dr., Suite 109
Phoenix, AZ 85034
Telephone: 602-358-2066
Monday–Friday: 10:00 a.m.–7:00 p.m. (PT)
Saturday: 10:00 a.m.–3:00 p.m. (PT)
Closed Sunday

Jamaica-Kingston Pick-Up Center

S.K. D.P. Company Ltd.
18 Hillcrest Ave.
Kingston, Jamaica
Hours for Pick-up Only
Monday–Thursday: 8:30 a.m.–5:00 p.m.
Friday: 8:30 a.m.–4:30 p.m.
1st Saturday after the 5th of the Month:
9:00 a.m.–12:00 p.m.
(Jamaica Local Time)

Discovery Bay Pick-up Center

P.O. Box 160 Discovery Bay
St. Ann, Jamaica
Hours for Pick-up Only
Monday–Friday: 9:00 a.m.–5:00 p.m.
(Jamaica Local Time)

Puerto Rico Sales Center

Ave. Jose (Tony) Santana
Building #18 C-8
Carolina, P.R. 00979
Monday–Friday: 11:00 a.m.–7:00 p.m. (PT)
Saturday: 9:00 a.m.–2:00 p.m. (PT)
Closed Sunday

Chicago Quick Response Center

200 Howard Avenue, Suite 232

Des Plaines, IL 60018-5910

Telephone: 847-298-9533

Monday, Wednesday and Friday: 10:00 a.m.–6:00 p.m. (CT)

Tuesday and Thursday: 12:00 p.m.–8:00 p.m. (CT)

Saturday: 10:00 a.m.–3:00 p.m. (CT)

Closed Sunday

Bronx Quick Response Center

2359 Hollers Avenue

Bronx, NY 10475

Telephone: 718-708-7020

Monday, Wednesday and Friday: 10:00 a.m.–6:00 p.m. (ET)

Tuesday and Thursday: 12:00 p.m.–8:00 p.m. (ET)

Saturday: 10:00 a.m.–3:00 p.m. (ET)

Closed Sunday

Tracy Quick Response Center

470 West Larch Road, Suite 10

Tracy, CA 95304

Telephone: 209-832-4110

Monday and Wednesday: 12:00 p.m.–8:00 p.m. (PT)

Tuesday, Thursday and Friday: 10:00 a.m.–6:00 p.m. (PT)

Saturday: 10:00 a.m.–3:00 p.m. (PT)

Closed Sunday

Houston Quick Response Center

4702 N. Sam Houston Pkwy. W., Suite 130

Houston, TX 77086

Telephone: 281-895-8193

Monday, Wednesday and Friday: 10:00 a.m.–6:00 p.m. (CT)

Tuesday and Thursday: 12:00 p.m.–8:00 p.m. (CT)

Saturday: 10:00 a.m.–3:00 p.m. (CT)

Closed Sunday

Riverside Quick Response Center

7560 Jurupa Avenue

Riverside, CA 92504

Telephone: 951-689-4444

Monday and Wednesday: 12:00 p.m.–8:00 p.m. (PT)

Tuesday, Thursday and Friday: 10:00 a.m.–6:00 p.m. (PT)

Saturday: 10:00 a.m.–3:00 p.m. (PT)

Closed Sunday

Brooklyn Quick Response Center

919 Flushing Avenue

Brooklyn, NY 11206

Telephone: 718-381-9610

Monday, Wednesday and Friday: 10:00 a.m.–6:00 p.m. (ET)

Tuesday, Thursday: 12:00 p.m.–8:00 p.m. (ET)

Saturday: 10:00 a.m.–3:00 p.m. (ET)

Closed Sunday

San Jose Quick Response Center

1430 Tully Road, Suite 417

San Jose, CA 95122

Telephone: 408-280-0444

Fax: 408-724-8380

Monday, Wednesday: 12:00 p.m.–8:00 p.m. (PT)

Tuesday, Thursday, Friday: 10:00 a.m.–6:00 p.m. (PT)

Saturday: 10:00 a.m.–3:00 p.m. (PT)

Closed Sunday

All walk-in orders must be placed and fully paid by the close of business day at the respective Sales or Distribution Center on the designated EOM day. Please have your order ready before handing it to a Sales Order Representative. You must have your Herbalife ID number, photo ID and order number with you when you pick up your order.

Cashier's checks, money orders, most major credit cards, wire transfers or cash are the acceptable terms for purchasing products and other materials through the Herbalife Sales or Distribution Centers.

Payment Policy

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

Personal Checks

Those who become Supervisors and who have been fully qualified for 30 days may use (in addition to the previously listed methods of payment) personal checks to purchase products. A check-writing policy of \$5,000 in one day is the maximum amount allowed. Any order in excess of this amount must be paid for by one of the methods previously noted.

Guaranteed Checks

Cashier's checks, traveler's checks and money orders, which must be made out to Herbalife International of America, Inc., and must be in U.S. dollars only. Guaranteed checks may be used for mail and walk-in orders only.

Most Major Credit Cards

Visa, MasterCard, American Express (dollar amount is at Amex's discretion, mostly under \$200.00) and Discover. The credit card must be in the name of the purchaser. Credit cards may be used for telephone, mail and walk-in orders.

Cash

U.S. dollars only. Cash may be used for walk-in orders only. Please do not mail cash!

Automatic Payment System (APS)

To speed up and simplify the processing of your telephone order, Supervisors who have been fully qualified for 30 days may authorize Herbalife to deduct the exact amount from their bank or other financial institution as payment for their order.

Wire Transfers

- Members may purchase products from Herbalife by bank-to-bank transaction.
- Wire transfers must be initiated by the designated End of Month (EOM) day, and must be received no later than the 5th of the following month (regardless of what day the actual EOM falls on).
- You must reference your Herbalife ID Number and order number with your transfer.
- If you wish to use this method, contact Herbalife's Sales Order Department for the correct procedure.
- Wire transfer orders will be shipped when the correct payment is received by Herbalife.

Shipping Procedures

All orders will be shipped on the next business day, whenever possible, if all moneys have cleared. You must indicate the method of shipment as applicable (e.g., air, FedEx, motor freight, etc.) on each order.

Selecting the right method of shipment for your order is an important decision. You will want to keep the freight cost as low as possible and at the same time, get the best results in terms of service. The decision must be based on distance, weight and size of the order, and how rapidly you want it delivered. You should call the various freight carriers in your area for rates and service details. However, here is some general information on how they work:

Federal Express (FedEx) Home Delivery

Federal Express home delivery is our standard ground carrier. This may be one of your best options for shipping.

Things to Remember:

- FedEx Home Delivery takes typically three to five working days Tuesday to Saturday for delivery. It is recommended that someone be available at the "Ship To" address to accept the shipment. (You may desire to address your shipment to your neighbor, 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 [2] additional days for the balance of the shipment to be delivered.)

All orders to be shipped via FedEx are shipped from the Los Angeles and Memphis Distribution Centers on a freight prepaid basis. When you request FedEx as the method of shipment on an order, your delivery and freight will be calculated as indicated in the following ground chart.

FedEx Home Delivery

Rate	times (X)	Retail Value
4.25%		\$1,000 and Up
4.75%		\$700 - \$999.99
5.25%		\$400 - \$699.99
5.75%		\$125 - \$399.99
\$7.50	Minimum	\$0 - \$124.99

Examples:

A) \$400 retail value x 5.25% = \$21.00 freight cost

B) \$130 retail value x 5.75% = \$7.48 freight cost

C) \$124.99 retail value - add \$7.50 minimum freight cost

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

FedEx 2 and 1 Day Delivery

FedEx - 2 Day 7.75% - \$11 minimum

FedEx - 1 Day 11.75% - \$19 minimum

Motor-Freight Carrier

When your order weight exceeds 100 pounds, you may want to consider a motor-freight carrier. Generally you will pay for a minimum of 100 pounds of freight.

Things to Remember:

- All truck shipments are made on a freight-collect basis.
- This service will range from overnight delivery to five (5) or more working days, depending on the distance between the shipping point and the destination.
- Door-to-door delivery is provided to most locations or, upon request, your order may be held at the dock for pickup.
- Generally, the complete shipment is delivered at once.
- If door-to-door is requested, there must be someone available at the "Ship To" address to accept the shipment.
- The heavier the shipment, the lower the freight rate per pound. For more detailed information, call your local trucking companies.

Air Shipping

Special rates are available for almost any shipment size, but when your order weighs over 200 pounds, it may be to your advantage to consider the delivery time and the possible cost savings. The airfreight industry is becoming very cost competitive with ground-freight transportation. Convenient special freight-cost programs are available through most airlines. For example, E and EH Disposable Corrugated Air Containers can be shipped at special rates, or you can take advantage of the special rates of the deferred airfreight programs.

Things to Remember:

- All air shipments are made on a freight-collect basis.
- Airfreight offers the fastest means of transportation.
- They offer call-upon-arrival service.
- Your order can be delivered to your door.
(This requires an additional charge, and someone must be available to accept the shipment.)
- Shipments may be held at the airport terminal for pickup.
- Weekend service is available at most major airports.
- Air containers have special rates. (When using this method, remember that the total cubic footage cannot be 100% utilized due to the variance of product dimensions.)
- Please specify the airport of destination, or the airline will ship to the airport closest to the "Ship To" address.
- There is excellent traceability. For more specific information, call the airfreight carriers at the airport(s) closest to you.

Air- and Truck-Freight Insurance

Herbalife recommends that you insure your air and truck shipments at their full discounted value for a small premium. Typically the cost of the airfreight insurance is approximately 40 cents for each \$100 declared value. For example, if you are a Supervisor placing a \$2,000 retail order at a 50% discount, you are paying \$1,000. If you declare this \$1,000 as your freight value, your full insurance coverage will cost \$4. When ordering, indicate in the shipping instructions that you wish to have your order "insured at full value." The additional insurance amount will be added to your freight charges. Without the insurance, you can only collect the amount determined by the freight company policy. (Flat and per pound rates vary from carrier to carrier, but tend to be in the area of 50 cents to 60 cents per pound.)

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. Upon receipt of your package, 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.
- Check your shipment for obvious outside damages. (Even though there is no apparent damage on the outside of a box, some damage may have occurred 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's Order Support Department toll-free at 866-866-4744.

FedEx Home Delivery Claims

- FedEx lost shipments (complete or partial) must be reported to Herbalife International within seven (7) days after the estimated time of 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 the Herbalife Distribution Center that originated the shipment.
- 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 either case, you will be given a control number from FedEx.

Month-End Ordering Guidelines

General – United States

The Herbalife U.S. Sales Order Department, as well as all Herbalife International Sales Order Departments, will be open extended business hours on the designated End of Month (EOM); Distribution Centers will be open regular business hours that day.

A. Business Hours

1. Sales Order Department:

English and Spanish Lines

Monday–Friday: 9:00 a.m.–6:00 p.m. (PT)

Saturday: 6:00 a.m.–2:00 p.m. (PT)

EOM: 9:00 a.m.–12:00 a.m. (PT)

Holidays: 9:00 a.m.–2:00 p.m. (PT)

or Closed

Closed Sunday

2. TTY Users: 800-503-6180

Monday–Friday: 9:00 a.m.–6:00 p.m. (PT)

Closed Saturday and Sunday

3. Los Angeles Distribution Center (LADC):

Monday–Friday: 9:00 a.m.–7:00 p.m. (PT)
 Saturday: 9:00 a.m.–5:00 p.m. (PT)
 Closed Sunday

4. Memphis Distribution Center:

Monday–Friday: 8:00 a.m.–7:00 p.m. (CT)
 Closed Saturday and Sunday

5. Dallas Sales Center:

Monday–Friday: 10:00 a.m.–7:00 p.m. (CT)
 Saturday: 10:00 a.m.–3:00 p.m. (CT)
 Closed Sunday

6. Phoenix Sales Center:

Monday–Friday: 10:00 a.m.–7:00 p.m. (PT)
 Saturday: 10:00 a.m.–3:00 p.m. (PT)
 Closed Sunday

7. Puerto Rico Sales Center

Monday–Friday: 11:00 a.m.–7:00 p.m. (PT)
 Saturday: 9:00 a.m.–2:00 p.m.
 Closed Sunday

8. Jamaica-Kingston Pick-Up Center:

Monday–Thursday: 8:30 a.m.–5:00 p.m.
 Friday: 8:30 a.m.–4:30 p.m.
 1st Saturday after the 5th of the Month:
 9:00 a.m.–12:00 p.m.
 (Jamaica Local Time)

9. Discovery Bay Pick-up Center:

Monday–Friday 9:00 a.m.–5:00 p.m.
 (Jamaica Local Time)

10. Chicago Quick Response Center:

Monday, Wednesday, Friday: 10:00 a.m.–6:00 p.m. (CT)
 Tuesday and Thursday: 12:00 p.m.–8:00 p.m. (CT)
 Saturday: 10:00 a.m.–3:00 p.m. (CT)
 Closed Sunday

11. Bronx Quick Response Center:

Monday, Wednesday, Friday:
 10:00 a.m.–6:00 p.m. (ET)
 Tuesday and Thursday: 12:00 p.m.–8:00 p.m. (ET)
 Saturday: 10:00 a.m.–3:00 p.m. (ET)
 Closed Sunday

12. Tracy Quick Response Center:

Monday and Wednesday: 12:00 p.m.–8:00 p.m. (PT)
 Tuesday, Thursday, Friday: 10:00 a.m.–6:00 p.m. (PT)
 Saturday: 10:00 a.m.–3:00 p.m. (PT)
 Closed Sunday

13. Houston Quick Response Center:

Monday, Wednesday, Friday: 10:00 a.m.–6:00 p.m. (CT)
 Tuesday and Thursday: 12:00 p.m.–8:00 p.m. (CT)
 Saturday: 10:00 a.m.–3:00 p.m. (CT)
 Closed Sunday

14. Riverside Quick Response Center:

Monday and Wednesday: 12:00 p.m.–8:00 p.m. (PT)
 Tuesday, Thursday, Friday: 10:00 a.m.–6:00 p.m. (PT)
 Saturday: 10:00 a.m.–3:00 p.m. (PT)
 Closed Sunday

15. Brooklyn Quick Response Center:

Monday, Wednesday, Friday: 10:00 a.m.–6:00 p.m. (ET)
 Tuesday, Thursday: 12:00 p.m.–8:00 p.m. (ET)
 Saturday: 10:00 a.m.–3:00 p.m. (ET)
 Closed Sunday

16. San Jose Quick Response Center:

Monday, Wednesday: 12:00 p.m.–8:00 p.m. (PT)
 Tuesday, Thursday, Friday: 10:00 a.m.–6:00 p.m. (PT)
 Saturday: 10:00 a.m.–3:00 p.m. (PT)
 Closed Sunday

B. Business Numbers/Addresses**1. World Operations Home Office**

- a. Toll-Free Number (Member Services in English and Spanish): 866-866-4744
- b. TTY Users: 800-503-6180
- c. HAP Order Line: 866-866-4744
- d. Mailing Address
 Herbalife International of America, Inc.
 Sales Order Department
 P.O. Box 80210
 Los Angeles, CA 90080-0210
- e. Express Mail Only
 Herbalife International of America, Inc.
 Sales Order Department
 950 West 190th Street
 Torrance, CA 90502

2. Los Angeles Distribution Center (LADC) (Walk-In and Pickup Service)

Herbalife International of America, Inc.
 18431 S. Wilmington Avenue
 Carson, CA 90746

3. Memphis Distribution Center (Walk-In and Pickup Service)

Herbalife International of America, Inc.
 5025 Crumpler Road
 Memphis, TN 38141

4. Dallas Sales Center (Walk-In and Pickup Service)

8105 North Beltline Road, Suite 120
 Irving, TX 75063

5. **Phoenix Sales Center**
(Walk-In and Pickup Service)
1606 E. University Dr., Suite #109
Phoenix, AZ 85034
6. **Puerto Rico Sales Center**
Ave. Jose (Tony) Santana
Building #18 C-8
Carolina, P.R. 00979
7. **Jamaica-Kingston Pick-Up Center**
S.K. D.P. Company Ltd.
18 Hillcrest Ave.
Kingston, Jamaica
8. **Discovery Bay Pick-up Center**
P.O. Box 160 Discovery Bay
St. Ann, Jamaica
9. **Chicago Quick Response Center**
(Walk-In and Pickup Service)
200 Howard Avenue, Suite 232
Des Plaines, IL 60018-5910
10. **Bronx Quick Response Center**
(Walk-In and Pickup Service)
2359 Hollers Avenue
Bronx, NY 10475
11. **Tracy Quick Response Center**
(Walk-In and Pickup Service)
470 West Larch Road, Suite 10
Tracy, CA 95304
12. **Houston Quick Response Center**
(Walk-In and Pickup Service)
4702 N. Sam Houston Pkwy. W., Suite 130
Houston, TX 77086
13. **Riverside Quick Response Center**
(Walk-In and Pickup Service)
7560 Jurupa Avenue
Riverside, CA 92504
14. **Brooklyn Quick Response Center**
(Walk-In and Pickup Service)
919 Flushing Avenue
Brooklyn, NY 11206

For additional information on products, qualifications, Sales & Marketing Plan, etc., please contact the Member Services Department English and Spanish Lines:

Monday–Friday: 9:00 a.m.–6:00 p.m. (PT)
EOM: 9:00 a.m.–6:00 p.m. (PT)
Closed Holidays, Saturday and Sunday

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 End of Month (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 the end of business day on each country's specified EOM day.
- Mail orders must be postmarked on or before each country's specified EOM day and received by Herbalife NO LATER than the 5th of the following month. Appropriate payment must be included with the order.
- Walk-in orders must be placed and fully paid by close of business day on the specified EOM day.
- Wire transfers or postal payments must be initiated on or before each country's specified EOM day. These transactions must be received by Herbalife no later than the 5th of the following month.
- All payments for all orders placed on the EOM day must be processed, accepted and paid in full by the end of that same day to count for that month's Volume, no matter what day the EOM actually falls on.
- Herbalife shall not be held responsible for monetary transfers that are not deposited to our account by the specified deadline.
- Members 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, Members are responsible for specifying the order month they wish the Volume of the order to count toward.
- International orders must be placed on or before the shipping country's End of Month date.
- Online, Mobile, Automated Sales Center and Auto Attendant orders (where applicable) must be placed and fully paid by the end of the business day on your country's specified EOM.

Tax Information U.S. Residents Only

The following notes highlight key points of interest for Herbalife Members. These notes are not intended to cover all aspects of registration or taxation that may affect

your organization, so we recommend that Members consult with their own tax or business advisor, or their local, state or federal taxation offices.

A. Federal/State Income Tax and Reporting

1. Income tax laws in the United States, and in various states and municipalities within the United States, require that individuals with income from businesses report such income. Residents and those who are citizens of the United States, wherever resident, are required to file income tax returns reporting all of their income. Nonresidents may also need to report their U.S. income. Members 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 manual and computerized systems are available, or you may prefer to hire an experienced bookkeeper. Under federal law, tax records should be maintained for a minimum of three (3) years, but it may be prudent to maintain them for a longer period.
3. Federal and state tax laws impose certain reporting requirements upon Herbalife. On or before January 31 of each year, U.S. Members will be sent a Form 1099 in which they must specify the amount of earnings (commissions, overrides, bonuses, etc.) they received during the prior calendar year. The form will also note whether the Member purchased \$5,000 or more retail value of products. This information is also filed with the Internal Revenue Service (IRS), and from there is made available to the states.
4. For these reporting reasons, all Members in the United States and those who are citizens of the United States, wherever resident, must provide proper taxpayer identification numbers (usually their Social Security number or Individual Tax Identification Number). It is the Member's responsibility to assure 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. If such information is not correct, tax laws impose a "backup" withholding tax. The tax so withheld can be claimed by the Member on their individual income tax return as a prepayment of tax.

B. Nonresident Withholding Tax

1. All payments of commissions, overrides and bonuses resulting from U.S. orders are deemed by the IRS to be U.S. source income. As such, payments to upline Members residing outside the United States are

subject to U.S. nonresident withholding tax (currently 30%).

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

C. State and Local Sales Taxes

1. Many Herbalife products are taxable under the various states' sales tax laws. Members are primarily responsible for their own sales tax liability and should ensure they are in compliance with all applicable sales tax laws.
2. Herbalife has voluntarily registered in many states to pre-collect state sales taxes on behalf of Members and, thus, reduce the Members' compliance requirements. In these instances, sales tax is based on the ultimate retail price of products shipped for resale to these states. In some states, Members may obtain from the state and submit to Herbalife a resale/exemption certificate. By doing so, the Member retains primary responsibility for the collection, reporting and payment of all such taxes. For a list of these states, please contact the Member Services Department toll-free at 866-866-4744.

D. Business Licenses and Registrations

Many cities or municipalities within the United States require that Herbalife Members register their business when starting their business activity. We recommend that U.S. Members contact their local government offices for information about these requirements.

E. Social Security or Individual Tax Identification Number and Other Taxes

All Herbalife Members are independent and as such, are responsible for their own Social Security or Individual Tax Identification Number, 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 the respective federal, state and local tax offices in your area, or your qualified tax advisor.

Tax Information Puerto Rico Residents Only

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

A. Puerto Rico Income Tax and Reporting

1. Income tax laws in Puerto Rico require that individuals with income from businesses report such income. Residents of Puerto Rico are required to file income tax returns reporting all of their income from whatever sources. Moreover, Puerto Rico residents who are U.S. citizens may also be required to report income from sources outside Puerto Rico at the U.S. federal level. Nonresidents of Puerto Rico need to report in Puerto Rico their Puerto Rico source income if registered in Puerto Rico. Members 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. Under Puerto Rico law, tax records should be maintained for a minimum of six (6) years, but it may be prudent to maintain them for a longer period.
3. Puerto Rico tax laws impose certain reporting requirements upon Herbalife. On or before February 28 of each year, Puerto Rico Members will be sent a Form 480.6A; 480.6B or 480.6C, as applicable, in which the amount of earnings (commissions, overrides, bonuses, etc.) they received during the prior calendar year, together with any applicable withholding of tax at source made. This information is also filed with the Puerto Rico Treasury Department (PRTD).
4. For these reporting reasons, all Members in Puerto Rico must provide proper taxpayer identification numbers (usually their Social Security number or Individual Tax Identification Number if the Member is not a U.S. citizen or a green card holder). It is the Member's responsibility to assure 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.

B. Nonresident Withholding Tax

1. All payments of commissions, overrides and bonuses resulting from Puerto Rico orders are deemed by the PRTD to be Puerto Rico source income. As such, payments to upline Members residing outside Puerto Rico are subject to nonresident withholding tax of 20% and 29% in the case of U.S. residents individuals and other nonresident aliens, respectively.

2. On or before February 28 of each year, Herbalife will send a Form 480.6a, b or c in which the amount of earnings (commissions, overrides, bonuses, etc.) received during the prior calendar year, together with the applicable withholding of tax at source made will be reported for purposes of the Puerto Rico income tax filing of the Members. This information is also filed with the PRTD. Depending on the Member's situation and the laws of the Member's resident country, a refund from the PRTD may be requested or relief from double taxation is often available. Affected Members are encouraged to consult with their tax advisors.

