

India Rules Of Conduct

Book Two



INTRODUCTION

Congratulations! As an Independent Herbalife Nutrition Associate, you are now part of a community of like-minded people who are driven by a purpose – to make the world healthier and happier. As global leaders in the nutrition industry, we have a responsibility to operate with ethics and integrity. As such, please review these Rules of Conduct¹ to help you on your journey.

Before you start your business, take the time to read and understand each Rule. Because we know some aspects of running a business can be complicated, there is a team of people here at Herbalife Nutrition Associate Services standing by to help you. If you have questions, you can reach them at 080-40311444.

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

Best wishes for your success.
Your Herbalife Nutrition Team

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

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CHAPTER 1 : GETTING STARTED

1.1 APPLYING TO BECOME AN ASSOCIATE

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

1. Be sponsored by an Independent Herbalife Nutrition Associate (“Sponsor”);
2. Fill out and submit an Herbalife Nutrition Associateship Application and Agreement (“Application”); and
3. Have the Application accepted by Herbalife Nutrition.²

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

1.1.1 Restrictions on Purchase Requirements

There is no required purchase to become an Associate.

Sponsors may not require Associates to purchase:

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

1.1.2 Debt Discouraged

Associates are encouraged to build their business debt-free. Associates who elect to retail products and/or build Associate organizations don’t need to invest in large inventories or incur burdensome debt.

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

1.1.3 One Associateship Permitted Per Person

An individual may own, operate, and support only one Associateship, except as permitted by the Married Couples and Associates who Marry, Separation, Divorce, and Dissolution of Life Partner Relationship and Inheritance Rules. (See **Rules 2.1.3, 2.3 and 2.4**) If an individual submits more than one Associateship Application, the first Application received and accepted is the valid Associateship.

1.1.4 Communications with Herbalife Nutrition

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

1.1.5 Proper Purchasing

Non-Supervisor Associates may only purchase Herbalife Nutrition products directly from Herbalife Nutrition, from their Sponsor, or their first upline Fully Qualified Supervisor (only if their Sponsor is not a Fully Qualified Supervisor) or directly from Herbalife Nutrition. Note: only orders placed with the Company count towards qualification to become Qualified Producer or Supervisor. All products must be delivered within a reasonable amount of time after sale.

Fully Qualified Supervisors may only purchase products from Herbalife Nutrition.

Associates may not place or pay for orders on behalf of other Associates.³

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

1.1.6 Payment

Associates must ensure that all payments submitted to Herbalife Nutrition are authorized and sufficiently funded.

Associates may not use the credit cards, personal checks or any other form of payment from their Associates, retail customers or other individuals to pay for orders purchased from Herbalife Nutrition.

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

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

⁴ *An Associate whose cheque is returned for insufficient funds may be surcharged by Herbalife Nutrition.*

CHAPTER 2 : ASSOCIATESHIP PARTICULARS

2.1 ASSOCIATESHIP ELIGIBILITY

2.1.1 Associates Must Be Individuals

Herbalife Nutrition only accepts Applications for Associateship in the name of individuals. However, Associates may have their Herbalife Nutrition earnings paid to a partnership or corporation by submitting a written request to the Herbalife Nutrition Associate Services Department (“Associate Services”).⁵ The Associateship will remain in the name of the individual, and the earnings of the Associateship will be reported in the name and PAN number of the individual Associate.

⁵ *Associate Services may be reached by calling 080-40311444.*

2.1.2 Dual Associateships

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

- Terminate or place conditions on one or both of the Associateships.
- Impose penalties or sanctions on the Associateships 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 Associateship.
- Take other action it deems appropriate.

In cases of dual Associateships and similar violations, the Associate may be allowed to continue as an Herbalife Nutrition Associate, but must do so in the proper line of sponsorship as determined by Herbalife Nutrition. Herbalife Nutrition will determine the disposition of the deleted Associateship’s downline lineage.