C. State and Municipal Sales and Use Taxes

1. Many Herbalife products are taxable for Puerto Rico sales and use tax (SUT) purposes. Members are primarily responsible for their own sales tax liability and should ensure they are in compliance with all applicable sales tax laws.
2. Notwithstanding the above, Herbalife has voluntarily registered with the PRTD to pre-collect the SUT on behalf of Members and, thus, reduce the Members' compliance requirements. In these instances, SUT is based on the ultimate retail price of products shipped for resale to Puerto Rico. In some states, Members engaged in other business activities may still need to register and comply with the SUT requirements, despite Herbalife's agreement with the PRTD.

D. Business Licenses and Registrations

Members may need to register their business when starting their business activity with the Municipality of Puerto Rico where such business is carried out. Members are encouraged to consult with their tax advisors to make this determination based on facts and circumstances.

E. Social Security or Individual Tax Identification Number and Other Taxes

All Herbalife Members are independent contractors and as such, are responsible for their own Social Security, Medicare and other taxes as may apply. Advance payments of these taxes may be required. Members are encouraged to consult with their tax advisors.

The information noted above may be modified from time to time by the tax authorities. To ascertain your personal situation or if you have any questions, we suggest that you consult your qualified tax advisors.

Frequently Asked Questions

Do I have to wait for my Membership Application to be processed before placing an order?

It's not necessary to wait for your Application to be processed.

You are entitled to 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 Herbalife Member Pack (HMP).

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 is important for you to have certain information prepared prior to placing an order directly with Herbalife. You may place orders with Herbalife by telephone, mail, by going to one of our Distribution Centers (Los Angeles or Memphis) or via our online ordering system on MyHerbalife.com.

May I go to the Distribution Center and pick up the products myself?

You may either place your order with our Sales Order Department and specify that you will pick it up in person, or you can simply go to our Los Angeles, Memphis, Dallas or Phoenix Sales and Distribution Centers, place and pay for your order there, and pick up the products at the same time.

May I call Herbalife directly with questions?

We're here to assist you in any way possible. We always encourage you to first consult your Career Book and to work closely with your Sponsor and upline Supervisor, since they have a great deal of field experience. However, if we may assist you, please call Herbalife's Member Services Department toll-free in Los Angeles at 866-866-4744.

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

All orders will be shipped the next business day, 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 Los Angeles and Memphis Distribution Centers via FedEx home delivery service are shipped freight prepaid, and will generally arrive within three to five working days. Members commonly use FedEx when an order weighs under 200 pounds. Express, motor carrier and air services are also available on a freight-collect basis, in order to provide you with the widest possible variety of choices.

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

Orders shipped via FedEx, Herbalife's most popular freight service, are shipped freight prepaid. All other freight services are shipped freight collect. Taxes 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 Members with an effortless, flexible and convenient method for selecting and automatically shipping the products they use the most. HAP also provides Herbalife Members who activate their HAP orders with exclusive added benefits, including free activation no Annual Membership Services Fee for non-Supervisors with active HAP orders for 12 consecutive months; 35% to 50% discount; multiple HAP orders – one for personal use and one consisting of products for resale; additional sales tax savings (on personal use orders only); single-unit purchases; automatic, consistent monthly home delivery; special promotional offers; flexibility to change your HAP order (anytime before HAP deadline); free monthly literature and communications; and easy automatic payment options. You will find a HAP Activation and Order Form in this book. You may download the form from MyHerbalife.com. There also are dedicated HAP Sales Order telephone numbers listed in the "Ordering Procedures" section of this book. For additional information, please contact Herbalife's Member Services Department at 866-866-4744.

How do I retail the products?

Retailing the Herbalife products will be one of the most important keys to your success! As Herbalife's founder and first Distributor, Mark Hughes 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 to provide you with the proper training.

Wear the Button

- You become a walking advertisement.
- Wear or use or 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 income success story.
- Explain the products and business opportunity.
- Explain how they can improve their health and also make immediate profits.
- Talk to people 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. Members may only bring products approved for a specific country within that country. Members 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 should 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, you can access training and business-building tools 24/7. Some of our websites include:

Herbalife.com

Herbalife's official website establishes Herbalife as a leading nutrition company in the areas of weight loss, energy and fitness, targeted and outer nutrition. 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

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

HerbalifeFamilyFoundation.org

This website is dedicated to the Herbalife Family Foundation, which helps at-risk children around the world. If prompted for a password, please contact the Sales and Communications 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.

Herbalife Broadband Network (HBN) offers:

- Exciting product launches
- Unbeatable video training from Herbalife's founder Mark Hughes
- Live question-and-answer sessions with top Distributors and Herbalife's doctors
- Motivation by Jim Rohn, world-renowned business speaker
- House-party training

Our Sales and Communications Department also operates a Touchfon information service that will keep you updated with the latest Herbalife information at a nominal charge. For additional information on these and many other business tools available, please contact Herbalife's Member Services Department toll-free at 866-866-4744.

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

Yes, and they are quite simple. In order to receive your earnings, as a Fully Qualified Supervisor or TAB Team you must strictly adhere to Herbalife's 10 Retail Customers/70% Rule. (Please refer to Rules 4.2.2 and 4.2.3 in the "Rules of Conduct" section of this 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. Members are solely responsible for the proper reporting of their income and payment of their taxes. Any questions should be referred to the individual Member's own tax advisor. (For more information, please refer to the "Tax Information" section after the "Ordering Procedures" section of this book.)

Rules of Conduct USA IMPORTANT NOTICE!

Following are the answers to some of the most commonly asked questions by new Members regarding Herbalife's Rules of Conduct. Please carefully review the "Rules of Conduct" section in this book, which will provide you with the full details. These Rules of Conduct have been established for your protection. They represent the code of ethics by which all Herbalife Members 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 Herbalife Member. We believe Herbalife® products and Sales & Marketing Plan are the best in the industry. We also believe in our Members and in supporting them by working together 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 Members.

What are the age requirements for becoming a Member?

An Applicant must be at least 18 years of age to become an Herbalife Member and to conduct business in the United States. However, a minor who is above the age of 14 may submit an Application for a Minor Membership, under certain conditions. (Please refer to Chapter 2 in the "Rules of Conduct" section for full details.)

May my spouse and I have separate Memberships?

Married couples may have only one Membership. Married couples wishing to become Members together, must complete and sign a single Member Application, thereby having only one Sponsor. It is very important for new Members to note that an individual may have only one Herbalife Membership and should never sign more than one Member Application. (Please refer to Chapter 2 in the "Rules of Conduct" section of this book for full details.)

May I submit my Membership 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 Membership Applications in the name of individuals. (Please refer to Chapter 2 in the "Rules of Conduct" section of this book for full details.)

What is the relationship with my Sponsor?

The relationship between a Member and their Sponsor is the foundation of Herbalife's Sales & Marketing Plan. Many Sponsors spend a significant amount of time locating new Members, training and working with them over a period of time. (Please refer to Chapter 5 in the "Rules of Conduct" section of this book for details regarding the responsibilities of a Sponsor.)

May I sell Herbalife products anywhere in the world?

As an Herbalife Member, you may sponsor Members, train and build your downline business in any of the countries where Herbalife is officially open. Please note, Members 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 Membership. (Please refer to Chapter 3 of the "Rules of Conduct" section of this 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. Members must respond quickly and courteously when the retail customer requests this guarantee be honored. The Member 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 Member must honor the retail customer's choice. (Please refer to page 28 of the "Sales & Marketing Plan" section and Chapter 4 in the "Rules of Conduct" section of this 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.

Members may produce their own ads or flyers, provided they follow all of Herbalife's rules for advertising. It is the Member'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 Chapter 4 through 7 in the "Rules of Conduct" section for full details.)

Herbalife Worldwide Offices

Listed on this page are the addresses, phone numbers and hours of operation for Herbalife's Worldwide Corporate Headquarters, Operations Home Office and U.S. Distribution and Sales Centers. Herbalife Members 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, or contact the Member Services Department toll-free at 866-866-4744.

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

Herbalife International of America, Inc.

Worldwide Corporate Headquarters

800 West Olympic Boulevard, Suite 406

Los Angeles, CA 90015, USA

Main Number: 310-410-9600

Monday–Friday:

8:30 a.m.–5:30 p.m. (PT)

Closed Saturday and Sunday

Herbalife International of America, Inc.

Operations Home Office

950 West 190th Street

Torrance, CA 90502

Main Number: 310-410-9600

Monday–Friday: 8:30 a.m.–5:30 p.m. (PT)

Closed Saturday and Sunday

Sales Order Department

Monday–Friday: 9:00 a.m.–6:00 p.m. (PT)

Saturday: 6:00 a.m.–2:00 p.m. (PT)

EOM: 9:00 a.m.–12:00 a.m. (PT)

Holidays: 9:00 a.m.–2:00 p.m. (PT) or Closed

Closed Sunday

Sales Order Department: 866-866-4744 (All orders)

Member Services Department

Monday–Friday: 9:00 a.m.–6:00 p.m. (PT)

EOM: 9:00 a.m.–6:00 p.m. (PT)

Closed Holidays, Saturday and Sunday

Member Services: 866-866-4744

Member Services Fax: 310-258-7019

TTY Assistance

TTY Users: 800-503-6180

Monday–Friday: 9:00 a.m.–6:00 p.m. (PT)

Closed Saturday and Sunday

Los Angeles Distribution Center (LADC)

18431 S. Wilmington Avenue

Carson, CA 90746

Monday–Friday: 9:00 a.m.–7:00 p.m. (PT)

Saturday: 9:00 a.m.–5:00 p.m. (PT)

Closed Sunday

Main Number: 310-952-0100

Main Fax: 310-952-0111

Memphis Distribution Center

5025 Crumpler Road

Memphis, TN 38141

Monday–Friday: 8:00 a.m.–7:00 p.m. (CT)

Closed Saturday and Sunday

Main Number: 901-795-5056

Main Fax: 901-547-2105

Dallas Sales Center

8105 North Beltline Road, Suite 120

Irving, TX 75063

Monday–Friday: 10:00 a.m.–7:00 p.m. (CT)

Saturday: 10:00 a.m.–3:00 p.m. (CT)

Closed Sunday

Main Number: 214-441-3333

Main Fax: 214-441-3338

Phoenix Sales Center

1606 E. University Dr., Suite 109

Phoenix, AZ 85034

Monday–Friday: 10:00 a.m.–7:00 p.m. (PT)

Saturday: 10:00 a.m.–3:00 p.m. (PT)

Closed Sunday

Main Number: 602-358-2066

Main Fax: 602-384-2180

Chicago Quick Response Center

200 Howard Avenue, Suite 232

Des Plaines, IL 60018-5910

Monday, Wednesday and Friday:

10:00 a.m.–6:00 p.m. (CT)

Tuesday and Thursday: 12:00 p.m.–8:00 p.m. (CT)

Saturday: 10:00 a.m.–3:00 p.m. (CT)

Closed Sunday

Main Number: 847-298-9533

Main Fax: 847-298-9710

Bronx Quick Response Center

2359 Hollers Avenue

Bronx, NY 10475

Monday, Wednesday and Friday:

10:00 a.m.–6:00 p.m. (ET)

Tuesday and Thursday: 12:00 p.m.–8:00 p.m. (ET)

Saturday: 10:00 a.m.–3:00 p.m. (ET)

Closed Sunday

Main Number: 718-708-7020

Main Fax: 718-708-7023

Tracy Quick Response Center

470 West Larch Road, Suite 10

Tracy, CA 95304

Monday and Wednesday: 12:00 p.m.–8:00 p.m. (PT)

Tuesday, Thursday and Friday: 10:00 a.m.–6:00 p.m. (PT)

Saturday: 10:00 a.m.–3:00 p.m. (PT)

Closed Sunday

Main Number: 209-832-4110

Main Fax: 209-833-3650

Houston Quick Response Center

4702 N. Sam Houston Pkwy. W., Suite 130
Houston, TX 77086

Monday, Wednesday and Friday:

10:00 a.m.–6:00 p.m. (CT)

Tuesday and Thursday: 12:00 p.m.–8:00 p.m. (CT)

Saturday: 10:00 a.m.–3:00 p.m. (CT)

Closed Sunday

Main Number: 281-895-8193

Brooklyn Quick Response Center

919 Flushing Avenue
Brooklyn, NY 11206

Monday, Wednesday and Friday:

10:00 a.m.–6:00 p.m. (ET)

Tuesday, Thursday: 12:00 p.m.–8:00 p.m. (ET)

Saturday: 10:00 a.m.–3:00 p.m. (ET)

Closed Sunday

Main Number: 718-381-9610

Riverside Quick Response Center

7560 Jurupa Avenue
Riverside, CA 92504

Monday and Wednesday: 12:00 p.m.–8:00 p.m. (PT)

Tuesday, Thursday and Friday: 10:00 a.m.–6:00 p.m. (PT)

Saturday: 10:00 a.m.–3:00 p.m. (PT)

Closed Sunday

Main Number: 951-689-4444

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.

Downloadable and printable forms are also available online at MyHerbalife.com by clicking "Documents" in the "My Office" area on the home page. Then select "USA" from the drop-down menu.

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Note: The HAP Program is not available for the residents of Puerto Rico.
(866) 866-4744 – Herbalife Advantage Program (HAP) Toll-Free
(800) 503-6180 – Herbalife Advantage Program (HAP) TTY Users

☐ New Activation
☐ Amended Order

Monday – Friday: 9:00 a.m. - 6:00 p.m. (PT) **Saturday:** 6:00 a.m. - 2:00 p.m. (PT) **EOM:** 9:00 a.m. - 12:00 a.m. (PT) **Holidays:** 9:00 a.m. - 2:00 p.m. (PT) or closed

Purchased By	1
[] Yes, please activate my Herbalife Advantage Program automatic monthly Order Form.	
Name: _____	
Herbalife ID Number:	
[] [] [] [] [] [] [] [] []	
Fully Qualified Supervisor	3
Name: _____	
Herbalife ID Number:	
[] [] [] [] [] [] [] [] []	

- Now you can have two (2) HAP orders; one for personal use, and another with products for resale.
- Minimum 100 Volume Points/Maximum 1,000 Volume Points for personal use orders
- Minimum discount 35%
- If you require additional lines to complete your order, please attach a separate sheet of paper.

Ship To										2																				
Name: _____																														
Address: _____ _____																														
Telephone: _____ Fax: _____																														
Email Address: _____																														
Monthly Order Close Date – Please Select One										4																				
There are three Herbalife Advantage Program (HAP) order close and ship dates each month. Please select one of the two (2) dates below for your order to close for processing and shipping each month.																														
<input type="checkbox"/> 11th of the month																														
<input type="checkbox"/> 18th of the month																														
Method of Payment – Please Select One										5																				
Since your HAP order is an automatic monthly shipment program, you must select one of the two (2) automatic payment options below for Herbalife to process your order.																														
Option A – Complete for Credit Card Payment																														
<input type="checkbox"/> Visa <input type="checkbox"/> Mastercard <input type="checkbox"/> AMEX <input type="checkbox"/> Discover Exp. Date: ____/____/____																														
Credit Card Number: <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr></table>																														
Authorized Signature: _____ Date: ____/____/____																														
Option B – Complete for Supervisors with APS _____ Pin Number: <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td></tr></table>																														
Authorized Signature: _____ Date: ____/____/____																														

Discount %					A		B		C	
Stock No.	Product Name			Qty	Total Volume Points		Total Volume Points		Total Wholesale Price	

*Freight is taxable in the following states: Arkansas, Georgia, Indiana, Kansas, Minnesota, Mississippi, Nebraska, Nevada, New Jersey, New York, North Carolina, North Dakota, Pennsylvania, South Dakota, Texas, Utah, Vermont, Washington, West Virginia and Wisconsin. If a state is not mentioned, it is NOT taxable.

*Arizona, Florida, Illinois, Pennsylvania, and Washington tax may vary in these states

Totals	A	B	C
	*FedEx Ground - Shipping and Handling (4.75% x Total of B) \$100 to \$124.99, \$6.50 Minimum	D +	
	Subtotal	E =	
	*Tax (____ % x Subtotal of E)	F +	
	Total Amount Due (Add E + F)	G =	

A Membership (CONTINUED)

- 3. Herbalife Member Pack:** I have purchased and received a new, previously unopened "Member Pack" which is either an Herbalife Member Pack or Mini Herbalife Member Pack. The only required purchase to become an Herbalife Member or engage in the Herbalife business is the Mini Herbalife Member Pack, or at my election, an Herbalife Member Pack. The Member Pack includes the Terms and Conditions of Doing the Herbalife Business, the Statement of Average Gross Compensation Paid by Herbalife, and Book 4 which includes the Sales & Marketing Plan and the Rules of Conduct ("Rules"), as well as the Policy Statement on Expenditures by New Members, the Corporate Policy Statement on Sales Aids and Business Tools and other documents. (These are referred to collectively as the "Materials" and by this reference are incorporated herein, and together with this Application, including the arbitration agreement below, constitute the entire "Agreement" between Herbalife and me.) The Materials, which may be modified from time to time by Herbalife in its sole and absolute discretion, are effective upon publication, and may be obtained in their current form on MyHerbalife.com.
- 4. Term:** The term of the Agreement shall be indefinite, subject to requirements including an Annual Services Fee (which Herbalife may determine from time to time in its discretion). I may cancel or terminate my Membership by notifying Herbalife in writing that I wish to do so. Herbalife may cancel or terminate my Membership if it determines that I or persons participating in my Herbalife Membership have violated the Agreement or if I fail to pay the Annual Services Fee.
- 5. Refunds:**
- a. Member Pack Refund:** I shall have the right to a full refund of the purchase price I paid for the Member Pack, if I choose to cancel my Membership with Herbalife within 90 days of acceptance of this Application, as provided in the Rules – Resigning Within 90 Days.
 - b. Consumer Satisfaction Refund:** If I am not completely satisfied with any Herbalife® product purchased at any time for my own consumption (whether directly from Herbalife or from an Herbalife Member), I may return it to the Company within 30 days of purchase in exchange for other products, as provided in the Rules – Satisfaction Guarantee.
 - c. Refund for Inventory:** Following the cancellation (by me or by Herbalife) of my Membership, I shall have the right to resell to Herbalife and a refund of the price I paid for unused and resalable products or sales materials returned and which I purchased from Herbalife directly or indirectly through another Member within the last 12 months, as provided in the Rules – Inventory Repurchase.
 - d. How to Obtain a Refund:** To obtain a refund or exchange as provided in a, b or c above, I may follow the directions provided in the "Sample Forms" section of Book 4 contained in the Member Pack and available at MyHerbalife.com, or by contacting Herbalife (toll-free) at 866-866-4744.
- 6. Transfers:** My Membership or any interest in my Membership may only be assigned or transferred as provided in the Rules and only with the prior written consent of Herbalife, given or withheld by Herbalife in its sole and absolute discretion. Herbalife may assign the Agreement without my consent.

B The Herbalife Business Opportunity

- 1. Diligent Inquiry:** If I wish to consider engaging in an Herbalife business, by selling Herbalife® products or sponsoring other Members to do so, I agree as an essential part of that consideration, to carefully review the Materials contained in the Member Pack and those then available on MyHerbalife.com. Herbalife encourages careful prior review so I will be informed about the potential risks, benefits and rules applicable to Members engaged in business activities.
- 2. Compensation I Might Receive or Income that I Might Earn:** The Compensation Statement (contained in the Member Pack and available on MyHerbalife.com) is the only authorized presentation of the matters it sets forth. I hereby represent, warrant and agree that I am not relying upon and that I will not rely upon any other written or oral information or representations about the financial results I might achieve.
- 3. Promote the Sale of Products:** If I choose to engage in the Herbalife Business, I will promote the sale of Herbalife® products to consumers in a manner that enhances the reputation of Herbalife. My success will only come from product sales to my customers for their consumption and to my downline for their consumption and resale to others.
- 4. Product and Other Purchases:** I am not required to purchase products or maintain an inventory to succeed or advance as an Herbalife Member. I may not purchase product primarily to qualify to earn compensation, as opposed to purchases which I freely choose to make for my own consumption and amounts I consider reasonable to service my customers. I am also not required to purchase sales aids or attend meetings or events.
- 5. Building a Sales Organization:** I am aware that I will earn no compensation or other economic benefit for recruiting other Members. If I choose to sponsor others as Herbalife Members in order to build and maintain a downline sales organization, my earnings will be based on product sales to my customers for their consumption and to my downline for their consumption and resale to others. This multilevel compensation opportunity is detailed in Herbalife's Sales & Marketing Plan, which is available to all Members online at MyHerbalife.com.

C Additional Legal Provisions

- 1. Damages:** Neither Herbalife nor I 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.
- 2. Waiver and Delay:** Herbalife may address Rules violations or other breaches of its Agreement with any Member 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 Member shall constitute a waiver of the provisions or a waiver by Herbalife of its rights at any time under the Agreement.
- 3. Severability:** Except as otherwise provided in Section (3) of the arbitration agreement, 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.
- 4. Choice of Law:** This Agreement, and any dispute arising from the relationship between the parties to this Agreement, shall be governed by the domestic law of the State of California without the application of conflict of law principles.

C Additional Legal Provisions (Continued)

- 5. Indemnification:** I 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 my breach of the Agreement or the conduct of my Herbalife business. Herbalife may offset reasonable amounts against amounts which would otherwise be due to me to cover such indemnity.
- 6. Claims Between Members:** Herbalife shall not be liable to me for any cost, loss, damage, or expense suffered by me directly or indirectly as a result of any act, omission, representation, or statement by any other Member.
- 7. Binding Terms:** The Agreement shall be binding upon and inure to the benefit of the parties, their heirs and permitted successors in interest.

ARBITRATION AGREEMENT FOR DISPUTES BETWEEN MEMBERS AND HERBALIFE

This is the Arbitration Agreement incorporated into the Membership Application and Agreement. Herbalife is always interested in resolving disputes amicably and informally. In the event, however, that Herbalife and Member have a dispute that cannot be resolved informally, Herbalife and Member each agree to resolve the dispute solely and exclusively by binding arbitration or in small claims court instead of in court of general jurisdiction. Arbitration can be more informal than a lawsuit in court. Arbitration uses a neutral arbitrator instead of a judge or jury, allows for more limited discovery than in court, and is subject to very limited review by courts. Arbitrators can award the same damages and relief that a court can award.

HERBALIFE AND MEMBER BOTH WAIVE THE RIGHT TO TRIAL BY JURY. ALSO, ANY ARBITRATION UNDER THIS AGREEMENT SHALL TAKE PLACE ON AN INDIVIDUAL BASIS; CLASS OR REPRESENTATIVE ACTIONS SHALL NOT BE PERMITTED.

For any claim that does not exceed \$75,000, Herbalife will pay all arbitration fees unless the arbitrator finds that Member's claim is frivolous or was filed for an improper purpose. Member may also be entitled to recover attorneys' fees from Herbalife to at least the same extent as Member could in court, and Herbalife may be required to pay Member more than the amount of the arbitrator's award and to pay Member's attorney (if any) twice his or her reasonable attorney's fees. All of these provisions are set forth in full detail below.

Arbitration Agreement:

(1) Scope

- (a) This agreement to arbitrate is intended to be broadly interpreted. Except as provided in Section (2) below, Herbalife and Member agree to arbitrate all disputes and claims between them, including, but not limited to:
 - claims that arise out of or relate to terminations, enforcement of Member Rules of Conduct, and Sales & Marketing Plan decisions;
 - claims that arise out of or relate to any dispute between Member and another Herbalife Member;
 - claims that arise out of or relate to any aspect of the relationship between Herbalife and Member, whether based in contract, tort, statute, fraud, misrepresentation, or any other legal or equitable theory;
 - claims that arose before Member's contractual relationship with Herbalife;
 - claims that are the subject of purported class action litigation in which Member is not a member of a certified class; and
 - claims that may arise before, after or as a direct or indirect result of the termination of Member's relationship with Herbalife.
- (b) The arbitrator shall have exclusive authority to the extent permitted by law to resolve all disputes arising out of or relating to the interpretation, applicability, enforceability, or formation of the Agreement, including, but not limited to, any claim that all or part of the Agreement is void or voidable. The arbitrator shall also have exclusive authority to the extent permitted by law to decide the arbitrability of any claim or dispute between Member and Herbalife.
- (c) The Agreement between Member and Herbalife evidences a transaction in interstate commerce. Thus, the Federal Arbitration Act governs the interpretation and enforcement of this arbitration agreement in all respects, including, without limitation, the enforceability of the class action waiver in Section 3 below. This arbitration agreement shall survive termination of the Agreement, any agreements that are comprised in the Agreement, or any other agreement between Herbalife and Member.
- (d) References to "Herbalife," "Member," "they," "their" or "them" include Herbalife's and Member's respective subsidiaries, affiliates, officers, directors, agents, employees, predecessors-in-interest, heirs, successors, and assigns.
- (e) **Member agrees that Herbalife and Member are each waiving the right to a trial by jury.**
- (f) This arbitration agreement applies to Herbalife and all Members regardless of when they entered into their Agreement with Herbalife.

(2) Exceptions

Notwithstanding the foregoing,

- (a) Member may bring an individual action for monetary damages in small claims court. Member may not bring any other type of action against Herbalife in small claims court. Herbalife may only arbitrate claims against Member and may not bring any actions against Member in small claims court.
- (b) Member may bring issues to the attention of federal, state or local agencies, which, if the law allows, can seek relief against Herbalife on Member's behalf.

(3) No Class or Representative Actions

- (a) **Member agrees that Herbalife and Member are each waiving the right to participate in a class or representative action or proceeding. Herbalife and Member may only bring claims against each other in their individual capacity. Neither may bring claims against the other as a plaintiff or member in any purported class or representative action or proceeding. Unless both Herbalife and Member agree otherwise, the arbitrator may not consolidate more than one person's claims, and may not otherwise preside over any form of a representative or class proceeding.**
- (b) If the above provision is found to be illegal, invalid, or unenforceable, then this entire arbitration agreement shall be null and void. The overall Agreement between Member and Herbalife, however, shall remain in full force and effect except insofar as it is inconsistent with the nullification of this arbitration agreement.

(4) Procedure

(a) All notices to Herbalife that are required under this arbitration agreement should be addressed to:

Office of the General Counsel
Herbalife International of America, Inc.
800 West Olympic Blvd., Suite 406
Los Angeles, CA 90015

(The "Herbalife Notice Address"). All notices to Member required under this arbitration agreement shall be addressed to Member's mailing address as listed in the Herbalife's records. ("Member's Notice Address").

(b) Member can download or obtain copies of forms for giving notice and commencing arbitration at http://www.adr.org/aaa/ShowPDF?doc=ADRSTG_004175, or by calling the AAA at 1-800-778-7879, or by requesting them from Herbalife by writing to the Herbalife Notice Address.

(c) A party who intends to seek arbitration must first send to the other, by certified mail, a written Notice of Dispute. The Notice of Dispute shall (i) describe the nature and basis of the claim or dispute; and (ii) set forth the specific relief sought ("Demand").

(d) Herbalife and Member shall attempt to resolve the claim informally within 30 days after the Notice of Dispute has been received. If Herbalife and Member do not reach an agreement to resolve the claim within 30 days, Herbalife or Member may commence an arbitration proceeding.

(e) If Member commences an arbitration proceeding and sends notice that it has commenced arbitration to the Herbalife Notice Address, Herbalife will promptly reimburse Member for Member's payment of the filing fee unless Member's claim is for greater than \$75,000. (The filing fee currently is \$125 for claims under \$10,000, but is subject to change by the arbitration provider.) If Member states that Member is unable to pay this fee, Herbalife will pay it directly upon receiving a written request at the Herbalife Notice Address.

(f) The arbitration will be governed by the Commercial Arbitration Rules ("AAA Rules") of the American Arbitration Association ("AAA"), as modified by this arbitration agreement, 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. All issues shall be for the arbitrator to decide, including the scope of this arbitration provision, but the arbitrator shall be bound by the terms of this arbitration agreement. State arbitration laws do not apply or govern in any respect whatsoever.

(g) Unless Herbalife and Member agree otherwise, any arbitration hearings will take place in the county (or parish) of Member's Notice Address. If Member's claim is for \$10,000 or less, Member may choose whether the arbitration will be conducted solely on the basis of documents submitted to the arbitrator, through a telephonic hearing, or by an in-person hearing as established by the AAA Rules. If Member's claim exceeds \$10,000, the right to a hearing will be determined by the AAA Rules. Regardless of the manner in which the arbitration is conducted, the arbitrator shall issue a reasoned written decision sufficient to explain the essential findings and conclusions on which the award is based.

(h) Herbalife will pay all AAA filing, administration, and arbitrator fees for any arbitration initiated in accordance with the notice requirements above, unless (i) Member seeks more than \$75,000 in damages, or (ii) the arbitrator finds that Member's claim or the relief sought in the Demand is frivolous or was brought for an improper purpose (as measured by the standards set forth in Federal Rule of Civil Procedure 11(b)), in which case the payment of these fees will be governed by the AAA Rules instead. If the second of these exceptions applies, Member must reimburse Herbalife for any payments that would have been Member's obligation to pay under the AAA Rules.

(i) The amount of any settlement offer made by Herbalife or Member shall not be disclosed to the arbitrator until after the arbitrator determines the amount, if any, to which Herbalife or Member is entitled.

(j) Upon either party's request, the arbitrator will issue an order requiring that confidential information of either party disclosed during the arbitration (whether in documents or orally) may not be used or disclosed except in connection with the arbitration or a proceeding to enforce the arbitration award, and that any permitted filing of confidential information must be done under seal.

(5) Awards and Attorneys' Fees

(a) If, the arbitrator issues an award in favor of Member that exceeds than the value of the last written settlement offer made by Herbalife before an arbitrator was selected, then Herbalife will:

- pay Member the amount of the award or \$10,000 ("the alternative payment") whichever is greater; and
- pay Member's attorney, if any, twice the amount of attorneys' fees, and reimburse any expenses (including expert witness fees and costs) that Member's attorney reasonably accrued for investigating, preparing, and pursuing Member's claim in arbitration ("the attorney premium")

(b) If Herbalife did not make a written offer to settle the dispute before an arbitrator was selected, Member and Member's attorney will be entitled to receive the alternative premium and the attorney premium, respectively, if the arbitrator awards Member any relief on the merits of Member's claim.

(c) Upon request from either party, the arbitrator may make rulings and resolve disputes as to the payment and reimbursement of arbitration fees and expenses at any time during the arbitration proceeding. The arbitrator may also make rulings and resolve disputes as to the alternative premium and the attorney premium, if any, upon request from either party made within 14 days after the arbitrator's ruling on the merits.

(d) The right to attorneys' fees, costs, and expenses under this arbitration agreement shall supplement any right to attorneys' fees, costs, and expenses Member may have under applicable law. If Member would be entitled to a larger amount under the applicable law, the arbitrator may award Member that amount. However, Member may not recover duplicative awards of attorneys' fees, costs, or expenses.

(e) Under some laws, Herbalife may have a right to an award of attorneys' fees, costs, and expenses if it prevails in an arbitration. Herbalife nonetheless agrees that it will not seek such an award.

(f) The arbitrator may award declaratory or injunctive relief only in favor of the individual party seeking relief and only to the extent necessary to provide relief warranted by that party's individual claim.

IDENTIFICATION NUMBER

The number above will be my Herbalife ID Number once this Application is accepted

HERBALIFE AND MEMBER AGREE THAT EACH MAY BRING CLAIMS AGAINST THE OTHER ONLY IN MEMBER'S OR HERBALIFE'S INDIVIDUAL CAPACITY, AND NOT AS A PLAINTIFF OR CLASS MEMBER IN ANY PURPORTED CLASS OR REPRESENTATIVE PROCEEDING.

(6) Amendments

Herbalife reserves the right to amend, modify, or terminate this arbitration agreement by amending or modifying the Rules of Conduct, which contain a copy of this arbitration agreement. However, any such amendment, modification, or termination of the arbitration agreement shall not apply to claims that have accrued or are otherwise known to Herbalife at the time of the amendment, modification, or termination.

(7) Severability

If any provision of this arbitration agreement other than Section 3(a) is held to be illegal, invalid, or unenforceable, such provision shall be fully severable and the arbitration agreement shall be construed and enforced as if it had never included such provision, and the remaining provisions shall remain in full force and effect and shall not be affected by the severed provision. Furthermore, in lieu of the severed provision, there shall be added automatically as part of this arbitration agreement a provision as similar as possible to the severed provision that would be legal, valid, and enforceable.

D Agreement To Arbitrate

IMPORTANT; PLEASE READ THIS CAREFULLY. BY ENTERING INTO THE AGREEMENT, YOU ARE WAIVING YOUR RIGHT TO A TRIAL BY JURY AND AGREEING NOT TO PARTICIPATE IN ANY CLASS ACTIONS.

IF HERBALIFE AND I ARE UNABLE TO RESOLVE ANY DISPUTE BETWEEN US IN AN AMICABLE, INFORMAL MANNER, HERBALIFE AND I EACH AGREE TO RESOLVE THE DISPUTE SOLELY AND EXCLUSIVELY BY BINDING ARBITRATION OR SMALL CLAIMS COURT INSTEAD OF IN COURTS OF GENERAL JURISDICTION. I UNDERSTAND THAT HERBALIFE AND I ARE WAIVING OUR RESPECTIVE RIGHTS TO A JURY TRIAL. HERBALIFE AND I ALSO AGREE THAT ARBITRATION SHALL ONLY TAKE PLACE ON AN INDIVIDUAL BASIS, AND THAT CLASS OR REPRESENTATIVE ACTIONS SHALL NOT BE PERMITTED.

I UNDERSTAND THAT THE FULL TERMS AND CONDITIONS OF THE AGREEMENT TO ARBITRATE ARE SET FORTH DIRECTLY BELOW, AND THAT "MEMBER," WHEN USED IN THE ARBITRATION AGREEMENT, REFERS TO ME. I HEREBY ACKNOWLEDGE THAT I HAVE READ AND UNDERSTOOD THOSE TERMS AND CONDITIONS AND AGREE TO THEM.

☐ Initial here

E Cancellation

Important Notice Regarding Right of Cancellation

I, the buyer, may cancel this transaction at any time prior to midnight of the third business day after the date of this transaction.

See the "Notice of Cancellation" form that follows for an explanation of this right. After the 3-day cancellation period provided in this Application and Agreement, I am still protected by Herbalife's refund policies.

I hereby acknowledge that I have reviewed and understand this Herbalife Membership Application and Agreement, including the arbitration agreement, and all of the documents defined above as "Materials," which are incorporated herein, and that I agree to be bound by all of them.

Applicant's Signature: _____

_____/_____/_____
Month Day Year

Only complete if you intend to cancel this transaction.

NOTICE OF CANCELLATION

FEDERAL AND STATE LAW: Regulations require that we print the following Notice of Cancellation. The Herbalife Refund Policy provides you greater protection than the law requires.

Date of Transaction: ____ / ____ / ____

You may CANCEL this transaction, without any Penalty or Obligation, within THREE BUSINESS DAYS from the above date.

If you cancel, any property traded in, any payments made by you under the contract or sale, and any negotiable instrument executed by you will be returned within TEN BUSINESS DAYS following receipt by the seller of your cancellation notice, and any security interest arising out of the transaction will be canceled.

If you cancel, you must make available to the seller at your residence, in substantially as good condition as when received, any goods delivered to you under this contract or sale; or you may, if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk.

If you do make the goods available to the seller and the seller does not pick them up within 20 days of the date of your Notice of Cancellation, you may retain or dispose of the goods without any further obligation. If you fail to make the goods available to the seller, or if you agree to return the goods to the seller and fail to do so, then you remain liable for performance of all obligations under the contract.

To cancel this transaction, mail or deliver a signed copy of this Cancellation Notice or any other written notice, or send a telegram to:

Herbalife International of America, Inc.
P.O. Box 80210
Los Angeles, CA 90080-0210

NOT LATER THAN MIDNIGHT OF: ____ / ____ / ____ (Date: 3 days after date of order)

I HEREBY CANCEL THIS TRANSACTION:

____ / ____ / ____
Month Day Year

Buyer's Signature

--	--	--	--	--	--	--	--	--	--

Membership ID



Herbalife is a proud Member of the Direct Selling Association and a Signatory to the DSA Code of Ethics.

ADDITIONAL TERMS AND CONDITIONS OF DOING THE HERBALIFE BUSINESS

I agree that if I choose to conduct the Herbalife business in any respect:

A. Independent Contractor

Self-employed: I will be a self-employed independent contractor, (determining my own schedule and objectives, responsible for my own expenses and any applicable taxes – including self-employment taxes), not an employee, agent, franchisee, securities holder, joint venturer, fiduciary or beneficiary of Herbalife or any other Member. I will not be treated as an employee with respect to such services for Federal or State tax purposes, nor will I be treated as an employee for any other purpose. As an independent contractor, I agree that I shall have no rights or benefits that an employee of Herbalife may have nor will I make any claim to the contrary.

B. Important Corporate Statements

The Corporate Statements referenced below, and other important policies are contained in the Materials and are also available online at MyHerbalife.com or from Herbalife Member Services and are hereby incorporated by this reference. I agree to carefully review those Statements prior to any decision or action to engage in the Herbalife business, including but not limited to reselling Herbalife® products, sponsoring other Members or both.

Compensation Statement: The Compensation Statement is the only authorized presentation of the matters it sets forth. I hereby represent, warrant and agree that I am not relying and will not rely in the future upon any other written or oral information or representations about the financial results I might achieve.

Expenditures and Business Tools: The [Policy Statement on Expenditures by New Members](#) and the [Corporate Policy Statement on Sales Aids and Business Tools](#) set forth Herbalife's positions and recommendations with respect to the matters they cover.

C. Purchases

- The Only Required Purchase:** The only required purchase to become, succeed, or advance as an Herbalife Member is the Herbalife Mini Member Pack or at my election the Herbalife Member Pack.
- Product Purchases:** All product purchases are optional, as are the purchase of any sales aids. I may not purchase product primarily to qualify to earn compensation, as opposed to purchases for my own consumption and amounts I consider reasonable to service my customers.
- Sales Aids:** Herbalife does not endorse or recommend sales aids produced or sold by others and shall have no responsibility if I decide to purchase them. I may not buy, nor may I, directly or indirectly, sell, promote, recommend, refer, facilitate or take any action which Herbalife might deem to encourage or promote the purchase, use or sale by another Member of leads, leads-related advertising, advertising slots or decision packs.

D. Further Agreements

- Sales of Herbalife® products:** I will promote the sale of Herbalife® products in a manner that enhances the reputation of Herbalife. My success will only come from sales of Herbalife® products by me and those I have sponsored, directly or indirectly, for consumption and resale.
- Illegal Practices:** I will not engage in any deceptive, unfair or illegal practices, and I will comply with applicable law. I will comply with Herbalife's Rules of Conduct published in the countries in which I conduct any aspect of the Herbalife business.
- Obligations of Sponsorship:** If I sponsor others to become Members, I will do so in an ethical and lawful manner, and in compliance with this Agreement and applicable law. Thereafter, I will use best efforts to train, assist and support those I sponsor to do the same, and I will communicate and lead by example.
- Representations:** I will make no representations about Herbalife® products or business opportunity except in compliance with Herbalife's Rules and applicable law.
- Conduct:** Herbalife is a family-oriented business that expects its Members to conduct themselves with the highest ethics and integrity. I agree to do so. I represent and warrant that I have not been convicted of a crime involving dishonesty, moral turpitude, or violence to others.
- Non-Solicitation of Other Members While I am an Herbalife Member:** During the term of my Membership, neither I nor my spouse will, directly or indirectly (through or by means of any person, entity or artifice), solicit, promote, sponsor or recruit any Herbalife Member or any customer of Herbalife of whom my spouse or I became aware in the course of the Herbalife Membership, to join, promote, sell or purchase products of, or participate (as a salesperson or otherwise) in any multilevel marketing or direct sales company and neither of us will encourage anyone to do what I have agreed we will not do.
- Intellectual Property and Confidential Information:**
 - From time to time, I may receive personally identifiable information ("PII"), from Herbalife relating to my downline. I may not use this PII for any other purpose than to develop my Herbalife business relationship with my downline, unless I have received consent from the downline Member to use the PII for other purposes. I will abide by applicable data protection laws at all times, including international data transfer restrictions. I shall be responsible for the use that I make of the PII of my downline once Herbalife has transmitted it to me. I shall also hold the PII I receive from Herbalife on my downline Members at all times in strict confidence.
 - I am hereby granted during the term of my Membership, a limited, revocable license to use Herbalife's trade name, logo, trademarks and certain intellectual property only if and to the extent expressly permitted under the terms of the Agreement or by Herbalife in writing.
 - During the term of a Membership and thereafter for so long as they have economic value, my spouse and I will hold in confidence and trust for the exclusive benefit of Herbalife any trade secrets, formulas, business plans, or confidential or proprietary business information (including, without limitation, genealogies and other compilations of identifying and other data relating to other Members or customers), and any other information of commercial value relating to other Members or customers, provided by Herbalife or that I or we developed or obtained while a Member, and neither I nor my spouse will use them, directly or indirectly, for any purpose other than the conduct of the Herbalife Membership.
 - I authorize Herbalife to videotape and photograph me and I grant Herbalife a license to use my name, photograph, video images, personal story and information I provide to Herbalife, and likeness in Herbalife related promotional materials. I hereby waive all claims for payment for such use.



UNITED STATES AND PUERTO RICO

Order Date: _____
Order Month: _____
Order Number: _____

Monday – Friday: 11:00 a.m. - 7:00 p.m. (PT) **Saturday:** 9:00 a.m. - 2:00 p.m. (PT) **Sunday:** Closed

Ship To	2		
<p>Name: _____</p> <p>Address: _____ _____</p> <p>Telephone: _____ Fax: _____</p> <p>Email Address: _____</p>			
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%; padding: 5px;">Payment Method</td> <td style="width: 40%; padding: 5px;"> Note: APS not available for Puerto Rico residents. <div style="float: right; width: 30px; text-align: center; border: 1px solid black; font-weight: bold;">4</div> </td> </tr> </table>		Payment Method	Note: APS not available for Puerto Rico residents. <div style="float: right; width: 30px; text-align: center; border: 1px solid black; font-weight: bold;">4</div>
Payment Method	Note: APS not available for Puerto Rico residents. <div style="float: right; width: 30px; text-align: center; border: 1px solid black; font-weight: bold;">4</div>		
<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <input type="checkbox"/> Credit Card </div> <div style="width: 45%;"> <input type="checkbox"/> Personal Check* </div> </div> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div style="width: 45%;"> <input type="checkbox"/> Cashier's Check </div> <div style="width: 45%;"> <input type="checkbox"/> Wire Transfer </div> </div> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div style="width: 45%;"> <input type="checkbox"/> APS No </div> <div style="width: 45%;"> <input type="checkbox"/> Other: _____ </div> </div> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div style="width: 45%;"> Credit Card Type: _____ </div> <div style="width: 45%;"> Expiration Date: _____ / _____ <small>Month Year</small> </div> </div> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div style="width: 45%;"> Credit Card Number: <div style="border: 1px solid black; display: inline-block; width: 150px; height: 20px; margin-left: 5px;"></div> </div> <div style="width: 45%;"></div> </div>			

[illegible]



UNITED STATES AND PUERTO RICO

Order Date: _____
Order Month: _____
Order Number: _____

Monday – Friday: 11:00 a.m. - 7:00 p.m. (PT) **Saturday:** 9:00 a.m. - 2:00 p.m. (PT) **Sunday:** Closed

*New Single-Unit Order Shipping Policy for USA effective September 18, 2000.

Date: _____

HERBALIFE MEMBER

Name: _____

Address: _____

City, State, Zip Code: _____

Telephone: _____ Cell Phone: _____

Email Address: _____

CUSTOMER

Name: _____

Address: _____

City, State, Zip Code: _____

Telephone: _____ Cell Phone: _____

Email Address: _____

[illegible]

Customer Signature:

understand that this order may be considered as an invitation to call upon me from time to time, with the understanding that I will be under no obligation to buy.

Important Notice

You, the buyer, may cancel this transaction at any time prior to midnight of the third business day after the date of this transaction.

See the Notice of Cancellation on the reverse of this form for an explanation of this right. After the 3-day cancellation period provided above, you are still protected by the HERBALIFE REFUND POLICY as set forth.

Distribution: **White** - For your records. **Yellow** and **Pink** - To customer.

5001-US-06

10/13

Herbalife Refund Policy

Herbalife offers an exchange or a full refund. Simply request a refund from your Member within thirty (30) days from your receipt of the product, and return the unused portion with the product containers to the Member named on the reverse side.

FEDERAL AND STATE LAW: Regulations require that we print the following Notice of Cancellation. The Herbalife Refund Policy offers and provides you greater protection than the law requires.

Notice of Cancellation

Date of Transaction: _____ / _____ / _____

You may CANCEL this transaction, without any penalty or obligation, within THREE BUSINESS DAYS from the above date.

If you cancel, any property traded in, any payments made by you under the contract or sale, and any negotiable instrument executed by you will be returned within TEN BUSINESS DAYS following receipt by the seller of your cancellation notice, and any security interest arising out of the transaction will be canceled.

If you cancel, you must make available to the seller at your residence, in substantially as good condition as when received, any goods delivered to you under this contract or sale; or you may, if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk.

If you do make the goods available to the seller and the seller does not pick them up within 20 days of the date of your Notice of Cancellation, you may retain or dispose of the goods without any further obligation. If you fail to make the goods available to the seller, or if you agree to return the goods to the seller and fail to do so, then you remain liable for performance of all obligations under the contract.

To cancel this transaction, mail or deliver a signed copy of this Cancellation Notice or any other written notice, or send a telegram to:

Herbalife Member: _____

Address:

City: _____ State: _____ Zip Code: _____

NOT LATER THAN MIDNIGHT OF: _____ / _____ / _____
(Date: 3 days after date of order)

I HEREBY CANCEL THIS TRANSACTION:

_____/_____/_____
Day/Month/Year

Buyer's Signature

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Please mail/fax this completed form using the information below:

Herbalife International of America, Inc.
950 West 190th Street
Torrance, CA 90502-1001

Member Services: (866) 866-4744
Fax: (310) 258-7112

SUPERVISOR QUALIFICATION FORM

Date:

Fully Qualified Supervisor:

Only one (1) Supervisor Qualification Form is required for each leg qualifying in your organization. Please submit this Form to your Member Services Department no later than the 5th of the month following your Member's qualifying orders.