2.1.3 Associateship Minimum Age

A person must be at least 18 years old to apply for Associateship or participate in another Associate’s Herbalife Nutrition business.⁶

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

2.1.4 Married Couples and Associates Who Marry

Married couples and Life Partners⁷ may participate in only one Associateship. If two Associates marry each other, one Associateship must be relinquished. If two Associates enter into a Life Partner relationship with each other one Associateship must be relinquished. The only exception to this Rule is when each Associateship is at Supervisor level or greater at the time of marriage or entering into the Life Partner relationship. In this case, each spouse or Life Partner may continue to operate his or her individual Associateship.

⁷ *Life Partner: A person designated by an Herbalife Nutrition Associate as their Life Partner on the “Add Life Partner Request Form”. Forms are available through Associate Services.*

2.1.5 Recognition of Spouse or Life Partner

An Associate may request that Herbalife Nutrition add the name of a spouse or Life Partner to their Associateship record. Adding a name to the record is for recognition⁸ purposes only, and does not give the spouse or Life Partner ownership or other rights related to the Associateship.

⁸ *As an example, recognition allows Herbalife Nutrition event attendance, recognition for new business and Marketing Plan achievements.*

2.1.6 Activities of a Spouse or Life Partner

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

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

2.1.7 Former Participant in Associateship

A Former Participant (meaning a former Associate, spouse, Life Partner, or an individual who participated in an Associateship) must wait a minimum of one year and fulfill the Period of Inactivity requirements before reapplying for Associateship under a different Sponsor or assisting any other Associateship. (See Rule 2.1.9)

2.1.8 Disclosure of Former Associateship or Preferred Customer Program

If a Former Participant applies for a new Associateship or Preferred Customer Program, the Former Participant must notify Herbalife Nutrition at the time of application and provide the former Associateship or Preferred Customer Program ID number. An Associateship or Preferred Customer Program, may be terminated if the Associate fails to inform Herbalife Nutrition of activity in another Associateship or Preferred Customer Program, or makes misrepresentations regarding it.

2.1.9 Period of Inactivity

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

- Be involved in an Herbalife Nutrition business in any way.
- Purchase products other than for personal use.
- Sell any Herbalife Nutrition products or Materials.
- Sponsor or offer the Herbalife Nutrition opportunity.
- Promote, assist or support any Associateship.
- Attend any Herbalife Nutrition or Associate trainings or meetings.
- Visit Nutrition Clubs, unless they are only acting as a customer and are not involved in the Herbalife Nutrition opportunity in any way.

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

Example 1: Associate or Preferred Customer Terminates

- Prior application date is December 5, 2013.
- Associate or Preferred Customer resigns on August 28, 2016.
- The Period of Inactivity would be from August 28, 2016 through August 27, 2017.
- This Associate or Preferred Customer would be eligible to sign a new Application under a different Sponsor as of August 28, 2017.

Example 2: Failure to Renew Associateship

- Prior application date is December 5, 2015.
- Renewal of Associateship is due on December 5, 2016 (anniversary date) but not renewed.
- The Period of Inactivity would be from December 5, 2016 through December 4, 2017.
- This Associate would be eligible to sign a new Application under a different Sponsor as of December 5,

2017.

After the Period of Inactivity, the Former Participant may apply for a new Associateship or Preferred Customer Program under another Sponsor.

Exception to Period of Inactivity

If the Former Participant wishes to apply for a new Associateship or Preferred Customer Program under the original Sponsor and that Sponsor has remained in the original organization, Herbalife Nutrition may waive the waiting period.

2.2 TRANSFERRING YOUR ASSOCIATESHIP

2.2.1 Assignment, Sale, or Transfer of Associateship

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

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

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

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

2.2.3 Status and Benefits

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

2.2.4 Responsibility After Transfer

After transfer of the Associateship:

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

2.3 SEPARATION, DIVORCE, AND DISSOLUTION OF LIFE PARTNER RELATIONSHIP

2.3.1 Establishing a New Associateship

If an Associate's spouse or Life Partner wants to continue in the Herbalife Nutrition business during divorce proceedings or immediately after a divorce or dissolution of a Life Partner relationship, the Associate and

spouse/Life Partner each must start a new separate Associateship under the original Associate’s Sponsor. Herbalife Nutrition will deactivate the buying privileges of the original Associateship and credit each new separate Associateship with the business activity of the original Associateship through an “Association.” (See **Rule 2.3.4**) Each Associate must use the new ID number in his or her business.