Please mark the appropriate box(es) below

Qualifying Month/Year: _____

*One-Month Qualification <input type="checkbox"/>	Two-Month Qualification <input type="checkbox"/>	Qualifying With Organization <input type="checkbox"/>
Achieve a minimum of 4,000 Volume Points in one calendar month, of which at least 1,000 Volume Points are Unencumbered Volume Points (i.e., not used by another Member to qualify).	FIRST MONTH OF A TWO-MONTH QUALIFICATION: <input type="checkbox"/> Achieve a minimum of 2,500 Volume Points in one calendar month, of which at least 1,000 Volume Points are Unencumbered Volume Points. SECOND CONSECUTIVE MONTH OF A TWO-MONTH QUALIFICATION: <input type="checkbox"/> Achieve a minimum of 2,500 Volume Points in one calendar month, of which at least 1,000 Volume Points are Unencumbered Volume Points. When completing a two-month qualification, an application must be turned in separately each month.	Did your downline qualify with their organization? Please list below the names, Herbalife ID numbers and Unencumbered Volume Points of the Members qualifying in this organization. Each Member must have a minimum of 1,000 Volume Points that are not being used by another Member becoming a Supervisor (Unencumbered Volume Points). The bottom Member in the organization must have 4,000 Volume Points for a one-month qualification or a minimum of 2,500 Volume Points for a two-month qualification.
If there are more Members qualifying in this organization, please add to the chart as appropriate, and attach additional information (i.e., Name, Herbalife ID number and Volume Points) or complete a new form. Please complete a separate form for each new leg qualifying.		

FULLY QUALIFIED SUPERVISOR

1ST LEVEL

1-Month ☐
1st Month ☐
2nd Month ☐

Please check one box for each Member qualifying

2ND LEVEL

1-Month ☐
1st Month ☐
2nd Month ☐

3RD LEVEL

1-Month ☐
1st Month ☐
2nd Month ☐

4TH LEVEL

1-Month ☐
1st Month ☐
2nd Month ☐

Fully Qualified Supervisor Name	
Herbalife ID Number	
Telephone Number	
Fully Qualified Supervisor: Please write the name, Herbalife ID number and Volume Points below for each Member qualifying in your organization.	

1st Level:

Name	
Herbalife ID Number	
Unencumbered Volume Points	

2nd Level:

Name	
Herbalife ID Number	
Unencumbered Volume Points	

3rd Level:

Name	
Herbalife ID Number	
Unencumbered Volume Points	

4th Level:

Name	
Herbalife ID Number	
Unencumbered Volume Points	

*Don't forget to call Member Services Toll-Free at (866) 866-4744 to place those qualifying at Temporary 50% status.



TAB TEAM PRODUCTION BONUS ACKNOWLEDGMENT FORM

Your Acknowledgment Form must be received and approved by Herbalife International of America, Inc., in its discretion, before any TAB Team Production Bonuses are earned. The TAB Team Production Bonus is only available to Fully Qualified TAB Team members who continue to comply with all of the terms and conditions as provided in their Member Agreement.

Mail or fax this form using the information above. Attention: Records Administration Department.



HERBALIFE®

Automatic Payment Service (APS) Authorization Agreement & Application

Note: APS not available for Puerto Rico residents.

I authorize HERBALIFE INTERNATIONAL (HERBALIFE) to begin deductions from my account with the financial institution named for payment of my Herbalife product, literature and/or sales promotion orders (Herbalife orders).

This authorization will remain in effect until properly revoked by me in writing. I understand that my right to stop automatic payment of my HERBALIFE orders will be effective upon receipt of timely written notice by HERBALIFE and/or my designated financial institution prior to the time my account is charged. I understand that HERBALIFE and/or the financial institution indicated reserve the right to end this payment plan and my participation therein upon dispatch of timely written notice.

APS IS AVAILABLE TO SUPERVISORS WHO HAVE BEEN QUALIFIED FOR 30 DAYS OR MORE.

Attach voided check or deposit slip here

NOTE: IMPORTANT INFORMATION BELOW - PLEASE COMPLETE ONE APS APPLICATION PER MEMBERSHIP

()

Please print your name (as shown on financial institution records)		Daytime Telephone Number	
Home Address	Street	City	State Zip Code
Email Address			
Name and ID Number on HERBALIFE Member Application (please print)		Social Security Number or Individual Tax identification Number	
Indicate four-digit code number (must be numerical, no letters) to be used for verification*		<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	
Signature (Primary Member)	If Joint Account (Other Signature)	Date	

Please allow 15 days for processing

IMPORTANT: To avoid delay in processing, you must attach a check marked "VOID," or a savings account deposit slip (most savings accounts only allow a limited number of deductions per month) with your bank's routing number and your account number noted on the deposit slip. In addition, please verify this information with your bank especially if using a credit union account as the transit routing number may be different than what is on your check or deposit slip. Please fill in the spaces provided below:

<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Transit Routing Number (9 digits)	Bank Account Number	Checking	Savings
Name of Your Bank, Savings & Loan, etc.		City, State	Bank Telephone #

* Please fill in the boxes provided with a four-digit Personal Identification Number (PIN). (You decide the code- it may be a birth date, anniversary date, etc.) Please remember your PIN and refer to it each time you place an APS Phone-In Order. Please keep a copy of this Agreement & Application form for your records.

RETURN THIS ENTIRE PAGE TO: HERBALIFE WORLD HOME OFFICE
ATTN: ACCOUNTS RECEIVABLE DEPARTMENT
P.O. BOX 80210
LOS ANGELES, CA 90080-0210



950 West 190th Street
Torrance, CA 90502-1001
P.O. Box 80210
Los Angeles, CA 90080-0210

Phone: (866) 866-4744
Fax: (310) 258-7112
TTY User: (800) 503-6108

- 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 same country)

☐ Email Address
☐ Mailing Address
☐ Legal/Fiscal Address

All changes will be effective immediately upon completion of the processing of this form by Herbalife.

[illegible]

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[illegible]

U.S. Social Security Number or Individual Tax Identification Number

[illegible][illegible]

Previous Mailing Address

[illegible][illegible][illegible][illegible][illegible][illegible][illegible]

Previous Legal/F

[illegible][illegible][illegible][illegible][illegible][illegible][illegible]

New Mailing Address

[illegible][illegible][illegible][illegible][illegible][illegible][illegible]

New Legal/Fiscal

[illegible][illegible][illegible][illegible][illegible][illegible]

			-						
--	--	--	---	--	--	--	--	--	--

Your Signature: _____ Date: _____



HERBALIFE INTERNATIONAL OF AMERICA, INC.

Main Phone: (310) 410-9600

Member Services: (866) 866-4744

TTY Users: (800) 503-6180

Los Angeles Distribution Center

18431 S. Wilmington Ave., Carson, CA 90746

Puerto Rico Sales Center

Ave. Jose (Tony) Santana, Building #18 C-8

Carolina, P.R. 00979

REQUEST FOR REFUND FORM

Memphis Distribution Centers

5025 Crumpler Road, Memphis, TN 38141

HERBALIFE MEMBER

Within 30 days following the refund to your Customer, this form must be completely and accurately filled out, signed and returned **in duplicate** to your nearest Herbalife Distribution Center, along with a copy of your Customer's Retail Order Form, **and the unused portion of the product, or the original product labels, or the empty product containers.** Note: All of the items listed above are required in order to process this request.

Herbalife ID Number		
Member's Name		
Member's Address		
City	State	Zip Code
Phone		

Please indicate the shipping address for your replacement product.

☐ Same as Member's address

Name

Address

City

State

Zip Code

I certify that on this date ____ / ____ / ____ I have refunded the Customer (stated below) for the sum of \$ _____, or upon their request, I have issued my Customer full credit toward the purchase of other Herbalife products. (Please refer to the Herbalife Satisfaction Guarantee in the Career Book for detailed requirements.)

Member's Signature: _____ Date: ____ / ____ / ____

HERBALIFE CUSTOMER

Name		
Address		
City	State	Zip Code
Phone		

Please state the reasons you were dissatisfied with the products:

After trying the Herbalife® product for: ☐ 1 week ☐ 2 weeks ☐ 3 weeks ☐ 4 weeks

In accordance with Herbalife's 30-Day Money-Back Guarantee: I herewith return a copy of my Retail Order Form, along with **the unused portion of the product, or the original product labels, or the empty product containers**, to my Herbalife Member, for:

- ☐ A full credit toward the purchase of other Herbalife products, or
☐ A full refund of the purchase price indicated below.

I certify, on this date ____ / ____ / ____ I requested a refund or credit toward the purchase of other Herbalife products in the amount of \$ _____, and I acknowledge receiving the:

- ☐ Refund ☐ Full credit toward other Herbalife products

Customer's Signature: _____ Date: ____ / ____ / ____

HERBALIFE DISTRIBUTION CENTER

☐ LADC

☐ Memphis

☐ Puerto Rico

Within 30 days following the Member's refund to the Customer, the Distribution Center has:

- ☐ Received **the unused portion of the product, or the original product labels, or the empty product containers**
☐ Received the Retail Order Form.
☐ Replaced the identical product and shipped to the Member.

Returns Clerk Signature: _____ Date: ____ / ____ / ____

Description of Return

Shipped By

Pick up

30-Day Money-Back Guarantee



HERBALIFE®

Herbalife International of America, Inc.
P.O. Box 80210
Los Angeles, California 90080-0210
Tel: (310) 410-9600

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

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] MyHerbalife.com [Click on] [MyOffice](#) [Click on] [Documents](#)
2. **Submit the form electronically:** [Log on to] MyHerbalife.com [Click on] [MyAccounts & Reports](#) [Click on] [Submit 10 Customers Form](#)
3. **By Mail:** Herbalife International of America, Inc.
P.O. Box 80210
Los Angeles, CA 90080-0210
4. **By Fax:** 310-216-5147

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 to a first downline with up to 200 personally purchased Volume Points (and no downline) which may be counted 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 purchase 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.

EACH OF THESE REQUIREMENTS MUST BE MET OR ROYALTY OVERRIDE/PRODUCTION BONUS EARNINGS WILL NOT BE PAID

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 Nutrition 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.

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.

Rev. 05/14

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The opportunity to be an Herbalife Member is entirely voluntary. A resigning Member may return unused products or sales materials, which are unopened and in resalable condition, for repurchase by Herbalife if the products were purchased within the last 12 months and the resigning Member provides proof of purchase. Reimbursement to the Member will be issued for the Member's original net cost for the returned product. Although shipping and handling paid on the original order will not be reimbursed, Herbalife will arrange pick up and will pay all shipping charges for the return of the product 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.

Members residing in Georgia, Maryland, Massachusetts, Puerto Rico, and Wyoming may exceed the 12-month repurchase period, provided all the above criteria have been met.

How to Initiate a Repurchase of Inventory

- Under Rule 2.5.3 "Inventory Repurchase" of the Rules of Conduct, as amended from time to time, a Member 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 for the Repurchase of Inventory that follow.
- The forms may be mailed, emailed or faxed to:

Mailing Address

Herbalife International of America, Inc.
Attention: Refunds & Repurchase Department
 950 W. 190th St.
 Torrance, CA 90502-1001

Email Address

DS_CSSupport@Herbalife.com

Fax Number

310-258-7155

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

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 described above, please contact Herbalife's Repurchase Department at 866-866-4744 Ext. 43132 to arrange the pickup of your inventory.
- Please be aware that all terms and conditions must be met, and to avoid handling delays, your shipment should be prepared as indicated below:
 - Each side of your package must reflect the letters "BB" followed by your Herbalife Identification Number in large print (i.e., BB1000000000).
- Once Herbalife has processed the return, the payment due will be issued.
- Herbalife will have no responsibility for items shipped that are outside of Rule 2.5.3 "Inventory Repurchase," and guidelines provided.

For questions regarding the process, please contact Herbalife's Member Services Department toll-free at 866-866-4744, or Herbalife's Repurchase Department at extension 43132.



HERBALIFE INTERNATIONAL OF AMERICA, INC.
Attn: Refunds and Repurchase Department
950 W. 190th St.
Torrance, CA 90502-1001

Inventory Repurchase Request Form

(This form is required.)

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

To process your request, please provide Herbalife with the details requested, if you have not already done so.

- I hereby permanently resign my Herbalife Membership.
- I understand that only unopened and resalable products or sales materials which were purchased from Herbalife within the last 12 months* are eligible for resale to Herbalife, and are in all other respects in accordance with Rule 2.5.3 "Inventory Repurchase" of the Herbalife Rules of Conduct.
- I understand my reimbursement will be issued for the full amount I paid for the original net cost I paid for the products. I understand that reimbursement will not include the shipping and handling fees paid on the original order. Herbalife will arrange pick up and will pay all shipping charges for the return of the products to Herbalife.
- I understand that I will be refunded via the same method of payment that was used when I originally bought the merchandise. (If paid by check, money order or wire transfer, the reimbursement will be refunded with a check. If paid by credit card, the same credit card will be refunded.)
- I understand that Herbalife reserves the right to determine which products and quantities fall within the limits of Herbalife's repurchase of inventory policy. I will return only items that are unopened and in resalable condition, that were purchased from Herbalife within the last 12 months, and which comply with Rule 2.5.3. I understand that Herbalife will have no responsibility for items returned that fall outside Rule 2.5.3 and the guidelines provided, and that Herbalife will not pay for or assume responsibility for returning items that are not repurchased.
- I have included proof of purchase for this merchandise (copies of credit card statements, money orders or cancelled checks).
- I understand that if within 90 days after the acceptance of my Application in Herbalife's records, I decide not to continue as a Member, I also may return the official Herbalife Member Pack (HMP) whether or not in resalable condition.

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

(Name - Please Print)

(Herbalife Identification Number)

(Signature)

(Date)

- If you agree to the terms and meet the requirements specified above, please contact Herbalife's Repurchase Department at 866-866-4744 Ext. 43132 to arrange the pickup of your inventory.

*May be longer for residents of Georgia, Maryland, Massachusetts, Puerto Rico and Wyoming.



HERBALIFE®

HERBALIFE INTERNATIONAL OF AMERICA, INC.
Attn: Refunds and Repurchase Department
950 W. 190th St.
Torrance, CA 90502-1001

Product I Wish to Return

(In addition to the **Inventory Repurchase Request Form**, complete this form if your return includes Herbalife product inventory).

Name: _____

Herbalife Identification Number: _____

I understand that only unopened and resalable products which were purchased from Herbalife within the last 12 months* are eligible for resale to Herbalife, and in all other respects in accordance with Rule 2.5.3 "Inventory Repurchase" of the Herbalife Rules of Conduct. I represent and warrant that the products which are listed below and which I wish to return to Herbalife meet these standards.

- I also understand, Herbalife reserves the right to determine which products and quantities fall within the limits of Herbalife's repurchase of inventory policy, and that I may return only those items, that are unopened and in resalable condition, that were purchased from Herbalife within the last 12 months and which comply with Rule 2.5.3. I understand that Herbalife will have no responsibility for items returned which it determines fall outside Rule 2.5.3 and the guidelines provided.

Stock #	Product Description	# of Cases	or # of Units	Office Use Only

(Signature)

(Date)

*May be longer for residents of Georgia, Maryland, Massachusetts, Puerto Rico and Wyoming.



Literature/Promotional Items I Wish to Return

(In addition to the **Inventory Repurchase Request Form**, complete this form if your return includes Herbalife literature/promotional items.)

Name: _____

Herbalife Identification Number: _____

I understand that only resalable sales materials which were purchased from Herbalife within the last 12 months* are eligible for resale to Herbalife, and in all other respects in accordance with Rule 2.5.3 "Inventory Repurchase" of the Herbalife Rules of Conduct. I represent and warrant that the sales materials which are listed below and which I wish to return to Herbalife meet these standards.

- I also understand, Herbalife reserves the right to determine which products and quantities fall within the limits of Herbalife's repurchase of inventory policy, and that I may return only items that are unopened and in resalable condition, that were purchased from Herbalife within the last 12 months, and which comply with Rule 2.5.3. I understand that Herbalife will have no responsibility for items returned which it determines fall outside Rule 2.5.3 and the guidelines provided.

Stock #	Literature / Promotional Items	# of Sets	or # of Units	Office Use Only

(Signature)

(Date)

*May be longer for residents of Georgia, Maryland, Massachusetts, Puerto Rico and Wyoming.

Nutrition Club Operator's Advisory

This Nutrition Club is operated by Independent Herbalife Member ("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 are social gatherings, bringing people together with a focus on good nutrition. They are not retail stores or outlets, nor are they restaurants. Registered Club attendees may carry out one shake, or one COLD tea, per day from the Club, but only in unbranded containers of not more than one single serving. Carry-out of a shake, or COLD tea, may only be for the personal consumption of that Club attendee or another registered Club attendee. Carry-out is limited to one shake, or one COLD tea, and does not include Formula 1 pies or Herbal Aloe Concentrate.

Nutrition Club fees cover general operational costs and do not represent the price or cost of products. Participants may share their experiences after having used the products, but must always remember that the products are not intended to diagnose, treat, prevent or cure any disease or medical condition. Income reported in Nutrition Club materials, or in oral testimony at Club gatherings, is applicable to the individuals (or examples) depicted and not average.

Hygiene and Sanitary Practices Advisory for Nutrition Club Operator

Although Nutrition Clubs are not restaurants, carry-outs, or any other type of food service establishment, Herbalife expects Nutrition Club Operators to adopt the highest standards of hygiene and sanitary practices. Listed below are the core principles of good hygiene and sanitation that are always required. Refer to Rule 1-N “Good Hygiene” which details these required hygiene practices:

- Keep your Club, particularly your entire kitchen area, clean at all times.
- Keep all tools and utensils used in food preparation, and in particular blenders and cutting boards, clean at all times.
- Keep your hands and forearms clean at all times by washing them frequently with antibacterial soap and warm water.
- Always use purified (or boiled) water in preparing the Club’s complimentary beverages.
- Inspect fruits and vegetables for freshness and quality, and wash them prior to use.
- Always use disposable cups.
- Clean up any spillage immediately, and remove all trash promptly.

WHO NEEDS TO SUBMIT A REGISTRATION FORM?

Members operating a Nutrition Club in a **non-residential** location are required to submit a *Registration Form* to Herbalife at least 30 days prior to the official opening date of their Nutrition Club.

Members may not open a Nutrition Club in a non-residential location or sign a lease for the purposes of a Nutrition Club unless they have been an Herbalife Member for at least 90 days. Also, prospective Nutrition Club operators must have completed the process required by Herbalife as to site location and proposed signage, training and other matters as outlined in the *Nutrition Club Rules*.

Members operating a Nutrition Club from a residential location are also encouraged to submit a *Registration Form*; however it is not required.

WHY DO I NEED TO SUBMIT A REGISTRATION FORM?

Submitting your *Registration Form* will help you stay connected with the latest news and updates on Nutrition Club trainings and promotions. This registration process will ensure that the required Nutrition Club Operator training has been completed and that the proposed name, signage, window and door covering ideas you have for your Nutrition Club have been reviewed prior to your opening date. This will avoid additional costs for materials produced that are not in compliance. **As stated in Herbalife Nutrition Club Rules, a Nutrition Club is not a franchise, restaurant, café, or retail location.**

DO I NEED TO SUBMIT ADDITIONAL INFORMATION WITH MY REGISTRATION FORM?

Yes. Please submit the following with your completed Registration Form:

For a planned Nutrition Club located in a non-residential location:

- A drawing of each exterior sign.
- A drawing of each window and door covering (curtain or shade). Information on approved window coverings can be found on MyHerbalife.com under Nutrition Club area of the site.
- A brief description, including the dimensions, locations and the number of signs and window and door coverings needed.

For an existing Nutrition Club located in a non-residential location:

- Photos of each exterior sign.
- Photos of each window and door covering (curtain or shade).
- A brief description, including the dimensions, locations and the number of signs and window and door coverings needed.
- An overall photo that captures the entire exterior of the Nutrition Club signage or message visible to passers-by.

PRIMARY NUTRITION CLUB OPERATOR

Only one Operator is responsible for submitting a Nutrition Club *Registration Form*. This Operator is considered the **Primary Nutrition Club Operator**. One *Form* is required for every non-residential Nutrition Club location.

Secondary Club Operators (if any) may be listed on the *Registration Form*.

WHERE DO I SUBMIT MY REGISTRATION FORM AND ADDITIONAL INFORMATION?

For your convenience, there are four (4) simple ways to submit your *Registration Form* and the additional information required:

1. **Online:** Go to MyHerbalife.com and login > select "Register your Nutrition Club"
2. **Email:** DPCNutritionClubsNAM@Herbalife.com
3. **Mail:** Herbalife International of America, Inc.
Attention: DPC
950 W. 190th Street
Torrance, CA 90502
4. **Fax:** (310) 216-5145. Photographs must be sent via email or mail. Please do not submit photographs by fax.

U.S. and Puerto Rico Nutrition Club Registration



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PRIMARY (MAIN) NUTRITION CLUB OPERATOR'S INFORMATION:

Last name: _____	First name: _____
Primary Operator ID#: _____	Team level: _____
Country: _____	
Nutrition Club type: <input type="checkbox"/> Residential <input type="checkbox"/> Non-Residential	Club Address: _____
Non-Residential Sub-type: (select one below)	Suite #: _____
<input type="checkbox"/> Single Operator (Traditional)	City: _____
<input type="checkbox"/> Multiple Operators (Central/ Multi-Club) <input type="checkbox"/> Other	State: _____
Primary language spoken in Club: <input type="checkbox"/> English <input type="checkbox"/> Spanish	Zip: _____
The Nutrition Club is: <input type="checkbox"/> Existing OR	Main contact number: _____
<input type="checkbox"/> Planned - Date of Opening or estimated opening: _____	Alternate contact number: _____
<input type="checkbox"/> Proposed name: _____ OR	Email: _____
<input type="checkbox"/> I do not have a name	Website: _____
<input type="checkbox"/> I previously submitted this form, but have an update/change to my Nutrition Club name, signage and/or window coverings.	Seating capacity: _____
<input type="checkbox"/> I am closing or have closed my Nutrition Club.	Average daily consumptions/attendees: _____
Date of closure: _____	
<input type="checkbox"/> I wish to change Primary Operator to ID #: _____	
<input type="checkbox"/> New Primary Operator Name: _____	

*For changes to the Primary Operator, both Current and New Operator must sign this form.

Did you receive any training to open/operate a Nutrition Club?

- ☐ I was trained in my Upline's Nutrition Club
Date: _____ Upline Name: _____
- ☐ I participated in a Nutrition Club Training by an Independent Member
Date: _____ Event Name/Location: _____
- ☐ I participated in an Herbalife Corporate Nutrition Club Training
Event Date: _____ Event Name/Location: _____
- ☐ I completed the Nutrition Club Operator's Training and Quiz on MyHerbalife.com's Learning Center Date training completed: _____
- ☐ I was trained by an Ambassador
Date: _____ Ambassador Name: _____
- ☐ I did not receive training ☐ Other _____

What percentage of your business comes from the Nutrition Club? _____

Number of additional Operators at this location? _____

Additional Club Operator information

Operator name: _____
Operator ID#: _____
Team level: _____
Operator name: _____
Operator ID#: _____
Team level: _____

If sharing your Club with more than two (2) Operators, submit the details requested on a separate page.

I acknowledge that I have reviewed and understand Herbalife's Rules of Conduct, and Supplemental Rules, which include Nutrition Club Rules.

Current Primary Operator Signature: _____ Date: _____

*New Primary Operator Signature: _____ Date: _____

Please be aware that an incomplete form may delay the signage, window and door covering confirmation process of your Nutrition Club.
Failure to submit a Registration Form to Herbalife may result in sanctions to your Membership.

For marketing purposes, select Business Methods conducted on location.