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

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

From a Divorcing Couple	From Partners in Dissolution of Life Partner Relationship
<ul style="list-style-type: none"> • Newly completed and signed Applications for the Associate and spouse, sponsored by the Sponsor of the original Associateship • A signed and notarized Divorce and Separation Form. • A copy of the Petition for Dissolution of Marriage, Settlement Agreement, or final divorce judgment. • Newly completed and signed TAB Team Production Bonus Acknowledgment Form for the Associate and spouse, reflecting the ID number of the new separate Associateship (TAB Team level Associateship only). 	<ul style="list-style-type: none"> • A newly completed and signed Application for the Associate and Life Partner, sponsored by the Sponsor of the original Associateship. • A signed and notarized Dissolution of Life Partner Relationship Form from both parties. (If both parties do not provide the signed and notarized Form, a court order indicating that the relationship has ended, will be required). • Newly completed and signed TAB Team Production Bonus Acknowledgment Form, reflecting the ID number of the new separate Associateship (TAB Team level Associateships only).

If an Associate remarries or designates a new Life Partner, that person’s new spouse or Life Partner may be added to the Associate’s new separate Associateship for recognition purposes.

Herbalife Nutrition will only associate one set of dissolved or divorced Associateships. For example, if Bob and Barbara divorce, Barbara may have a new Associateship, but it will not be associated to Bob’s.



2.3.2 Requests to Modify the Original Associateship

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

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

CHAPTER 2 : ASSOCIATESHIP PARTICULARS

the Associateship record.

Payments: Herbalife Nutrition must receive a completed Request to Pay Form to make payment changes. Subsequent requests must be signed and notarized by both parties. The earnings statements for the original Associateship will be mailed to the address of record unless both parties submit a signed and notarized letter of instruction.

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

If an Associate transfers an Associateship and decides to establish a new Associateship:

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

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

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

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

⁹ *Applications received one or more years after the Dissolution of Life Partner Relationship Form signifying the dissolution of a Life Partner relationship, or a married couple’s final divorce judgment will begin at Associate status, with 25% discount buying privileges.*

2.3.3 Joining Under a Different Sponsor/Participating in Another Associateship

To join under a different Sponsor, the Associate or spouse or Life Partner must provide Herbalife Nutrition with the following required documents:¹¹

From a Divorcing Couple	From Partners in Dissolution of Life Partner Relationship
<ul style="list-style-type: none"> • A newly completed and signed Associateship Application and Agreement. • Signed and notarized Divorce and Separation Form. • Copy of the Petition for Dissolution, Settlement Agreement, or final divorce judgment, or documentation from a court which declares an interim determination that the marital community has ended. 	<ul style="list-style-type: none"> • A newly completed and signed Associateship Application and Agreement. • Signed and notarized Dissolution of Life Partner Relationship Form from both parties. (If both parties do not provide the signed and notarized Dissolution of Life Partner Relationship Form, a court order indicating that the relationship has ended will be required).

In addition, the Associate or spouse or Life Partner must comply with the period of Inactivity. The Period of Inactivity will be determined as stated in Rule 2.1.9 (Period of Inactivity) or by the issuance date of the court document received, whichever is later.

Note: Establishing a new Associateship under a different Sponsor requires the submission of a new Associateship Application and Agreement, and benefits will begin at a 25% discount with no association to the original Associateship.

¹⁰ Forms and Applications are available through Associate Services.

2.3.4 Divorce and Dissolution of a Life Partner Relationship and the Herbalife Nutrition Sales & Marketing Plan

Total Volume: The individual Associateships will receive Volume Point credit from the original Associateship to combine with their own Volume Points (“Association”). This will determine the eligibility to receive Volume Rebate, qualifications, re-qualifications and/or Production Bonuses.

For the purpose of Royalty Override percentage eligibility, the original Associateship will combine volume with each of the individual Associateships, plus its own volume.

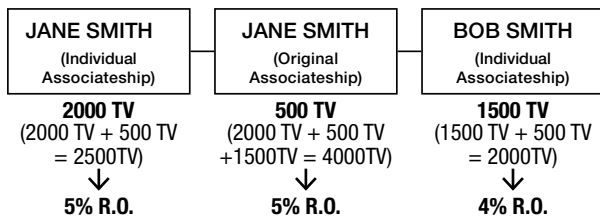
Production Bonus eligibility for the original Associateship will be determined based on the achievement of the highest individual Associateship.

Example:

VOLUME POINTS

Volume for B and C will be as follows:

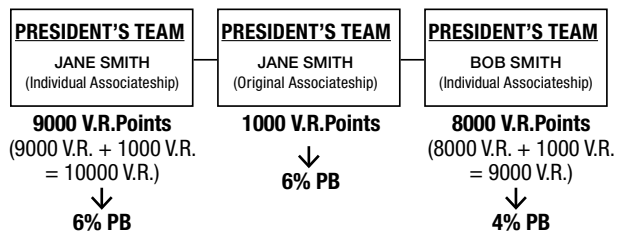
B + A and C + A



ROYALTY POINTS

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

B + A and C + A



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

Recognition: Each Associateship will be recognized for its own accomplishments under the Sales & Marketing Plan. The original Associateship will not receive recognition. If the original and an individual Associateship reach the level of President’s Team, only one diamond will be awarded to the upline President’s Team, which remains consistent with the diamond allocation for Associateships that are not part of a divorce or dissolution of a Life Partner relationship. If the individual Associateship qualifies for a diamond, only that Associateship 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 Associateship of a deceased Associate may be transferred to an heir, subject to applicable laws, Rules, and Herbalife Nutrition’s approval which shall not be unreasonably withheld.¹¹

An Associate may own and operate a maximum of three Associateships – the Associate’s own, plus up to two others acquired by inheritance. An inherited Associateship may be transferred to the individual heir directly, or in the case of a Associateship that is TAB Team level, to a Corporation owned by the heir.¹²

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

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

Requests to cancel a deceased's Associateship must be made directly to Herbalife Nutrition.

¹¹ *The Deceased Transfer Declaration Form is available from Associate Services.*

¹³ *Inherited Associateships are considered to be separate entities, each subject to fulfilling the business activities, volume and compensation terms as set forth in the Sales & Marketing Plan, with the exception of lifetime volume achievements, which permit the combination of the heir's own Total Volume with the inherited Associateship's Total Volume. The heir is responsible for payment of fees and debts of each Associateship*

2.5 TERMINATION OF YOUR ASSOCIATESHIP

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

2.5.1 Termination

An Associate may terminate an Associateship by submitting a signed letter to Associate Services. Electronic requests will be accepted if they are received from the email address on record. The termination becomes effective when received and accepted by Herbalife Nutrition.

2.5.2 Inventory Repurchase

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

3.1 OPERATING YOUR BUSINESS

3.1.1 General Compliance

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

In addition, Associates or Preferred Customers may not encourage other Associates to violate the terms of their Associate Application and Agreement, any rules issued by Herbalife Nutrition, or the law.

3.1.2 Associates are Self-Employed

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

3.1.3 Maintaining Reputation and Image of Herbalife Nutrition

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

3.1.4 Responsibility for Conduct of Others Assisting with Associateship

An Associate is responsible for the conduct of those who assist in the operation of the Associateship.

3.1.5 No Association of Other Organizations with Herbalife Nutrition

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

Herbalife Nutrition is an equal opportunity business and does not discriminate because of gender, race, religion, national origin, ancestry, color, age, marital status, medical condition/disability, sexual orientation, gender identity, gender expression, veteran status or political affiliation.