- ☐ Weight Loss Challenge ☐ Total Plan ☐ Wellness Coach ☐ Other

Nutrition Club hours of operation

☐ Open all day Monday - Friday: _____ to _____

OR daily hours of operation:

Morning: _____ to _____ Afternoon: _____ to _____ Evening: _____ to _____

☐ Open all day Saturday: _____ to _____

OR daily hours of operation:

Morning: _____ to _____ Afternoon: _____ to _____ Evening: _____ to _____

☐ Open all day Sunday: _____ to _____

OR daily hours of operation:

Morning: _____ to _____ Afternoon: _____ to _____ Evening: _____ to _____

Comments:



Nutrition for a better life.

Weight Loss Challenge Participation Agreement

Thank you for your interest in the Weight Loss Challenge! Through the Challenge, Independent Herbalife Members (also known as “coaches”) are able to help participants work toward their weight-loss goals and improve their overall wellness. We want you to have a great time as you have fun and meet new friends at our Weight Loss 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 coach(es) 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 Weight Loss Challenge.

- In return for your Participation Fee of \$35* and upon signing this document, you are entitled to participate in the Weight Loss Challenge identified below and you will be eligible for the various prizes and/or payouts which are awarded upon its conclusion. You will also attend weekly weigh-ins where you will have the opportunity to ask questions, and receive coaching and education.
- This Weight Loss Challenge begins the week of _____ / _____, 20____ and ends the week of _____ / _____, 20____.
- Coaches are independent businesspersons; they are solely and exclusively responsible for the operation and details of each Weight Loss Challenge.
- The purchase or consumption of Herbalife® products in conjunction with your participation is recommended, but not required.
- The *Participation Fee* of \$35* covers all prize payouts, plus minimal operational costs.
- The *Weight-Gain Fee* is \$1* per pound 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.

- *Weight-Loss Payouts* are paid to the top 3 weight losers as follows:
 - **1st Place:** 50 percent will be paid 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 paid 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 paid to the person who has lost the next greatest percentage of his/her body weight by the end of the Challenge.
- An *Inches Payout* is paid to the participant who loses the most inches and is not also a top 3 weight loser; this winner receives all money collected from Weight-Gain and Absence Fees.
- If, after reading this document, you have any further questions about the Weight Loss Challenge, do not hesitate to ask the coach(es) 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 advice and coaching.
- You must be at least 14 years of age to enter a Weight Loss Challenge; if you are 14 to 17 years old, your parent or legal guardian must sign this Agreement on the line provided.

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

Signature: _____ Date: ____ / ____ / ____

Signature: _____ Date: ____ / ____ / ____
(Parent or legal guardian signature required if participant is under the age of 18.)

Address: _____

City: _____ Zip: _____

Phone: _____ - _____ - _____

Email: _____

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

- ☐ Prior participant ☐ Referred by a friend (name): _____
- ☐ Newspaper ad ☐ Postcard (color of postcard or name listed): _____
- ☐ Other: _____

POLICY STATEMENT ON EXPENDITURES BY NEW MEMBERS

One of the unique and wonderful things about becoming an Herbalife Member is that no investment is required to start or grow your Herbalife business and that you can choose for yourself how to pursue the many opportunities afforded by Herbalife products and the Herbalife Sales & Marketing Plan. The only required expenditure is the purchase of the Herbalife Member Pack (HMP).

As with any business, you may be attracted to spend or invest more than the minimum and just as with any business, you should be cautious about spending or committing. You should ask yourself questions.

- **For example, “Should I buy a large starting 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.

- **Another example, “Should I buy services and products that might be helpful in recruiting other Members?”**

These are typically referred to as “Sales Aids” or “Business Tools”. Our strong advice is that you should first gain significant experience with Herbalife® products and the Sales & Marketing Plan before you purchase sales aids. Your upline is expected to provide support, encouragement and training regardless of whether you buy such services or materials. In addition, Herbalife offers training materials for its Members relating to product, product merchandising and business skills for free or at a nominal cost.

However, if you freely choose to purchase sales aids whose purchase is not otherwise prohibited by Herbalife’s Rules (such as leads, advertising or advertising slots, or decision packs) we urge you to spend no more than a reasonable proportion of the earnings generated from your Herbalife business. As with all business expenditures, be prudent.

Business Tools are not produced, approved or endorsed, by Herbalife, and Herbalife assumes no responsibility, with regard to their purchase, sale or use.

- **Another example, “Should I sign a lease and buy the fixtures and other things needed to open a Nutrition Club or an Herbalife Office?”**

Prior to opening a Nutrition Club we strongly advise that you obtain proper training and experience about the Herbalife®

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

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

- **And, lastly, “Should I incur debt to pursue the Herbalife opportunity?”**

One of the unique aspects of the Herbalife’s Sales & Marketing Plan is that you can achieve the level required to earn Royalties and Production Bonuses by building a solid customer base and without purchase of inventory other than that required to service your customers and for your own personal consumption. As a result, it is not necessary to borrow money or obtain a loan of any form and we discourage incurring debt to pursue the Herbalife opportunity, and we strongly discourage incurring any debt to do so.

Our founder, Mark Hughes, founded Herbalife on the principle that success in Herbalife was only limited by your own skills, hard work and imagination. After more than 30 years, that principle is still true today and we hope that all new Members will bear this in mind as you evaluate expenditures in your Herbalife business.

For more information and our Policy Statement on Business Tools, please visit Herbalife’s official website MyHerbalife.com or you may request this by phone through Herbalife’s Member Services Department toll-free at 866-866-4744.

Introduction

Welcome to Herbalife. We’re so glad you’ve made the choice to become a Member of a leading global nutrition brand. What follows are the Rules of Conduct¹ for your Membership that will guide you on your journey with Herbalife, including best in the industry consumer protections.

It is our goal to make our Rules easy to understand and simple to follow. Most Members join to enjoy a discount on Herbalife® products while striving to achieve their personal nutrition and weight-management goals. If that’s the reason you joined, then you need only focus on the first few pages of our Rules.

If now, or at some time in the future, you wish to engage in the Herbalife business, the “Business Activities” Rules beginning with Chapter 3 will help you embark on this opportunity. If you decide to progress in your business, sponsor other Members, open and operate a Nutrition Club, or conduct a Weight Loss Challenge, you should review the Rules explained in later Chapters.

Because some aspects of life can be complicated, some of our Rules can be a bit complicated as well. If you ever have questions about a Rule, please reach out to us at Herbalife Member Services by calling 866-866-4744. We’ll be happy to answer your questions.

Whatever your goals – better nutrition or better nutrition and extra income – we hope you find your Herbalife Membership rewarding.

With warm regards,

Michael O. Johnson, CEO, Herbalife

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Chapter 1 Getting Started

1.1 APPLYING TO BECOME A MEMBER

An individual applying to become an Herbalife Member ("Applicant") must:

1. Be sponsored by an Herbalife Member ("Sponsor");
2. Purchase either the Mini or Full Herbalife Member Pack (HMP);
3. Fill out and submit an Herbalife Membership Application and Agreement ("Application"); and
4. Have the Application accepted by Herbalife.²

1.1.1 Restrictions on Purchase Requirements

The only required purchase to become a Member is the Mini HMP which is sold to a new Member at cost without markup or profit to the Sponsor. The Sponsor must provide the Applicant an opportunity to choose between the Mini and full HMP.

The Mini or full HMP may not be combined with other products, services or materials. Sponsors may not require Members to purchase:

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

1.1.2 Debt Discouraged

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

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

1.1.3 One Membership Permitted Per Person

An individual may own, operate, and support only one Membership, except as permitted by the Separation and Divorce, and Inheritance Rules. (See Rules 2.3 and 2.4) If an individual submits more than one Membership Application, the first Application is the valid Membership.

1.1.4 Annual Membership Services Fee

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

1.1.5 Acceptance/Rejection of Fee

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

1.1.6 Communications with Herbalife

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

1.1.7 Proper Purchasing

Non-Supervisor Members may only purchase Herbalife® products from their Sponsor, their first upline Supervisor (only if their Sponsor is not a Fully Qualified Supervisor) or directly from Herbalife. All products must be delivered within a reasonable amount of time after sale.

Fully Qualified Supervisors may only purchase products from Herbalife.

Members may not place or pay for orders on behalf of other Members.³ The sole exception is if a Supervisor is ordering for a non-Supervisor, because the purchase is considered to be the Supervisor's own Personal Volume.

1.1.8 Payment

Members must ensure that all payments submitted to Herbalife are authorized and sufficiently funded. Members must receive and keep written authorization from credit card holders before using the credit card(s) for payment.

Members are financially liable for payments that are rejected for any reason.⁴

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

²Herbalife reserves the right to accept or reject any Application in its sole and absolute discretion. Until the Application is accepted, the Applicant is granted a revocable license to buy and sell Herbalife® products.

³This rule applies unless Herbalife requests and receives written authorization from the Member for payment to be made by another person. Written authorization may only be given for one specific order.

⁴A Member whose check is returned for insufficient funds may be surcharged by Herbalife.

Chapter 2 Membership Particulars

2.1 MEMBERSHIP ELIGIBILITY

2.1.1 Members Must Be Individuals

Herbalife only accepts Applications for Membership in the name of individuals. However, Members may have their Herbalife earnings paid to a partnership or corporation by submitting a written request to the Herbalife Member Services Department ("Member Services").⁵ The Membership will remain in the name of the individual, and the earnings of the Membership will be reported in the name and tax identification number of the individual Member.

2.1.2 Dual Memberships

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

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

In cases of dual Memberships and similar violations, the Member may be allowed to continue as an Herbalife Member, but must do so in the proper line of sponsorship as determined by Herbalife. Herbalife will determine the disposition of the deleted Membership's downline lineage.

2.1.3 Membership Minimum Age

A person must be at least 18 years old to apply for Membership or participate in another Member's Herbalife business.⁶

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

2.1.4 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 the United States and Puerto Rico 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 Member, the parent or legal guardian must also provide:

1. Written consent of the parent or guardian's Sponsor and upline Members (up to and including the first three active upline Supervisors) or an explanation as to why such consents have not been obtained;⁷ and
2. A letter signed by the parent or guardian that they will not participate in the operation of the minor's Membership.

2.1.5 Married Couples and Members Who Marry

Married couples may participate in only one Membership. If two Members marry each other, one Membership must be relinquished. The only exception to this Rule is when each Membership is at Supervisor level or greater at the time of marriage. In this case, each spouse may continue to operate his or her individual Membership.

2.1.6 Spouse Recognition

A Member may request that Herbalife add a spouse's name to the Membership record. Adding the spouse's name is for recognition purposes only. It does not give the spouse ownership or other rights related to the Membership.

2.1.7 Activities of a Spouse

A Member is responsible for the acts of their spouse, whether or not the spouse participates in the Membership and whether or not the Member was aware of the spouse's actions. The spouse must comply with the Rules and laws related to the Herbalife business. For example, a Member will be responsible if his spouse solicits or promotes another multilevel marketing (MLM) or direct-selling opportunity to any Herbalife Member or customer.

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

2.1.8 Former Participant in Membership

A Former Participant (meaning a former Member, spouse, or an individual who participated in a Membership) must wait a minimum of one year and fulfill the Period of Inactivity requirements before reapplying for Membership under a different Sponsor or assisting any other Membership. (See Rule 2.1.10)

2.1.9 Disclosure of Former Membership

If a Former Participant applies for a new Membership, the Former Participant must notify Herbalife at the time of application and provide the former Membership ID number. A Membership may be terminated if the Member fails to inform Herbalife of activity in another Membership or makes misrepresentations regarding it.

⁵Member Services may be reached by calling 866-866-4744.

⁶Minimum age requirements vary from country to country. For age requirements in other countries, contact Member Services.

⁷Herbalife reserves the right to accept the request without upline consent and may require additional information at its sole discretion.

2.1.10 Period of Inactivity

The Period of Inactivity means that during a one-year waiting period, the Former Participant may not:

- Be involved in the Herbalife business in any way.
- Purchase products other than for personal use.
- Sell any Herbalife® products or Materials.
- Sponsor or offer the Herbalife opportunity.
- Promote, assist or support any Membership.
- Participate in Herbalife trainings or meetings whether sponsored by Herbalife or a Member.

The one-year Period of Inactivity is calculated as follows:

Example 1: Member Resigns

- Prior application date is December 5, 2013.
- Resignation effective on August 28, 2014.
- The Period of Inactivity for this Membership would be from August 28, 2014 through August 27, 2015.
- This Member would be eligible to sign a new Application under a different Sponsor as of August 28, 2015.

Example 2: Member Does Not Pay Annual Membership Services Fee

- Prior application date is December 5, 2013. Annual Membership Services Fee is due on December 5, 2014 (anniversary date).
- If the Fee is not paid, the Period of Inactivity for this Membership would be from December 5, 2014 through December 4, 2015.
- This Member would be eligible to sign a new Application under a different Sponsor as of December 5, 2015.

After the Period of Inactivity, the Former Participant may apply for a new Membership under another Sponsor.

Exception to Period of Inactivity

If the Former Participant wishes to apply for a new Membership under the original Sponsor and that Sponsor has remained in the original organization, the waiting period may be waived by Herbalife.

2.2 TRANSFERRING YOUR MEMBERSHIP

2.2.1 Assignment, Sale, or Transfer of Membership

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

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

2.2.2 May Only Be Assigned or Transferred to a Non-Herbalife Member

A Membership can only be assigned or transferred to an individual who is not a Member, except as allowed by Rule 2.4. Herbalife will not consider a transfer request if the proposed Member (Transferee) has been involved in the Herbalife business in any way in the previous 12-month period.

2.2.3 Status and Benefits

The achievements of a Member are personal, and if an assignment or transfer is approved, the status and benefits achieved by the Member may not be transferred with the Membership. 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 Member.

2.2.4 Responsibility After Transfer

After transfer of the Membership:

- 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 Membership.
- For a period of six months following the effective date of the transfer, acts by the Transferor and/or her spouse, which would violate the Rules if the Transferor were still a Member, shall be treated as though the violations were the Transferee's violation.

2.3 SEPARATION AND DIVORCE

2.3.1 Establishing a New Membership

If a Member's spouse wishes to continue in the Herbalife business during or immediately after a divorce, the Member and spouse each must establish a separate Membership under the original Member's Sponsor. Separate Memberships allow each individual to receive proper credit for their own efforts (building a downline, and volume and earning achievements) after the divorce. Herbalife will deactivate the buying privileges of the original Membership. Herbalife will credit each separate Membership with the Volume Points of the original Membership through an "Association." (See Rule 2.3.4) Each party must sponsor and place orders using their new ID numbers.



Neither the original Membership nor its downline can be divided between the Member and the former spouse. For example a Member and the former spouse may not "divide" the Membership giving each person a 50% ownership.

Herbalife must receive the following documents to establish a new Membership:⁸

- Signed and notarized Divorce Policy Form;
- Copy of the Petition for Dissolution, Property Settlement Agreement, or Final Judgment;
- Newly completed Application sponsored by the Sponsor of the original Membership; and
- Newly completed TAB Team Production Bonus Acknowledgment Form, reflecting the ID number of the individual Membership (TAB Team level Memberships only).

If a Member remarries, that person's spouse's name can be added to their individual Membership for recognition purposes.



Herbalife will only accept and associate one set of divorced Memberships. To illustrate, if Bob and Barbara divorce, Barbara may have a new Membership, but it will not be associated to Bob's.

If Herbalife determines that a Member's conduct violates any Rule, Herbalife shall have sole and absolute discretion to determine the disposition of each Associated Membership, including, decisions whether to terminate, impose penalties or sanctions, or place conditions on any of the Memberships.

2.3.2 Requests to Modify the Original Membership

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

Removing a Spouse's Name: Herbalife must receive a completed Remove Spouse Request Form to remove a spouse's name from the Membership.

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 earnings statements for the original Membership will be mailed to the address of record unless both parties submit a signed and notarized letter of instruction.

Transfers: Herbalife must receive a completed Divorce Policy Transfer Request Form to transfer a Membership to someone who is not the Member or a former spouse.

If a Member transfers a Membership and decides to establish a new Membership:

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

For Herbalife to accept the new Application within one year of the transfer:

- The Sponsor of the original Membership must sponsor the new Membership.⁹
- The new Membership's status will be equal to the status of the original at the time of the transfer.

2.3.3 Joining Under a Different Sponsor/Participating in Another Membership

Each party may only develop and/or support¹⁰ one Membership under the Sponsor of the original Membership. To join under a different Sponsor, the Member or spouse must comply with the Period of Inactivity following the final decree or judgment.

2.3.4 Divorces and the Herbalife Marketing Plan

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

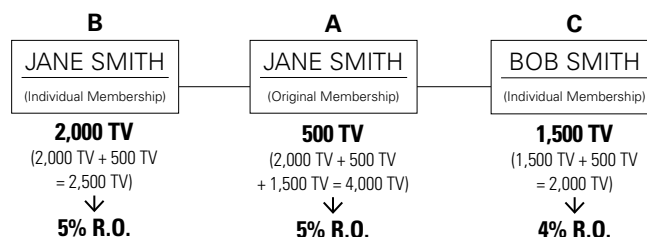
For the purpose of Royalty Override percentage eligibility, the original Membership will combine volume with each of the individual Memberships, plus its own volume. Production Bonus eligibility for the original Membership will be determined based on the achievement of the highest individual Membership.

Example:

Volume Points

Volume for B and C will be as follows:

B + A and C + A



⁹Applications received one or more years after the final decree or judgment will begin at Member status, with 25% discount buying privileges.

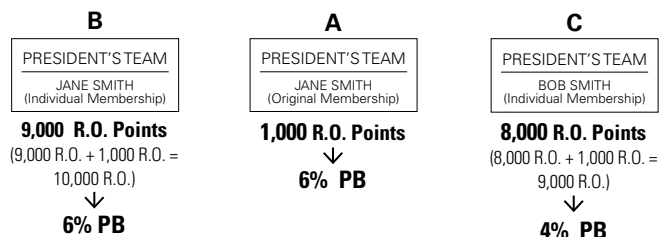
¹⁰For the purpose of this rule, one Membership means the original and the Associated Memberships, as allowed within Rule 2.3.1.

⁸Forms and Applications are available through Member Services.

Royalty Points

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

B + A and C + A



Requirements: Each individual Membership must comply with the 10 Retail Customers Rule, the 70% Rule, and any other requirements to earn Royalty Overrides. Each Membership 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 Membership will be temporarily granted to accommodate any Matching Volume requirements for its downline qualifiers.

Recognition: Each Membership will be recognized for its own accomplishments under the Sales & Marketing Plan. The original Membership will not receive recognition. If the original and an individual Membership 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 Memberships that are not part of a divorce. If the individual Membership qualifies for a diamond, only that Membership will advance within the diamond status(es).

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

2.4 INHERITANCE

The Membership of a deceased Member may be transferred to an heir, subject to applicable laws, Rules, and Herbalife's approval in its sole and absolute discretion.¹¹

An active Member may own and operate a maximum of three Memberships – the Member's own, plus up to two others acquired by inheritance from a qualified family member.¹² An inherited Membership may be transferred to the heir directly,

or in the case of a Membership that is President's Team member status, to a Corporation owned by the heir.¹³

Through this process, the Period of Inactivity (as specified in Rule 2.1.10) shall be waived, provided the following additional conditions apply:

1. The lineage relationship between the heir's existing Membership and the inherited Membership(s) must be vertical (in the same line);
2. The inherited Membership must be at TAB Team level; and
3. The heir must provide documentation, including indemnities and assurances satisfactory to Herbalife, regarding the heir's legal ability to instruct Herbalife as to the disposition of the deceased's Membership.

The heir must abide by all Rules and the Sales & Marketing Plan, not only for their personal Membership, but also for any inherited Membership.

For transfers or requests to cancel a deceased's Membership, contact Member Services.

2.5 TERMINATION OF YOUR MEMBERSHIP

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

2.5.1 Resignation

A Member may resign a Membership by submitting a signed letter of resignation to Member Services. The resignation becomes effective when received and accepted by Herbalife.

2.5.2 Resigning Within 90 Days

If a Member decides to resign within 90 days of applying for Membership, the resigning Member may receive a refund for the full purchase price of the:

1. HMP or Mini HMP; and
2. Unopened, unused and resalable products and Herbalife produced literature and sales aids ("Materials") that were purchased since becoming a Member.

The 90 days resignation period may be extended for Members living in Wyoming.

¹¹Forms and Applications are available through Member Services.

¹²A qualified family member means a spouse, parent, child, brother, sister, grandparent, grandchild, mother-in-law, father-in-law, stepparents, stepchildren, stepbrother, stepsister, cousin, aunt, uncle, niece, and nephew.

¹³Inherited Memberships are considered to be separate entities, each subject to fulfilling the business activities, sales volume and compensation terms as set forth in the Sales & Marketing Plan, with the exception of lifetime volume achievements, which allow for the combination of the heir's own Total Volume with the inherited Membership's Total Volume. The heir will be responsible for payment of fees, fines (if/when applicable), and subscriptions for each Membership maintained, including the Fee, and BizWorks (as applicable).

2.5.3 Inventory Repurchase

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

The 12-month repurchase period may be extended for Members living in Wyoming.

Chapter 3 Business Activities

3.1 OPERATING YOUR BUSINESS

3.1.1 Must Comply with the Rules and Law

Members must comply with the laws and Rules in each country where they are conducting the Herbalife business. Members are to review these Rules with downline Members.

3.1.2 Member is an Independent Contractor

Members conduct their Herbalife businesses as self-employed, independent contractors (determining their own schedule and objectives, responsible for their own expenses and any applicable taxes – including self-employment taxes). A Member is not an employee, agent, franchisee, securities holder, joint venture, fiduciary or beneficiary of Herbalife or any other Member. Members are not employees of Herbalife for federal or state tax purposes, Puerto Rico tax purposes or any other purpose. As independent contractors, Members do not have the rights or benefits that employees of Herbalife may have and will not make any claim to the contrary.

3.1.3 Maintaining Reputation and Image of Herbalife

No Member shall do anything (whether or not in connection with the Herbalife business) which Herbalife determines, in its sole and absolute discretion, is or could be detrimental to the reputation or image of Herbalife, its products, Members, Intellectual Property or goodwill.

3.1.4 Responsibility for Conduct of Others Assisting with Membership

A Member is responsible for the conduct of those who assist in the operation of the Membership.

3.1.5 No Association of Other Organizations with Herbalife

Herbalife meetings may not be used as a forum to express personal beliefs unrelated to Herbalife or promote any other commercial or non-commercial organization, company, event or individual. Herbalife is an equal opportunity business and

does not discriminate because of gender, race, religion, national origin, ancestry, color, age, marital status, medical condition/disability, sexual orientation, gender identity, gender expression, veteran status or political affiliation.

3.1.6 No Inducement to Sell Other Products or Services

During the course of a Membership, the Member or spouse may not solicit or promote the products or business opportunity of another MLM or direct-selling company to any Member or customer.

3.1.7 TAB Team Limitations

Herbalife TAB Team members may not be a distributor or representative of any other MLM or direct sales company or otherwise participate in or promote the products, services or earnings opportunity associated with any such company. Herbalife TAB Team members may not own more than five percent of a company engaged in direct sales or MLM.¹⁴

3.1.8 Sales & Marketing Plan Manipulation

Improper enrollment practices and other attempts to manipulate the Sales & Marketing Plan are serious violations. This includes teaching or encouraging others to engage in such activities. Sanctions may include termination and loss of earnings and qualifications of the Memberships of anyone involved (directly or indirectly).

Examples of Sales & Marketing Plan manipulation

- Purchasing products in another Member's name (except as expressly allowed in the Rules).
- Purchasing products primarily as an attempt to benefit under the Sales & Marketing Plan (as contrasted with the purchase of products in reasonable amounts for the purpose of sales to customers or personal use).
- Discouraging a downline Member from placing orders as a strategy for the upline to benefit under the Sales & Marketing Plan.
- Teaching or encouraging violation of the Rules or manipulation of the Sales & Marketing Plan.

Examples of improper enrollment practices

- Filling out the Application form with false or misleading information.
- Promising an Applicant the Sponsor or upline will provide downline Members for the Applicant once he or she becomes a Member.

¹⁴This includes direct or indirect participation of a company engaged in direct sales or MLM through any person, entity, or artifice.

3.1.9 Debts Owed to Herbalife

If a Member owes Herbalife a debt¹⁵ and until it is paid in full, Herbalife reserves the right to (i) deduct the amount owed from any amount payable to the Member, (ii) withhold payment of monies owed, and (iii) withhold recognition for any qualification.

3.1.10 Military Base Restrictions

Members in the military also must comply with military regulations. Members should request and obtain permission from their base commander before starting their Herbalife independent business.

3.2 INTERNATIONAL BUSINESS

3.2.1 Activities in Countries or Territories Not Yet Open

A Member may not engage in any business activity relating to Herbalife in any country not yet officially opened for business by Herbalife.¹⁶

3.2.2 Activities in Open Countries or Territories

Herbalife® products are formulated and labeled in compliance with each country's product and labeling requirements. For that reason, products produced and labeled for one country may not be shipped, sold or distributed in another country.

3.2.3 Activities in China

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

Members registered in China may not purchase, sell or distribute Herbalife® products outside of China.

3.2.4 Personal Consumption

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

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

¹⁵Such debts can include any amounts owed to Herbalife for product purchases, adjustments to earnings for inventory repurchases from downline Members, fines due to violations of the Rules, checks returned for insufficient funds, and past due Fees.

¹⁶Prohibited acts, efforts, or attempts include:

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

3.2.5 Prohibited Countries

A Member may not directly or indirectly (through or by means of any person, entity, or artifice) conduct any Herbalife business activities with an individual who the Member has reason to believe is (i) a citizen of Iran, Sudan, Cuba, or North Korea (regardless of place of residence); (ii) a resident of, or operates businesses in, Iran, Sudan, Cuba or North Korea; or (iii) believed to engage in sales to citizens or residents of Iran, Sudan, Cuba or North Korea. Business activities include but are not limited to the following:

- promoting the Herbalife opportunity;
- sponsoring Members; or
- promoting or selling Herbalife® products.

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

3.3 BUSINESS TOOLS

While Herbalife makes available free or inexpensive promotional literature and other sales aids for Members to use, the phrase "Business Tools," as used here, refers to sales aids not produced by Herbalife. Purchasing sales aids or Business Tools is voluntary. Members should buy them only if they decide for themselves, after a reasonable time in the Herbalife business, these materials will support their retail sales and/or business development efforts.

All Business Tools and Members creating, selling or using such Business Tools must comply with all Rules and applicable law.¹⁷

3.3.1 Sale of Business Tools Not for Profit

Members may sell Business Tools to other Members at a price no greater than the cost to produce the product or service being sold.¹⁸

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

- Selling Herbalife® products.
- Building Herbalife business.
- Training and motivating the purchasing Member's downline.

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

¹⁷This includes laws relating to confidentiality of consumer data, privacy rights, restrictions on telemarketing in all its forms, and marketing over the Internet.

¹⁸Members who sell Business Tools or charge fees for independent trainings or meetings must maintain detailed records and supporting documentation for a period of two (2) years, reflective of direct costs and charges for all Business Tools being sold, including but not limited to, promotional wear/items, products, trainings or meetings. Herbalife has the right to request copies and to verify compliance with the Rule.

NOTE: THE PROMOTION, SALE, PURCHASE OR USE OF BUSINESS OPPORTUNITY LEADS OR PRODUCT LEADS FROM ANY SOURCE IS PROHIBITED.

3.3.2 Leads

The term “Leads” includes prospects for Herbalife® products or opportunity, as well as leads-related advertising, advertising slots, or decision packs.

Members may generate Leads for their own use or for free distribution to their downline Members. However, Members may not sell Leads to other Members and Members may not purchase Leads from any source.

3.3.3 Written Permission for Distribution

Members may not promote Business Tools to a non-downline Member or to a downline Member below a President’s Team member, unless the selling Member has received prior written consent from the purchasing Member’s immediate upline President’s Team member.

If consent is revoked, these sales must be promptly discontinued unless Herbalife in its sole discretion determines it would be unduly damaging to the purchaser (for example, midway in a subscription).

3.3.4 Promotion of Business Tools Provided by Vendors

Members may only promote Business Tools provided by vendors if:

- a) the Member has independently confirmed that the vendor and its products or services comply in all respects with the Rules and applicable law.¹⁹
- b) the Member provides Herbalife with certification and supporting documentation from a certified public accountant confirming that they have received no payment directly or indirectly and will derive no economic benefit from the vendor.

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

3.3.5 Notice to Cease Use or Sale of Business Tools

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

¹⁹If a Member has an economic interest in a vendor or in any of its transactions, the actions of the vendor shall be regarded as the actions of the Member for purposes of the Rules. Herbalife does not recommend or endorse materials that we have not produced.

CORPORATE POLICY STATEMENT ON SALES AIDS AND BUSINESS TOOLS

Expenditures For Business Tools

One of the unique and wonderful things about becoming an Herbalife Member is that no investment is required to start or grow your business and that you can choose for yourself how to pursue the many opportunities afforded by Herbalife® products and the Herbalife Sales & Marketing Plan.

As an Herbalife Member, you may be attracted to the purchase of Sales Aids and Business Tools that might be helpful in prospecting for customers and potential Members, as well as communicating with your downline. Prior to making such expenditures, please read this Corporate Policy Statement, which highlights that purchases of Sales Aids and Business Tools are not required and Herbalife discourages anyone from incurring debt to pursue the Herbalife opportunity.

Definitions:

Sales Aids: Herbalife makes available free or inexpensive promotional literature and other Sales Aids for Members to use.

Business Tools: The phrase “Business Tools,” as used here refers to sales aids not produced by Herbalife.

Sales Aids and Business Tools

Purchasing Sales Aids or Business Tools is strictly voluntary. Their purchase or use is not required to become an Herbalife Member, nor are such tools necessary in order for you to progress or succeed as an Herbalife Member, or to receive training and support from your Sponsor and/or upline.

Business Tools

No one may pressure you to purchase Business Tools. You should only make such purchases if you decide for yourself, after a reasonable time in the Herbalife business, that these materials support your retail sales and/or business development efforts. The money and time you expend on Business Tools should be limited and consistent with your own evaluation of the reasonably likely benefits to your business. At all times, the principal business focus of Members is the sale of Herbalife® products for consumption.

It is essential that the content and methods used in connection with your business, comply with Herbalife’s rules and applicable law. For example, Business Tools may not make factual assertions that contain material misrepresentations or omissions that render a statement materially misleading. Please be aware that:

- Herbalife does not approve, endorse, guarantee or authorize Business Tools in any way, and assumes no responsibility or obligation, and shall have none, with regard to the value, content, methods, promotion, use or sale of Business Tools.

If a Buyer has a dispute or claim regarding Business Tools that they are unable to resolve with the Seller, and if the Seller is an Herbalife Member, Herbalife encourages the Buyer to contact Herbalife’s Member Services Department toll free at 866-866-4744. Herbalife will attempt to assist the Buyer and Seller to reach a satisfactory resolution of their dispute.

Herbalife’s Rules regarding Business Tools and the Rules of Conduct are included in the Herbalife Member Pack (HMP), on Herbalife’s official website MyHerbalife.com, or through Member Services upon request.

Chapter 4 Selling

4.1 SALE TO CONSUMERS

Herbalife is a direct-selling company. That means its products are sold by independent contractors to customers in one-on-one, interpersonal transactions which provide time for explanation and guidance on Herbalife® products. The role of a Member who chooses to build an Herbalife business is to sell Herbalife® products to customers exclusively using a direct-selling model of distribution.

4.1.1 Retail Establishments Not Permitted

A Member may not display or sell Herbalife® products, literature, or promotional items in a retail establishment. A retail establishment is a store or any other fixed location where passers-by are attracted or people come to purchase products because of advertising, location, signage, visibility or otherwise. For example, it includes markets (open or enclosed), pharmacies, kiosks or booths (temporary or permanent), swap meets or flea markets as well as any other location which Herbalife determines, in its sole and absolute

discretion, as inconsistent with direct selling. Please refer to the following “*Direct Sales – Do’s and Don’ts*” chart.

4.1.2 Members’ Private Offices

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

4.1.3 Providing and Maintaining Retail Receipts/ Records

A Member must provide a completed *Herbalife Retail Order Form* to all retail customers when a sale is completed. This must list the products sold, the sales price, and the name, address and telephone number of the Member and the customer. Members are required to keep their copies of all Retail Order Forms and other records of product distribution for a period of two (2) years. Herbalife has the right to request copies and to verify the transactions and the terms and conditions of the sale or service provided by the Member.

Direct Sales Do’s and Don’ts						
Locations	Display	Sales	Promotion or Advertising of Product Sales	Exterior Signs	Sampling	Branded Materials
Retail Locations	No	No	No	No	Yes	Yes
*Temporary Kiosks, Booths in Malls and Outlets	No	No	No	No	Yes	Yes
Swap Meets, Flea Markets, Open-Air Markets, Street/ Vendor Carts	No	No	No	No	No	No
Members’ Private Offices	Yes ¹	Yes	No	Yes ²	Yes	Yes
Doctor’s or Other Professional Offices	No	Yes	No	No	Yes	Yes
Nutrition Clubs (Non-Residential Locations)	Yes ¹	Yes	No	Yes ²	Yes	Yes
Nutrition Clubs (Home Locations)	Yes ¹	Yes	No	No	Yes	Yes
Service Establishments	No	Yes	No	No	Yes	Yes
Trade Fairs, Athletic & Community Events	Yes	No	No	Yes ³	Yes	Yes

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

1 Not visible from the exterior.

2 Subject to limitations as to content.

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

4.1.4 Customer Refund Policy

Herbalife® products have a 30-day money-back guarantee for the retail customer. The 30-day period begins on the date the customer receives the product. When a customer requests the guarantee be honored, the Member must respond quickly and courteously. They must offer the customer a choice of a full refund of the purchase price or full credit for exchange of other Herbalife® products in accordance with the return procedures. The Member must honor the customer's choice.

4.2 PAYMENTS AND ADJUSTMENTS

To qualify for monthly Royalty Overrides, Production Bonuses or other bonuses offered by Herbalife, Members 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, Members must meet certain requirements for retail customers and product distribution, and confirm those on the 1st of each month on the Earnings Certification Form.²⁰

4.2.1 Product Distribution

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

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

4.2.2 10 Retail Customers

A Member must personally make sales to at least ten (10) separate retail customers in a given Volume Month to qualify for and receive Royalty Overrides, Production Bonuses, and other bonuses paid by Herbalife. For the purpose of fulfilling the certification requirements of this Rule, a Member may count any or all of the following each Volume Month:

- A sale to a retail customer;
- A sale to a first downline Member with up to 200 Personally Purchased Volume Points (and no downline Members) may be counted 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 may be counted by the Nutrition Club operator as a sale to one (1) retail customer.²¹

If the Member fails to timely certify to Herbalife that they have sold to at least ten (10) retail customers in a given Volume Month, Royalty Overrides, Production Bonuses, and other bonuses will not be paid to the Member.

4.2.3 70%

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

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

- Sales to retail customers;
- Sales at wholesale to downline Members; and
- Product consumed at Nutrition Clubs.²²

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

4.2.4 Commission Payments for Downline Members

On orders purchased directly from Herbalife, the Wholesale Profit or Commissions earned by downline Members will be paid to the Qualified Producer (if within the line of payout) or the Supervisor. The Qualified Producer and Supervisor are required to pay these Commissions out to their downline Members by the end of the month the Commission payment is received.

4.3 SELLING PRACTICES

4.3.1 Members as Brand Ambassadors

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

4.3.2 Product Sales to Non-Members for Resale

No Member may sell or otherwise provide Herbalife® products to non-Members who intend to resell them.

4.3.3 Modifications to Labels and Materials

A Member may not delete, add, modify or alter any labels, literature, material, or packaging for Herbalife® products or literature, including the HMP.

4.3.4 No Resale of Samples or Daily Use Portions

Products or samples packaged for daily use may not be resold individually.

²⁰Earnings Certification Forms are available on MyHerbalife.com.

²¹If a Member utilizes Nutrition Club attendance toward compliance, the Member shall maintain a log of Attendee visits for at least two years, setting forth the name of the Attendee, dates of visits, and contact information, and shall make those records available for verification purposes if requested by Herbalife.

²²If a Member utilizes Nutrition Club attendance toward compliance, the Member shall maintain a log of Attendee visits for at least two years, setting forth the name of the Attendee, dates of visits, and contact information, and shall make those records available for verification purposes if requested by Herbalife.

4.3.5 Presentations and Directions for Use

Presentations of Herbalife® products must be complete and truthful and consistent with information on product labels and accompanying literature.

When selling or providing samples, a Member must explain the directions for use and cautions, if any, specified on product labels. Members should recommend that customers with medical conditions or who are under current medical treatment seek the advice of a physician before changing their diet.

4.3.6 Product Storage

Members are responsible for properly storing and following storage instructions provided on Herbalife® product labels. Proper storage of products includes:

- Keeping products properly sealed; and
- Maintaining products in a cool dry place and out of direct sunlight.

Chapter 5 Sponsoring and Leadership

5.1 SPONSORING RESPONSIBILITIES

5.1.1 Training

One of the Sponsor's principal roles is to stay informed of the Rules and to advise and train downline Members. A Sponsor may seek assistance from upline Supervisors or TAB Team members, but the primary responsibility for training is the Sponsor's. This includes teaching correct principles about:

- Herbalife® products and their usage.
- Herbalife Rules.
- Herbalife Sales & Marketing Plan.
- Proper use of advertising, literature, and sales aids.
- Herbalife Satisfaction Guarantee.

A Sponsor may not require a personally sponsored Member to pay for training or training facilities unless the Sponsor fully explains that the Member may choose whether or not to participate in the training and states, in advance, the cost. If the Member declines to participate in the training, the Sponsor is obligated to provide at no cost the basic training necessary to learn the business.²³

5.1.2 Independent Relationship

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

5.1.3 Preparation of Member Documents

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

5.2 OFFERING THE OPPORTUNITY

5.2.1 No Franchises or Territories

Herbalife does not have territories or franchises, nor is an Herbalife Membership or business a franchise. No Member may represent otherwise or offer a franchise in connection with an Herbalife Membership.

5.2.2 Representations

When offering the Herbalife opportunity or presenting the Herbalife Sales & Marketing Plan, a Member MAY NOT imply or represent that:

- Sponsoring Members is as important as sales to retail customers.
- A Member can benefit primarily by sponsoring other Members.
- A Member is under any obligation to sponsor others to become Members.
- Success may be achieved with little or no effort. A Member must clearly indicate that Royalty Overrides, Production Bonuses, or other earnings may only be achieved through the continuing sales of Herbalife® products to retail customers.
- There is any obligation to purchase Herbalife® products and Materials, or Business Tools (except for the Mini HMP). Nor may a Member represent that Royalty Overrides, Production Bonuses or other benefits may be obtained primarily from the purchase of products rather than the sale of products.

5.3 MAINTAINING LINES OF SPONSORSHIP

The Sponsor/Member relationship is the foundation of the Sales & Marketing Plan. These Rules protect both parties, including safeguarding rights of sponsorship. Sponsoring Members 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.

5.3.1 Inducement to Change Sponsors

No Member may interfere with the relationship between another Member and the Member's Sponsor. For instance, no Member may attempt to induce another Member to change a Sponsor.

5.3.2 Applying for Change of Sponsorship

A Member who wishes to change his or her Sponsor must obtain a written, notarized release from the Sponsor and all upline Members, up to and including the active President's Team member earning 7% Production Bonus.

If both current and proposed Sponsors share the same upline Sponsor and each are at equal status and earning levels under the Sales & Marketing Plan, the Member requesting the change need only obtain a notarized letter of release from the current and proposed Sponsors.

If Herbalife approves the change, the requesting Member will be allowed to keep downline Members provided the downline and upline agree.²⁴

If the request for a change of sponsorship is denied, the Member may resign their Membership and comply with the Period of Inactivity before reapplying for Herbalife Membership under a different Sponsor.

Chapter 6 Marketing Your Business

6.1 CLAIMS AND REPRESENTATIONS

When sharing personal stories with others, Members are making claims. Even simple statements about the benefits experienced while on an Herbalife® product or program or when discussing earnings from selling products, represents to others how products work, what products are for, or what people can achieve through the Sales & Marketing Plan. Customers perceive features and functions of products and the Sales & Marketing Plan because of claims. It's fine for Members to make claims provided they do so in compliance with the specific regulations established by law and the Rules. These Rules are intended, in part, to help Members comply with the law.

6.1.1 Lawful, Truthful and Not Misleading

All claims and testimonials must be lawful, truthful, and not misleading. Claims must be:

- Substantiated in writing before the claim is actually made.
- Consistent with claims made in then-current Herbalife Materials or product labels.²⁵

²⁴The requesting Member must obtain notarized permission from the upline in order to keep the downline. The requestor's first-level downline will also have to sign off on staying with their current Sponsor. If the upline agrees to the downline move, the move will consist of that downline's entire organization. These documents must be submitted to Member Services with the reasons for the request and a forfeit of all rights to the existing Membership if the request is approved. Only after this documentation is submitted will Herbalife decide whether to grant the request.

²⁵The law regarding claims is subject to change. As an accommodation to Members (but not as legal advice), Herbalife may post updates of this Rule, the disclaimers, and the Statement of Average Gross Compensation Paid by Herbalife at MyHerbalife.com. Members are required to visit the website regularly for advisories and updates.

6.1.2 Weight-Loss Claims

All weight-loss claims, including testimonials, must be accompanied by the following disclaimer:

Consumers who use Herbalife® Formula 1 twice per day as part of a healthy lifestyle can generally expect to lose around 0.5 to 1 pound per week. Participants in a 12-week single-blind study used Formula 1 twice per day (once as a meal and once as a snack) with a reduced calorie diet and a goal of 30 minutes of exercise per day. Participants followed either a high protein diet or a standard protein diet. Participants in both groups lost about 8.5 pounds.

6.1.3 Product Claims

Members MUST:

- Make only those claims permitted by product labeling or in Herbalife Materials.
- Accompany all claims with the approved disclaimers.

Members MUST NOT:

- State that Herbalife® products prevent, treat, or cure diseases or medical conditions or discuss any experience with medications.
- Use the name of the Food and Drug Administration (FDA) or other regulatory agencies when representing the Herbalife® products.

6.1.4 Earnings Claims

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

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

Income applicable to the individuals (or examples) depicted and not average. For average financial performance data, see the Statement of Average Gross Compensation Paid by Herbalife at Herbalife.com and MyHerbalife.com.

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

The incomes presented are those of persons within the top 1% of Herbalife Members. For additional financial performance data, see the Statement of Average Gross Compensation Paid by Herbalife at Herbalife.com and MyHerbalife.com.

Income Disclaimer for Unbranded Materials: If an Earnings Claim is made in materials that do not mention Herbalife, the following disclaimer must be made:

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

Alternate Disclaimers for Unbranded Materials: Under the following limited circumstances, Members may use the alternate disclaimers below:

1. When describing the results achieved by the top 1% of Herbalife Members:

The incomes presented are those of persons within the top 1% of all participants, and not average.

2. When advertising on business cards, opportunity cards, classified ads, or any other format less than six square inches:

Incomes presented not typical.

6.1.5 Size and Placement of Disclaimers

Audio Presentations (whether live or previously recorded)

The disclaimers must be made orally in conjunction with the claim.

Visual Presentations (whether live or previously recorded)

If presented on stage or in a video, the disclaimer must be legible and be presented in close proximity to the claim. If on-screen, the disclaimer must appear long enough for an average reader to read it completely.

Written Presentations

The disclaimer must be displayed in:

- A color that contrasts with the color of the background (e.g., black on white);
- Close proximity to the claim (the disclaimer must appear on the same page or screen as the claim); and
- A font at least 75% as large as the size of the font used for the claim but not smaller than 10-point type.

6.1.6 Home-Based Business Claims

When promoting the Herbalife opportunity, Members may not misrepresent the extent to which the activities of a Member can be conducted solely in the home. Members should emphasize that personal interaction is fundamental to direct selling.

6.1.7 Claims Regarding Relationship Between Herbalife and Herbalife Members

The Herbalife opportunity provides Members the potential to earn income, but under no circumstances is it a "job." Herbalife Members are self-employed independent

contractors. As such, Members may not claim, represent or imply that they are employed by, speak for, or provide any kind of consulting services to Herbalife. Nor may they suggest that their independent Herbalife business is a job.

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

Members may not market the Herbalife opportunity using tools primarily devoted to advertising job opportunities, including "Help Wanted" ads, employment bulletin boards, and Internet job search engines such as Monster.com and Careerbuilder.com unless the advertisements clearly and conspicuously indicate that what is being offered is an *independent income opportunity*.

6.2 USE OF HERBALIFE INTELLECTUAL PROPERTY

Maintaining the integrity of the Herbalife brand is one of Herbalife's primary responsibilities. This Section is meant to help Members understand the significance of Herbalife intellectual property. Herbalife continuously polices the marketplace for improper, inconsistent and inappropriate use of its intellectual property, including trademarks, logos, slogans, and copyrights, among other things. Such dedicated monitoring ensures Herbalife's hard-earned reputation as a high-quality producer of global nutrition products is retained.

6.2.1 Definitions:

Copyrighted materials: Herbalife owns the copyright to all printed material, internet content, and audio and video recordings produced by or for it.

A trademark is a proprietary name or symbol that identifies Herbalife as the source of the products and services being sold and provided by Members. For example, Herbalife® and the Tri-Leaf logo are Herbalife trademarks, as are many product brands, such as Cell-U-Loss® or Herbalifeline®.

A trade name is a business name which Herbalife has the exclusive right to use. For example, Herbalife International of America, Inc., and Herbalife of Canada, Ltd. are trade names. Members may not register trade names that include the word HERBALIFE or other Herbalife brand names.

Trade dress includes the characteristics of the visual appearance of a product or its packaging that signify the source of the product to consumers. For example, it includes the design of some of Herbalife's® products and packaging.

A trade secret is confidential information that is generally not known outside of Herbalife and has commercial value. Trade secrets held by Herbalife include formulas, vendor

relationships, branding and product development projects not yet in the marketplace, business plans, processes, and compilations of data identifying or relating to other Members, including genealogies.

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

6.2.2 Copyrighted Materials

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

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

Reproduced with the permission of Herbalife. All rights reserved.

Herbalife reserves the right to withdraw its consent to use of its copyrighted materials at any time in its sole and absolute discretion.

6.2.3 Trademarks, Trade Dress and Trade Names

Members may use those trademarks, trade names and trade dress which Herbalife makes available for downloading.