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

3.1.6 No Inducement to Sell Other Products or Services

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

3.1.7 TAB Team Limitations

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

Herbalife Nutrition TAB Team may not own more than five percent of a company engaged in direct sales or MLM.¹³

¹³ This includes direct or indirect participation of a company engaged in direct sales or MLM through any person, entity, or artifice.

CHAPTER 3 : BUSINESS ACTIVITIES

3.1.8 Sales & Marketing Plan Manipulation

Improper 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 Associateships of anyone involved (directly or indirectly).

Examples of Sales & Marketing Plan manipulation

- Purchasing products in another Associate'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 Associate 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.
- Signing up Preferred Customers who are not legitimate retail Customers purchasing for their and their household's personal consumption.

Examples of improper practices

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

3.1.9 Debts Owed to Herbalife Nutrition

If an Associate owes Herbalife Nutrition a debt¹⁴ and until it is paid in full, Herbalife Nutrition reserves the right to (i) deduct the amount owed from any amount payable to the Associate, (ii) withhold payment of monies owed, and (iii) withhold recognition for any qualification.

¹⁴ *Such debts can include any amounts owed to Herbalife Nutrition for product purchases, adjustments to earnings for inventory repurchases from downline Associates, fines due to violations of the Rules, cheques returned for insufficient funds, and past due Fees.*

3.1.10 Interviews or Statements to the Media

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

If an Associate is asked for a media interview or statement about Herbalife Nutrition, the Associate shall forward the media request to the Herbalife Nutrition Corporate Communications Department ("Corporate Communications").¹⁵

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

¹⁵ *Corporate Communications may be reached by emailing corpcommindia@herbalife.com or by calling 080-43411222.*

3.1.11. Conduct Regarding Harassment/Discrimination

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

3.1.12. Responsibility for Vendors

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

3.2 INTERNATIONAL BUSINESS

3.2.1 Activities in Countries or Territories Not Yet Open

An Associate may not engage in any business activity relating to Herbalife Nutrition in any country not yet officially opened for business by Herbalife Nutrition.¹⁶

¹⁶ *Prohibited acts, efforts, or attempts include:*

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

3.2.2 Activities in Open Countries or Territories

Herbalife Nutrition 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 Associate may ship (or arrange for shipment) or bring any Herbalife Nutrition product into China even for personal use, consumption or as a gift.

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

3.2.4 Personal Consumption

Associates 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 Associate's own use or to be shared with immediate family.

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

3.2.5 Prohibited Countries

An Associate may not be a resident of a "Prohibited Country".¹⁷

Additionally, an Associate may not directly or indirectly conduct any Herbalife Nutrition business activities with an individual or entity who the Associate has reason to believe is:

- i. a resident of, or operating businesses in, a Prohibited Country;
- ii. engaged in sales to individuals residing in a Prohibited Country; or
- iii. owned or controlled by an entity located in, or an individual ordinarily residing in, a Prohibited Country.

Business activities include but are not limited to the following:

- Promoting the Herbalife Nutrition opportunity;
- Sponsoring or recruiting Associates, Preferred Customers or customer; or
- Promoting or selling Herbalife Nutrition products.

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

CHAPTER 3 : BUSINESS ACTIVITIES

¹⁷ *The list of Prohibited Countries is updated from time-to-time and can be found on in.MyHerbalife.com. Additional requirements may apply for citizens of Prohibited Countries residing outside of the Prohibited Country. Please contact Associate Services at 080-4031 1444 for additional information.*

3.2.6 OFAC List

Associates may not conduct any business activities (see **Rule 3.2.5**) with any person, entity, or organization included on the list of Specially Designated Nationals maintained by the U.S. Treasury Department's Office of Foreign Assets Control (the "OFAC List") or any person, entity or organization owned or controlled by someone listed. The OFAC List can be found at <https://www.treasury.gov/resource-center/sanctions/SDN-List>.