- Herbalife trademarks and trade names may only be obtained from Herbalife.
- Members must always identify themselves clearly as Independent Herbalife Members.
- Members may not alter the trademarks and trade dress in any way, except to resize them. Resizing items is permitted only if the image remains clear in all details and does not diminish the perception or quality of Herbalife® products and services.
- Members may use Herbalife trademarks and trade dress only in accordance with the current Independent Herbalife Member Style Guide.²⁶
- Members must include the following statement:
"Trademarks and designs are the property of Herbalife International, Inc., or its licensors. Used by permission of Herbalife."

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

6.2.4 Trade Secrets

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

6.2.5 Use Limited to Herbalife Business

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

6.2.6 TV, Radio, Magazines or Newspapers

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

6.2.7 Electronic Media

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

6.2.8 Toll-Free Telephone Numbers

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

6.2.9 Telephone Directory Listings

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

6.2.10 Name or Image of Mark Hughes

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

6.2.11 Herbalife's Addresses

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

²⁶The Herbalife Independent Member Style Guide is posted in the Assets Library at MyHerbalife.com.

6.2.12 Prohibited Use of Third Parties Intellectual Property

Members may not use third parties' copyrighted materials, trademarks, trade names, product names (or any variations) text, photo images, videos, or graphics owned or created by third parties unless they have obtained prior written consent from the owner. All third party intellectual property must be properly referenced as the property of the third party, and Members must adhere to any restrictions and conditions that the owner of the intellectual property places on the use of its property.

6.2.13 Termination of Herbalife Membership

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

6.3 ADVERTISING AND PROMOTIONS

6.3.1 Herbalife Advertising Templates

Herbalife publishes a variety of advertising templates which Members may use without alteration, except for adding their name and contact information. The templates are available for download from MyHerbalife.com.

6.3.2 Member Advertisements and Promotional Materials

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

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

6.3.3 Posting of Advertising Materials

Private Property Members may post advertising materials on private property with the prior written consent of the owner. To document consent, Members may use Herbalife's template "Letter of Consent to Post Advertising on Private Property," available at MyHerbalife.com and from Member Services.

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

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

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

6.3.4 Broadcasting

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

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

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

6.4 PRICE ADVERTISING

Direct selling is about personal relationships and product knowledge, and the value both skills provide to existing and potential customers. This Rule protects the direct sales channel by supporting a Member's ability to establish and maintain a strong connection with existing and potential customers. It is through these relationships with customers and personally sponsored downline that aid Members to achieve success, inspire others to do the same, and ensure the highest level of customer satisfaction.

Herbalife Members are independent businesspersons and may sell Herbalife® products, literature and promotional items at any price they choose. The sole exception is that the Mini HMP and the HMP must be sold at the price specified by Herbalife.

To preserve the one-on-one nature of direct selling, Members may advertise Pricing Information (prices and information related to pricing) only to existing customers, their downline, and potential new customers who have made direct, personal contact and indicated an interest in purchasing Herbalife® products.

Herbalife Members may not advertise to the general public²⁷ Pricing Information including:

- "special offer"
- "___% off"
- "free shipping"
- "special discounts"²⁸

²⁷"General public" refers to persons who have not had prior personal contact with the Member placing the advertisement.

²⁸The terms used in the examples are also prohibited from being used in website tagging strategies. If a word or term cannot appear in an advertisement because it would violate the Price Advertising Rule, then that word or term cannot be used as part of the website tagging strategy to promote the website in search results when used as part of a search.

This Rule applies to branded and unbranded advertising and to all forms of media, including television, radio, telephone, Internet, newspapers, magazines, flyers, leaflets, handbills, pull-tabs and all forms of signage.

Members may not modify Herbalife-produced literature or materials which in its original form features suggested retail prices, including relevant pages of Herbalife websites.

Member operated websites with password-protected pages

Members who operate websites may advertise Pricing Information only on the pages that are password protected. That means that in order to view Pricing Information, a consumer must first input a password that is unique to each individual customer and was obtained from the Member through a personal interaction.

- Personal interaction is defined as a personal phone call, a one-on-one email, or an in-person conversation.
- The use of recorded messages, auto-responses and the like (whether by phone, Internet, or email) do not constitute personal interaction.
- The word “Herbalife” (or any variation of the word “Herbalife”) may not be used as a password.

Public e-commerce websites and non-password-protected pages

Members selling through public e-commerce sites not otherwise prohibited by Rules, or Members utilizing pages which are not password protected, may use the following hyperlink:

“FOR PRICING INFORMATION OR TO INITIATE AND COMPLETE A PURCHASE CLICK HERE.”

The hyperlink may only direct consumers to a page that contains the Member’s contact information (name, email address and/or telephone number) so consumers may obtain Pricing Information or a password directly from the Member.

Other Internet advertising

Pricing Information may not be advertised by any other means, including:

- Email including SMS messages (where there is no pre-existing business or personal relationship);
- Banner or Popup advertisements;
- “Sponsored search results” or “sponsored advertisements;”
- On social networking sites that allow public viewing, including Facebook, LinkedIn or Twitter; and
- Blogs or public message boards.

Chapter 7 Use of the Internet and Electronic Marketing

7.1 MEMBER CONDUCT

7.1.1 Standard of Personal Conduct

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

7.1.2 Unauthorized Computer Access

Members may not:

- Interfere or take any action that results in interference with or disruption of:
 - Herbalife.com
 - MyHerbalife.com
 - other websites maintained by Herbalife or its Members
- Gain or attempt to gain access to computer systems or networks connected to these sites without prior written permission from Herbalife.

7.1.3 Consumer Data

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

7.2 MEMBER WEBSITES

7.2.1 Members Must Disclose Relationship with Herbalife

Members operating independent websites that use Herbalife trademarks or offer Herbalife® products for sale must clearly and conspicuously display the Member’s personal name and business address along with “Independent Herbalife Member”:

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

The Member’s business name may not be a substitute for the personal name of the individual Member, but may be included in addition to the Member’s personal name.²⁹ Anonymous postings or the use of an alias are prohibited.

²⁹If multiple Members are fulfilling orders or otherwise participating on the same website, all Member contact names and contact information must be listed.

7.2.2 Domain Names, Email Addresses, and Websites

Members may not use Herbalife Intellectual Property in their:

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

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

- Herbalife
- Herbalife® product names

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

7.2.3 Hyperlinking and Associations

Members may link their websites to:

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

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

- Website domain name (URL).
- Titles for any pages within a website (including home pages).
- Email addresses.
- Title tags, meta tags.³⁰

7.2.4 Third Party Advertisements on Member Websites

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

1. Relate to any religious, political or commercial organization.
2. Damage the reputation of Herbalife or its Members.
3. Misuse Herbalife Intellectual Property.

4. Directly or indirectly promote any other:

- a. direct-selling or MLM company regardless of products offered; or
- b. products competitive with those sold by Herbalife, such as:
 - i. meal replacements,
 - ii. nutritional supplements, or
 - iii. cosmetics.

7.2.5 International Business

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

7.2.6 Website Privacy Statements

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

- Informs consumers whether or not personal information is being collected about them and how such information will be used; and
- Fulfills the privacy law requirements of each jurisdiction in which business is being conducted.

7.2.7 Search Engine Advertising and Optimization

Herbalife trade names and product names may not be used in search engine meta tags and title tags.

Members are permitted to advertise the Herbalife opportunity on Internet search engines, but they may only use words and phrases that have been approved by Herbalife. This restriction applies to:

- The URL.
- Title tag.
- 25-word description.
- Keywords that make up a meta tag.
- Alt/image tags that describe the images of a site.
- Sponsored advertisements that Members purchase on search engines.
- Any other page-related factors used by search engines in determining website rankings.

A list of keywords that Members may use to optimize their search engine ranking, and a list of approved advertising phrases, is available from Member Services or online at MyHerbalife.com. These lists may be updated from time to time and Members should view the lists periodically to ensure that their search engine advertising is in conformity with this Rule.

³⁰The only exception to this Rule is if and when a Member has obtained prior written consent from the owner. A Member shall indemnify Herbalife against any claim arising or related to the Member's use of third-party trademarks, trade names, or product names.

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

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

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

7.3 PROHIBITION OF AUCTION SALES

Auction sales and sales on auction sites weaken the personal relationships Members must develop with their customers, as well as the Herbalife brand and the image Herbalife establishes for its products. Accordingly, Members may not (directly or indirectly through any intermediary or instrumentality) offer or facilitate the offering of Herbalife® products for sale by soliciting or receiving open bids or by posting for sale at a fixed price on an auction-focused site. This prohibition includes, but is not limited to, soliciting or receiving bids for Herbalife® products on the Internet through a commercial auction website, online auction marketplace, or otherwise.

7.4 EMAIL

These Rules apply to Members who send email regarding the Herbalife® products or opportunity. These Rules are in addition to applicable law.

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

7.4.1 Restrictions

1. The following restrictions and prohibitions apply to Members who send any type of email message relating to Herbalife:
 - a. Members must disclose the origin of any email message:
 - i. Source, destination and routing information attached to the message (including the originating domain name and originating email address) must be accurate.
 - ii. "From" line of each message must accurately identify the person who initiated the message.
 - iii. "Subject" line of each message must not be misleading.
 - b. All email messages must include a clear, conspicuous notice about how to make an opt-out request:
 - i. The message must contain a functioning return email address or Internet-based mechanism that a recipient

may use to submit a request that they not receive future commercial email messages from the sender.

- ii. Within 10 business days after receiving an opt-out request, Members must stop initiating or sending commercial email to such person.
- iii. Each Member must produce and maintain its own Do-Not-Email List ("DNE list") to track and honor all opt-out requests.

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

- a. Members are prohibited from sending commercial email messages unless the:
 - i. Member has an existing business relationship with the recipient based on a prior purchase or transaction, or
 - ii. Member is a friend, family member, or acquaintance of the recipient, or
 - iii. Recipient provided prior consent to receive the message. The consent must be specific to receiving messages about Herbalife® products or the opportunity.
- b. Each message must include a valid physical postal address of the Member.
- c. Members may not obtain email addresses by address harvesting or dictionary attacks.
 - i. "Address harvesting" is the use of automated means to collect email addresses that are listed on a website or online service, when that website or online service contains a notice that it will not give, sell or otherwise transfer addresses maintained by such website or online service to any other person for the purpose of initiating commercial email messages.
 - ii. "Dictionary attack" refers to automated means used to generate possible email addresses by combining names, letters or numbers into numerous permutations.
- d. Members are prohibited from using scripts or other automated means to register for multiple email accounts or online user accounts from which to send commercial email messages.

7.4.2 Government Notice to Discontinue Emailing

Members must immediately discontinue email activity if they receive any notice from a governmental authority regarding their email practices. Members must promptly report all such notices to Herbalife.

7.5 SOCIAL MEDIA

These Rules apply to Members using social networking sites such as Twitter, YouTube and Facebook as well as online communities such as blogs.

7.5.1 Responsibility for Postings

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

7.5.2 Social Media as a Sales and Promotion Forum

Social media sites may not be used to conduct sales transactions. Online sales may only be transacted from a Member's website.

7.5.3 Postings and Claims

Members must be accurate and truthful in all postings. All claims, representations and testimonials must be in compliance with the Rules.

7.5.4 Use of Herbalife's Intellectual Property

Members may only use the trade name "Herbalife" in a manner that clearly identifies them as Independent Herbalife Members.

Examples of unauthorized use of the Herbalife trade name are:

- "Herbalife Wellness Challenge"
- "The Herbalife Page"
- "Let's Talk Herbalife"

7.5.5 Photos, Video/Audio Recordings

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

Herbalife reserves, in its sole and absolute discretion, the right to determine if recordings or images (including their manner of use) violate the Rules or diminish the reputation of Herbalife. Herbalife reserves the right to require the removal of such images or recordings. At all times, Members must comply with all privacy laws, intellectual property laws and social media policies when using images or recordings of other individuals.

7.5.6 Professionalism

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

7.6 TELEMARKETING

Federal and state laws severely restrict telemarketing operations and are highly technical. These Rules are being provided as an accommodation to Members (but not as legal advice). Members are responsible to know and obey federal and state telemarketing laws.

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

7.6.1 Definitions

Autodialer

Equipment that dials telephone numbers automatically, including any computerized equipment that performs the dialing function whether or not the machine is pre-programmed with a list of numbers or dials numbers on a random basis.³¹

Broadcast Fax or Blast Fax

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

Established Business Relationship (EBR)

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

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

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

Prior Express Consent

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

Telemarketing

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

7.6.2 Do-Not-Call Lists

Members engaged in Telemarketing must:

- Set up a business account with the Do-Not-Call Registry identifying the Member as the "Seller" or "Client."³²
- Pay all fees associated with accessing the Do-Not-Call Registry.

³¹Includes computerized equipment such as:

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

³²Members must not identify Herbalife as the "Seller" or "Client."

- Maintain and observe “Do-Not-Call” lists recording the number(s) of persons requesting not to be contacted.
- Access the Do-Not-Call Registry and remove newly registered numbers from call lists at least every 31 days.
- Train all personnel engaged in Telemarketing on these Rules.
- Not call numbers on state and federal Do-Not-Call lists unless the Member has an EBR with the Client.

7.6.3 Autodialers

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

7.6.4 Prerecorded or Artificial Voice Messages

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

7.6.5 Unsolicited Faxes

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

- Telephone number of the sending fax machine and of the Member.

7.6.6 Government Inquiries

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

Chapter 8 Nutrition Clubs

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

A Nutrition Club (“Club”) provides an informal setting for people to:

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

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

8.1 GENERAL RULES

8.1.1 Reviews

Members must cooperate with Herbalife reviews of Club practices.

8.1.2 Training

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

8.1.3 Employees

Clubs may only be operated by Independent Herbalife Members. Members may not use employees to assist with any Club operations.

8.1.4 Not Franchises

Clubs are not franchises,³³ and Members may not compare Clubs to franchises when promoting them as a Daily Method of Operation. Clubs are only a means of doing the core Herbalife business of retailing products within a Club.

³³No Member may represent, imply, or suggest in any way, that Clubs are franchises.

8.1.5 Independent Business Operations

Herbalife does not approve, endorse, authorize, guarantee or assume any obligation of a Club.

8.1.6 One Responsible Member

At least one Member must accept full responsibility for and oversee all operations of each Club.³⁴ If multiple Members share a common space to operate their Clubs, the posted information of the responsible Members may be alternated accordingly.

8.1.7 Good Neighbor Policy

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

8.1.8 Comply With the Law

Club operators must comply with all laws and regulations that apply to the operation of their Club. In dealing with government agencies, prospective and current Club operators must be cooperative and represent their proposed or actual activities accurately.

8.1.9 No Assigned or Exclusive Territories

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

8.1.10 Multiple Clubs

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

8.1.11 Required Postings

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

The posted signs containing the Advisories must be at least 8.5"x 11". Each Advisory itself must be in a font size no smaller than 17 points.³⁵ Copies of these Advisories are available on MyHerbalife.com.

8.1.12 Good Hygiene

The provision of Herbalife® products to Club Attendees requires that Club operators practice good hygiene and

maintain clean and sanitary Club premises. The following hygiene practices are required:

Food Sourcing, Handling and Preparation

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

Perishable Products

- Use older, unexpired products first.
- Wash fruits and vegetables prior to use.
- Store perishable products in a manner that protects them from damage, spoilage or contamination.
- Clean refrigeration units at least once a week.

Non-Perishable Products

- Use older unexpired products first.
- Store Herbalife® products and non-perishable ingredients in a cool, clean, well-ventilated space.

Personal Hygiene

- Frequently wash hands and forearms with antibacterial soap and warm water.
- Always wash hands and forearms in the following instances:
 - After using the restroom.
 - Before and after handling any food items.
 - After sneezing, coughing or blowing nose.
 - After smoking, eating, drinking or leaving the Club premises.
 - After touching hair or any other body part.
 - After touching another person.
 - After touching used or dirty kitchen equipment or utensils.
- Keep clothing and hair clean and neat at all times.
- Leave the Club premises immediately if feeling sick, even if the Club must close.

Club Premises

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

³⁴The responsible Member must post the Nutrition Club Operator's Advisory including the Member's name and contact information. If absent, the Member must assign a Member (whom the Member personally trained) to personally oversee all Club operations.

³⁵The specific wording of the Advisories may change from time to time, but the most recent version may always be obtained by calling Member Services, or it can be downloaded from MyHerbalife.com.

8.2 CLUB OPERATIONS

8.2.1 Fees

Club operators may charge attendance fees to cover operational premise-related costs (such as the cost of rent, utilities, and product and ingredients consumed in the operation of the Club).

Attendance fees may not be represented as the price or cost of:

- Products offered to Attendees or their guests for consumption (because these are benefits of being an Attendee).
- Services the Club operator may choose to offer (such as seminars or classes).

The Club operator is responsible for understanding and complying with legal and tax requirements.³⁶

8.2.2 Club Attendance Not Mandatory

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

8.2.3 Club Activities and Services

Nutrition Clubs must offer their Attendees:

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

8.2.4 Attendee Referral Incentives

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

8.2.5 Authorized Herbalife® Products Only

Only Herbalife® products may be provided for consumption or sale in a Club. Non-Herbalife® products may not be provided, sold or promoted on the Club premises except for ingredients used in shakes.³⁷

8.2.6 Product Consumption

Club operators may offer complimentary products such as shakes, teas, Formula 1 pies and Herbal Aloe Concentrate. Club operators may post a list of available flavors of shakes and teas, as well as any optional ingredients such as protein or fiber, but operators may not post, list, or charge individual prices for these products or ingredients.³⁸

³⁶For instance, Members who provide more than one attendance fee option may be more likely to be required to pay sales tax and to comply with food service regulations and requirements. **Puerto Rico Residents:** Members who provide one or more attendance fee option may be required to register and collect SUT and to comply with food service regulations and requirements.

³⁷Only Herbalife® products authorized for sale in the United States may be used in U.S. Clubs. **Puerto Rico Residents:** Only Herbalife® products authorized for Puerto Rico may be provided for consumption or sale while operating a Club.

³⁸The only permissible Club fees are daily, weekly or monthly Attendee fees to cover operational costs.

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

8.2.7 Carry-Outs

Although it is preferable that product be consumed on Club premises, registered Club Attendees may carry out one shake or cold tea per visit.

Carry-outs must be:

- In unbranded containers of not more than one single serving.
- For the personal consumption of that Club Attendee or another registered Club Attendee.

8.2.8 Product Retailing

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

Club operators may not:

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

8.2.9 Sampling

Club operators may offer products (such as shakes, teas, Formula 1 pies and Herbal Aloe Concentrate) at their Clubs. However, loose tablets may not be provided.

8.2.10 Inappropriate Mixtures

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

8.2.11 Product Packaging and Display

Club operators may display product-related literature, promotional items, and one unit (per product) of unopened Herbalife® product in its original packaging. Displays may not be visible from the exterior. When preparing shakes, teas and Herbal Aloe Concentrate for consumption, each of the packaged products must be available for inspection by Attendees.

8.2.12 Proper Disposal of Product Containers

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

8.2.13 Sale of Clubs Prohibited

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

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

Signage: Because the Transferee is not purchasing a Club or business, but merely taking over a lease, the Transferee may not be required to pay for any external signage, even if the signage remains in place following the transfer.

8.3 MARKETING, PROMOTION AND ADVERTISING

8.3.1 Claims and Representations

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

8.3.2 Offering Nutritional Advice to Attendees and Guests

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

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

8.3.3 Advertising

Clubs are social gatherings publicized exclusively through word of mouth.

- Guests may be personally invited by the Club operator, another Member, a Club Attendee or a customer.

- Invitations may be extended during a conversation or by a written (or digitally transmitted) invitation sent following a conversation.
- Clubs are not intended to attract "walk-in" traffic.
- Club advertising is limited to promoting services that are offered at the Club's location, such as a Weight Loss Challenge, a wellness evaluation, or wellness presentation.

Advertisements about Club services may include the following details:

- Name of Club and Club operator
- Phone number

Using radio and television to advertise Club services is not permitted.

8.3.4 Personal Websites

Every Club operator is permitted to create a website under the following conditions:

- **Password-protected websites** not accessible by the general public may be operated, provided they comply with all of Herbalife's Rules.
- **Non-password-protected websites** accessible by the general public may only provide the following Nutrition Club information:
 - Services available at Club (for example, a Weight Loss Challenge, a wellness evaluation, or wellness presentation)
 - Name of Club and Club operator
 - Phone number

Any other information posted on publicly accessible websites and specific to Clubs is not permitted.

8.3.5 Residential Nutrition Club Signage Prohibited

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

8.4 NON-RESIDENTIAL NUTRITION CLUBS

8.4.1 Registration Process

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

- Be an Herbalife Member for at least 90 days.
- Complete the process required by Herbalife for site location, proposed signage, and other matters.
- Receive the Nutrition Club Operator's Training certificate of completion.³⁹
- Submit the Club "Registration Form"⁴⁰ at least 30 days prior to opening the Club.

³⁹The Training is available on MyHerbalife.com.

⁴⁰The Registration Form is available at MyHerbalife.com or from Member Services.

8.4.2 Not Retail/Service Establishments

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

Service Establishments: Clubs may not operate on the premises of service establishments whose primary purpose is to provide prepared foods (such as restaurants, cafés, ice cream shops, etc.). However, it is permissible to operate within other types of service establishments – such as beauty salons, barber shops, gyms, and health clubs provided that the Club activities and signage are restricted to an enclosed room and are not visible to passers-by or to the public frequenting the service establishment.

8.4.3 Signage Restrictions

- The design and content of the proposed sign must not be perceived as a store, restaurant, franchise or similar operation, or other retail location, and does not invite passers-by to purchase product.
- Signage may not be unreasonably large or unreasonably noticeable.
- No two Clubs operating from non-residential locations may have identical or substantially similar names or signage within a 100-mile radius.⁴¹
- Signs may not use repetitive names with numbers (e.g., Rockin' Wellness #3, Rockin' Wellness #4).
- Signs may not identify, imply, or signal that the occupant is an Independent Herbalife Member (or otherwise indicate an Herbalife business).
- Signs may not advertise services offered as part of a Club (for example "Weight Loss Challenge," etc.).
- Signs may not state or suggest Herbalife® products are available for purchase on the premises.
- Signs may not use Herbalife Intellectual Property, product names or brands, the word "shake," or any other words that imply or signal that Herbalife® products are available at that location, such as:
 - Nutrition Club
 - Herbalife
 - L.A. Live
 - Mark Hughes
 - Liftoff®
 - Skin Activator® or any other.
- The following terms and any similar terms are acceptable:
 - Club
 - Center
 - Meeting

- The following terms, and any similar terms, are not acceptable:
 - Café
 - Restaurant
 - Bar
 - Mart
 - Store
 - Shop
- Signs that depict "Open/Closed" may not be visible from the exterior.

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

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

8.4.4 Nutrition Club Exterior

Clubs are not retail establishments, cafés, restaurants or takeout establishments. The following rules apply to the Club exterior, to avoid any misconceptions by the public:

- Tables, chairs, or outdoor seating are not allowed.
- Club exterior doors must remain closed.
- The doors and windows of non-residential Clubs must be properly covered so that the interior of the Club is not visible to people outside of the Club.
 - **Coverings may not:**
 - Display any Herbalife branding (names, logos, etc.).
 - State, imply or suggest (even without words) that retail products are available for purchase inside.
 - Use or incorporate "Before & After" photographs.
 - Display the word "shake" or pictures of shakes or any other products (even if unbranded).
- The following is not allowed on the Club's exterior:
 - Visa or MasterCard (or any other credit card merchant) decals or signs.
 - The word "welcome."
 - Pictures or logos of shakes, blenders.
 - Pictures of food or products.
 - Telephone numbers.
 - Website references such as ".com," "www," ".net," or any other such reference.
 - Taglines or slogans. (A tagline is a descriptive term used in conjunction with the name of a Club.)

8.4.5 Cash Registers

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

⁴¹This would include anything visible from the exterior that might suggest that the location is a franchise.

8.4.6 Leasing, Renting or Sharing Club Locations

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

8.4.7 Walk-In Traffic

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

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

- Offering the prospect a complimentary shake, tea, Formula 1 pie, and Herbal Aloe Concentrate as samples.
- Explaining the Nutrition Club concept of socialization, product consumption, and wellness education among Club Attendees.
- Providing free samples of prepared products to encourage walk-ins to return and become Club Attendees.

Chapter 9 Weight Loss Challenge

The Weight Loss Challenge (“Challenge”) is an optional method of operation available to all Members. This method is a fun way for Challenge participants to learn about nutrition. However, it is imperative that Challenge Rules are followed. For clarification, non-italicized content details mandatory Challenge Rules, while *italicized* content represents “best practices” and/or additional details about hosting a Challenge.

9.1 MAXIMUM NUMBER OF PARTICIPANTS

Each Challenge is limited to a maximum of 40 participants. Twenty to thirty participants per Challenge are recommended. Keep in mind that a Challenge may include as few as 3 and up to the maximum of 40 participants. A Member should be assigned as a personal coach to every 12 to 15 participants.

9.1.1 Fees

Participation Fee: The Participation Fee covers all prize payouts, plus minimal operational costs. Participation Fees may not be used to generate a profit and, under no circumstance, may they exceed \$35.

Weight-Gain Fee: Members may charge a weight-gain fee of \$1 per pound for weight gained since a participant’s last recorded weigh-in.

Absence Fee: Members may charge an absence fee of \$5 for each absence from a weekly meeting. One (1) absence is allowed without penalty.

The only permissible action for non-payment of Weight-Gain and Absence Fees is disqualification from the Challenge; Members may not otherwise press or pursue participants (or former participants) for payment.

9.1.2 Maximum Payout

First-prize payout for each Challenge may not exceed \$599.⁴²

9.1.3 Duration

Each Challenge must run for a minimum of 6 weeks.⁴³

9.1.4 Weekly Meetings

Weekly meetings are a required element of any Challenge. They may be conducted in any suitable location or online.⁴⁴

9.1.5 Recommending Herbalife® Products

Members may always recommend, promote and educate on Herbalife® products, but may not require that the products be purchased or consumed as part of a Challenge.

9.1.6 Refunding the Participation Fee

The participation fee must be fully refunded if requested by the participant within the first 48 hours of the Challenge start date. Refunds requested more than 48 hours after the Challenge commences may be granted at the discretion of the responsible Member(s).

9.1.7 Advertising

Herbalife creates and provides a variety of finished ads for the Challenge. Member-created ads must be compliant with all Rules and law.

When advertising a Challenge, Members may include their name and phone number in the ad.

If the Challenge is to take place at a Club, the ad may only include:

- The name of the Club.
- The name of the Club operator.
- The Club’s phone number.

⁴²There are 2 reasons for this maximum payout amount:

- Participants should be driven by the results they will achieve, with the “extra” benefit of possibly winning money.
- Larger funds could encourage participants to engage in unhealthy or excessive weight loss and exercise practices.

⁴³Each Challenge should run for 12 weeks. This allows the participants to better reach their goals during the course of the Challenge.

- The Weight Loss Challenge Manual, MyHerbalife.com support materials, and Herbalife’s Weight Loss Challenge website for participants (HerbalifeWLC.com) are based on a 12-week program.

⁴⁴Meetings should include a weekly weigh-in, discussion of the participants’ progress, educational talks by the Member(s)/coach(es), and formulation of a plan and/or goal for the coming week.

Members may only provide the address for the Challenge through personal interaction, not through the advertisement.

No Challenge ad may state or imply that money will be paid merely by participating in a Challenge. Only four participants in each Challenge actually receive cash payouts. Ads may not state or imply that persons who win the Challenge can earn money for doing so.

Examples of Acceptable Ad Statements:

- “Weight Loss Challenge winners can earn dollars for losing pounds!”
- “Challenge winners can earn cash to lose weight!”

Examples of Unacceptable Ad Statements:

- “Earn dollars for losing pounds!”
- “We pay you to lose weight!”

9.1.8 Required Participation Agreement⁴⁵

Every participant must review and sign a Participation Agreement, which must be kept on file by the Member(s) for at least 1 year from signing and produced to Herbalife upon request.

9.1.9 State of Vermont

The standard Challenge model, as set forth in this Manual and in these Rules, is prohibited by law in the state of Vermont.⁴⁶

9.1.10 Minimum Age

The minimum age for participation in a Challenge is 14, and persons ages 14 to 17 require written permission from a parent or legal guardian.

Chapter 10 Enforcement Procedures

The Rules protect the Herbalife opportunity and brand. Individual Member violations can negatively impact Herbalife as a whole as well as adversely influence the opinion of regulators, the media and the public’s opinion about Herbalife, its products and its Members. While Herbalife makes every effort to educate and counsel Members about appropriate and inappropriate business practices, there are instances where violations of the Rules merit more severe penalties.

Members 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 Members. Herbalife generally will only act on complaints brought within one year of when the Member knew or should have known of the violation but reserves the right to conduct an inquiry at any time.⁴⁷

10.1 COMPLAINT PROCEDURE

Members should report suspected violations on an Official Complaint Form.⁴⁸ Required information includes the nature of the complaint and the factual details that support the allegations.⁴⁹ The Official Complaint Form must be signed and include the reporting Member’s Herbalife ID number.

10.1.1 Inquiry

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

In certain circumstances it may become necessary to place restrictions on a Membership while an inquiry is in process. Those restrictions may include a prohibition from attending Herbalife events and suspension or denial of:

- Buying privileges.
- Payment for Royalty Overrides.
- Payment for TAB Team Production Bonus.
- Awards or benefits (i.e., vacations, pins, etc.).
- Speaking at Herbalife sponsored Training Seminars or other meetings.
- Qualifications that may be in progress.
- The right to represent oneself as an Herbalife Member.

Herbalife reserves the right to publish the violating Member’s name, violation, and penalty.

10.1.2 Sanctions

Violations of the Rules may result in legal or regulatory challenges for Herbalife and endanger the business for all Members. 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 Member rights and privileges.
- Monetary sanctions.
- Obligation to reimburse Herbalife’s legal fees.
- Removal from 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 Membership (see “Termination or Deletion of a Membership” below).

⁴⁵The Participation Agreement form is available at MyHerbalife.com.

⁴⁶Members who are interested in using this tool in Vermont must contact Herbalife Member Services for specific guidance.

⁴⁷Herbalife’s enforcement of the Rules shall not create liability to pay compensation for loss of profits or goodwill.

⁴⁸The Form can be obtained through Member Services or by accessing MyHerbalife.com.

⁴⁹Factual details include names, addresses, and telephone numbers of persons involved as well as dates, times, places, etc.

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

10.1.3 Corrective Measures

Volume and earnings adjustments resulting from corrective measures to resolve dual Membership violations will not include activity occurring more than two years before the date the complaint was received by Herbalife.

10.1.4 Requests for Reconsideration (unrelated to Terminations)

Members may submit a request for Herbalife's reconsideration of a decision within 15 days of the date of the decision. When requesting reconsideration, the Member 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 15-day period, the request will be denied.

10.1.5 Termination of a Membership

Herbalife may, in its sole and absolute discretion, terminate a Membership if a Member violates the Rules.⁵⁰

The termination is effective on the date indicated in the written notification provided by Herbalife to the Member. Upon termination of a Membership, the Member will have no claim against Herbalife as a result of the termination. The Member may no longer conduct business or represent themselves as an Independent Herbalife Member.

10.1.6 Appealing a Termination

Members may submit a request for Herbalife's reconsideration of a termination decision within 15 days of the date of the decision. When requesting reconsideration, the Member 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 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 Membership, 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.

Chapter 11 Additional Legal Provisions

11.1 DAMAGES

Neither Herbalife nor Member 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.

11.1.1 Waiver and Delay

Herbalife may address Rules violations or other breaches of any agreement with any Member 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 Member shall constitute a waiver of the provisions or a waiver by Herbalife of its rights at any time under any such agreement.

11.1.2 Severability

Except as otherwise provided in Section (3) of the Arbitration Agreement, if any provision in any agreement between Herbalife and Member is found to be invalid, illegal, or unenforceable in any respect, it shall be severed from the agreement and have no effect on the remainder of the agreement, which shall remain in full force and effect. Further, there shall be added automatically as part of the agreement a provision as similar as possible to the severed provision that would be legal, valid, and enforceable.

11.1.3 Choice of Law

This Agreement, and any dispute arising from the relationship between Herbalife and Members, shall be governed by the substantive laws of the State of California without the application of conflict of law principles. Nothing in this provision is intended to apply the law of California or any other state to the interpretation and enforceability of the arbitration agreement or the conduct and administration of the arbitration proceeding.

11.1.4 Indemnification

Member 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 Member's breach of any agreement with Herbalife or the conduct of Member's Herbalife business. Herbalife may offset reasonable amounts against amounts which would otherwise be due to Member to cover such indemnity.

⁵⁰Termination means the complete cancellation of a Membership and revocation of the Member's right to conduct the Herbalife business. This includes cancellation of their right to receive any further income from the Membership whether accruing before or after the termination date.

11.1.5 Claims Between Members

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

Chapter 12 Arbitration

Members 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 to "Agreement" mean the entire contractual relationship between Member and Herbalife.

Herbalife is always interested in resolving disputes amicably and informally. In the event, however, that Herbalife and Member have a dispute that cannot be resolved informally, Herbalife and Member each agree to resolve the dispute solely and exclusively by binding arbitration or in small claims court instead of in a court of general jurisdiction. Arbitration can be more informal than a lawsuit in court. Arbitration uses a neutral arbitrator instead of a judge or jury, allows for more limited discovery than in court, and is subject to very limited review by courts. Arbitrators can award the same damages and relief that a court can award.

Puerto Rico Residents: Puerto Rico does not have small claims courts. Therefore, your terms vary slightly. Any variation in terms in this Arbitration Agreement for Puerto Rico Residents is indicated below in italics.

Herbalife and Member both waive the right to trial by jury. Also, any arbitration under this agreement shall take place on an individual basis; class or representative actions shall not be permitted.

For any claim that does not exceed \$75,000, Herbalife will pay all arbitration fees unless the arbitrator finds that Member's claim is frivolous or was filed for an improper purpose. Member may also be entitled to recover attorneys' fees from Herbalife to at least the same extent as Member could in court, and Herbalife may be required to pay Member more than the amount of the arbitrator's award and to pay Member's attorney (if any) twice his or her reasonable attorney's fees. All of these provisions are set forth in full detail below.

Arbitration Agreement

(1) Scope

- (a) This agreement to arbitrate is intended to be broadly interpreted. Except as provided in Section (2) below,

Herbalife and Member agree to arbitrate all disputes and claims between them, including, but not limited to:

- claims that arise out of or relate to terminations, enforcement of Member Rules of Conduct, and Sales & Marketing Plan decisions;
- claims that arise out of or relate to any dispute between Member and another Herbalife Member;
- claims that arise out of or relate to any aspect of the relationship between Herbalife and Member, whether based in contract, tort, statute, fraud, misrepresentation, or any other legal or equitable theory;
- claims that arose before Member's contractual relationship with Herbalife;
- claims that are the subject of purported class action litigation in which Member is not a member of a certified class; and
- claims that may arise before, after or as a direct or indirect result of the termination of Member's relationship with Herbalife.

- (b) The arbitrator shall have exclusive authority to the extent permitted by law to resolve all disputes arising out of or relating to the interpretation, applicability, enforceability, or formation of the Agreement, including, but not limited to, any claim that all or part of the Agreement is void or voidable. The arbitrator shall also have exclusive authority to the extent permitted by law to decide the arbitrability of any claim or dispute between Member and Herbalife.
- (c) The Agreement between Member and Herbalife evidences a transaction in interstate commerce. Thus, the Federal Arbitration Act governs the interpretation and enforcement of this arbitration agreement in all respects, including, without limitation, the enforceability of the class action waiver in Section 3 below. This arbitration agreement shall survive termination of the Agreement, any agreements that are comprised in the Agreement, or any other agreement between Herbalife and Member.
- (d) References to "Herbalife," "Member," "they," "their" or "them" include Herbalife's and Member's respective subsidiaries, affiliates, officers, directors, agents, employees, predecessors-in-interest, heirs, successors, and assigns.
- (e) Member agrees that Herbalife and Member are each waiving the right to a trial by jury.

Puerto Rico Residents: Members in Puerto Rico agree that Herbalife and Member are each waiving the right to a trial in any local or Federal court of justice in Puerto Rico.

- (f) This arbitration agreement applies to Herbalife and all Members regardless of when they entered into their Agreement with Herbalife.

(2) Exceptions

Notwithstanding the foregoing,

- (a) Member may bring an individual action for monetary damages in small claims court. Member may not bring any other type of action against Herbalife in small claims court. Herbalife may only arbitrate claims against Member and may not bring any actions against Member in small claims court. *This provision does not apply for Puerto Rico Residents.*
- (b) Member may bring issues to the attention of federal, state or local agencies, which, if the law allows, can seek relief against Herbalife on Member's behalf.

(3) No Class or Representative Actions

- (a) **Member agrees that Herbalife and Member are each waiving the right to participate in a class or representative action or proceeding. Herbalife and Member may only bring claims against each other in their individual capacity. Neither may bring claims against the other as a plaintiff or member in any purported class or representative action or proceeding. Unless both Herbalife and Member agree otherwise, the arbitrator may not consolidate more than one person's claims, and may not otherwise preside over any form of a representative or class proceeding.**
- (b) If the above provision is found to be illegal, invalid, or unenforceable, then this entire arbitration agreement shall be null and void. The overall Agreement between Member and Herbalife, however, shall remain in full force and effect except insofar as it is inconsistent with the nullification of this arbitration agreement.

(4) Procedure

- (a) All notices to Herbalife that are required under this arbitration agreement should be addressed to:

Office of the General Counsel
Herbalife International of America, Inc.
800 West Olympic Blvd., Suite 406
Los Angeles, CA 90015

(The "Herbalife Notice Address"). All notices to Member required under this arbitration agreement shall be addressed to Member's mailing address as listed in the Herbalife records. ("Member's Notice Address").

- (b) Member can download or obtain copies of forms for giving notice and commencing arbitration at <http://www.adr.org/aaa/ShowPDF?doc=ADRSTG004175>, or by calling the AAA at 1-800-778-7879, or by requesting them from Herbalife by writing to the Herbalife Notice Address.

- (c) A party who intends to seek arbitration must first send to the other, by certified mail, a written Notice of Dispute. The Notice of Dispute shall (i) describe the nature and basis of the claim or dispute; and (ii) set forth the specific relief sought ("Demand").

- (d) Herbalife and Member shall attempt to resolve the claim informally within 30 days after the Notice of Dispute has been received. If Herbalife and Member do not reach an agreement to resolve the claim within 30 days, Herbalife or Member may commence an arbitration proceeding.

- (e) If Member commences an arbitration proceeding and sends notice that it has commenced arbitration to the Herbalife Notice Address, Herbalife will promptly reimburse Member for Member's payment of the filing fee unless Member's claim is for greater than \$75,000. (The filing fee currently is \$125 for claims under \$10,000, but is subject to change by the arbitration provider.) If Member states that Member is unable to pay this fee, Herbalife will pay it directly upon receiving a written request at the Herbalife Notice Address.

- (f) The arbitration will be governed by the Commercial Arbitration Rules ("AAA Rules") of the American Arbitration Association ("AAA"), as modified by this arbitration agreement, 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. All issues shall be for the arbitrator to decide, including the scope of this arbitration provision, but the arbitrator shall be bound by the terms of this arbitration agreement. State arbitration laws do not apply or govern in any respect whatsoever.

- (g) Unless Herbalife and Member agree otherwise, any arbitration hearings will take place in the county (or parish) of Member's Notice Address. If Member's claim is for \$10,000 or less, Member may choose whether the arbitration will be conducted solely on the basis of documents submitted to the arbitrator, through a telephonic hearing, or by an in-person hearing as established by the AAA Rules. If Member's claim exceeds \$10,000, the right to a hearing will

be determined by the AAA Rules. Regardless of the manner in which the arbitration is conducted, the arbitrator shall issue a reasoned written decision sufficient to explain the essential findings and conclusions on which the award is based.

- (h) Herbalife will pay all AAA filing, administration, and arbitrator fees for any arbitration initiated in accordance with the notice requirements above, unless (i) Member seeks more than \$75,000 in damages, or (ii) the arbitrator finds that Member's claim or the relief sought in the Demand is frivolous or was brought for an improper purpose (as measured by the standards set forth in Federal Rule of Civil Procedure 11(b)), in which case the payment of these fees will be governed by the AAA Rules instead. If the second of these exceptions applies, Member must reimburse Herbalife for any payments that would have been Member's obligation to pay under the AAA Rules.
- (i) The amount of any settlement offer made by Herbalife or Member shall not be disclosed to the arbitrator until after the arbitrator determines the amount, if any, to which Herbalife or Member is entitled.
- (j) Upon either party's request, the arbitrator will issue an order requiring that confidential information of either party disclosed during the arbitration (whether in documents or orally) may not be used or disclosed except in connection with the arbitration or a proceeding to enforce the arbitration award, and that any permitted filing of confidential information must be done under seal.

(5) Awards and Attorneys' Fees

- (a) If the arbitrator issues an award in favor of Member that exceeds the value of the last written settlement offer made by Herbalife before an arbitrator was selected, then Herbalife will:
 - pay Member the amount of the award or \$10,000 ("the alternative payment") whichever is greater; and
 - pay Member's attorney, if any, twice the amount of attorneys' fees, and reimburse any expenses (including expert witness fees and costs) that Member's attorney reasonably accrued for investigating, preparing, and pursuing Member's claim in arbitration ("the attorney premium").
- (b) If Herbalife did not make a written offer to settle the dispute before an arbitrator was selected, Member and Member's attorney will be entitled to receive

the alternative premium and the attorney premium, respectively, if the arbitrator awards Member any relief on the merits of Member's claim.

- (c) Upon request from either party, the arbitrator may make rulings and resolve disputes as to the payment and reimbursement of arbitration fees and expenses at any time during the arbitration proceeding. The arbitrator may also make rulings and resolve disputes as to the alternative premium and the attorney premium, if any, upon request from either party made within 14 days after the arbitrator's ruling on the merits.
- (d) The right to attorneys' fees, costs, and expenses under this arbitration agreement shall supplement any right to attorneys' fees, costs, and expenses Member may have under applicable law. If Member would be entitled to a larger amount under the applicable law, the arbitrator may award Member that amount. However, Member may not recover duplicative awards of attorneys' fees, costs, or expenses.
- (e) Under some laws, Herbalife may have a right to an award of attorneys' fees, costs, and expenses if it prevails in an arbitration. Herbalife nonetheless agrees that it will not seek such an award.
- (f) The arbitrator may award declaratory or injunctive relief only in favor of the individual party seeking relief and only to the extent necessary to provide relief warranted by that party's individual claim.

(6) Amendments

Herbalife reserves the right to amend, modify, or terminate this arbitration agreement by amending or modifying these Rules of Conduct. However, any such amendment, modification, or termination of the arbitration agreement shall not apply to claims that have accrued or are otherwise known to Herbalife at the time of the amendment, modification, or termination.

(7) Severability

If any provision of this arbitration agreement other than Section 3(a) is held to be illegal, invalid, or unenforceable, such provision shall be fully severable and the arbitration agreement shall be construed and enforced as if it had never included such provision, and the remaining provisions shall remain in full force and effect and shall not be affected by the severed provision. Furthermore, in lieu of the severed provision, there shall be added automatically as part of this arbitration agreement a provision as similar as possible to the severed provision that would be legal, valid, and enforceable.

Chapter 13 Privacy and Data Protection

Herbalife collects information about Members' business and other information it needs to fulfill its obligations of the Membership, such as Members' bank account or credit card number. If a Member refuses to give Herbalife this information or appropriate authorization to use the information, he or she will not be able to become or stay a Member.⁵¹ If Members give Herbalife their information, it will be used:

1. To provide services to Members (such as taking and processing orders, and calculating earnings, etc.);
2. To support and improve the services Members render to their customers;
3. To provide Members additional services;
4. To maintain the proper functioning of the Sales & Marketing Plan; and
5. For compliance purposes.

Herbalife shares Members' information with its affiliate entities,⁵² with its corporate headquarters in the United States, with its third party service providers (e.g., IT support, accounting, legal advisors, etc.) and with Members' uplines when needed. In specific cases Herbalife may also be legally required to share Members' information with public authorities. In all of these cases, Herbalife will take appropriate measures to ensure the confidentiality of Members' information. Herbalife does not share your information with other third parties.

Some of Herbalife's affiliate entities, and possibly Members' uplines, may be in countries that offer less privacy protection than the country where the Member lives. However, Herbalife is committed to protecting Members' privacy wherever Members' information is used and Herbalife International of America, Inc., has certified to the EU-US Safe Harbor Agreement, committing to a level of protection equal to that in the European Union.

Members have a right to access their personal information and a right to have incorrect information corrected. If Members want to exercise those rights, they should contact Member Services in their country, check their account information online at MyHerbalife.com or send an email to privacy@herbalife.com.

From time to time, Herbalife may give Members personally identifiable information ("PII") relating to Members' downline. Members may only use this PII to develop their Herbalife business relationship with their downline, unless they have received consent from the downline Member to use his or her PII for other purposes. Members must abide by applicable

data protection laws, including international data transfer restrictions. Once Herbalife has given PII to a Member, he or she is responsible for it and must keep it strictly confidential.

Herbalife will give Members materials about its products and services to help Members develop their business and Herbalife may also send Members commercial information about Herbalife or its business partners.

Chapter 14 Definitions

Applicant: An individual applying to become an Herbalife Member.

Application: Herbalife Membership Application and Agreement.

Association: In a divorce, the combination of volume between the original Membership and the separate Membership of the divorced couple, for the purpose of earnings percentage calculation.

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

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

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

Challenge: Weight Loss Challenge.

Club: Nutrition Club.

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

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

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

⁵¹When a Member terminates his or her Member relationship, Herbalife must keep some of the Member's information for accounting purposes and for the calculation of earnings under the Sales & Marketing Plan.

⁵²A list of Herbalife subsidiaries can be found online at MyHerbalife.com, or at Herbalife.com.

Fee: Annual Membership Services Fee.

Former Participant: A former Member, spouse, or anyone else who participated in a Membership.

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

HMP: Herbalife Member Pack.

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

Lifestyle Claims: A form of Earnings Claim.

Materials: Herbalife produced literature and sales aids.

Member Services: Herbalife Member Services Department which may be reached at 866-866-4744.

MLM: Multilevel Marketing.

Period of Inactivity: One year waiting period. See Rule 2.1.10.

Pricing Information: Information related to pricing including "special offer," "% off," "free shipping," and "discounts."

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

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

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

Sales & Marketing Plan: The Herbalife Sales & Marketing Plan.

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

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

Transferee: The Member to whom a Membership is transferred.

Transferor: The former Member who is transferring his or her Membership to another.

NOTES

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