3.3 BUSINESS TOOLS

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

All Business Tools and Associates creating, selling or using such Business Tools must comply with all Rules and applicable law.¹⁸

¹⁸ *This includes laws relating to confidentiality of consumer data, privacy rights, restrictions on telemarketing in all its forms, and marketing over the Internet.*

3.3.1 Sale of Business Tools Not for Profit

Associates may sell Business Tools to other Associates at a price no greater than the cost to produce the product or service being sold.¹⁹

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

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

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

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

¹⁹ *Associates who sell Business Tools or charge fees for independent trainings or meetings are required to utilize the "Expense and No Profit Tracking Schedule" made available by Herbalife Nutrition, and to keep copies of the Tracking Schedule, all associated records, invoices, receipts, and other supporting documentation, which must be kept for a minimum of two (2) years. Herbalife Nutrition has the right to request copies of these documents and to verify compliance with this Rule.*

3.3.2 Leads

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

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

3.3.3 Written Permission for Distribution

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

If consent is revoked, these sales must be promptly discontinued unless Herbalife Nutrition in its sole discretion determines it would be unduly damaging to the purchaser.

3.3.4 Promotion of Business Tools Provided by Vendors

Associates may only promote Business Tools provided by vendors if:

- a. the Associate has independently confirmed that the vendor and its products or services comply in all respects with the Rules and applicable law.²⁰
- b. the Associate provides Herbalife Nutrition with certification and supporting documentation from a Chartered Accountant confirming that they have received no payment directly or indirectly and will derive no economic benefit from the vendor.

An Associate offering Web services through a vendor must provide the name, address, fax and phone numbers, and email address of the vendor to other Associates using the website.

²⁰ *If an Associate 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 Associate for purposes of the Rules. Herbalife Nutrition does not recommend or endorse materials that we have not produced.*

3.3.5 Notice to Cease Use or Sale of Business Tools

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

CHAPTER 4 : SELLING

4.1 SALES TO CONSUMERS

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

4.1.1 Retail Establishments Not Permitted

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

Direct Sales - Do's and Don'ts						
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
Associates' 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.

4.1.2 Associates' Private Offices

Herbalife Nutrition 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 Nutrition products. Associates who are doctors or other health care professionals may sell, but not display, Herbalife Nutrition products in their professional offices.

4.1.3 Providing and Maintaining Retail Receipts/Records

An Associate must provide a completed *Herbalife Nutrition 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 Associate and the customer. Associates are required to keep their copies of all *Retail Order Forms* and other records of product distribution for a period of two (2) years. Herbalife Nutrition has the right to request copies and to verify the transactions and the terms and conditions of the sale or service provided by the Associate

4.1.4 Refund Policy for Preferred Customers and Retail Customers

Herbalife Nutrition products have a 30-day money-back guarantee for all customers (Preferred Customers or retail customers). The 30-day period begins on the date the customer receives the product. When a customer requests the guarantee be honored, the Associate 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 Nutrition products in accordance with the return procedures. The Associate must honor the customer's choice.

4.2 PAYMENTS AND ADJUSTMENTS

To qualify for monthly Volume Rebate, Production Bonuses or other bonuses offered by Herbalife Nutrition, Associates must meet sales production and Volume Rebate 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, Associates must meet certain requirements for retail customers and product distribution, and confirm those on the 1st of each month on the Earnings Certification Form.²¹

²¹ *Earnings Certification Forms are available on in.MyHerbalife.com.*

4.2.1 Product Distribution

Herbalife Nutrition is a product distribution company. Products purchased from Herbalife Nutrition are intended to be sold and distributed to customers and downline Associates, or used for Associates' 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 Associateship.

4.2.2 10 Retail Customers

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

- A sale to a retail customer;
- A sale to a first downline Associate with up to 200 Personally Purchased Volume Points (and no downline Associates) 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.²²

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

CHAPTER 4 : SELLING

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

4.2.3 70%

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

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

- Sales to retail customers;
- Sales at wholesale to downline Associates; and
- Product consumed at Nutrition Clubs.²³

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

²³ *If an Associate utilizes Nutrition Club attendance toward compliance, the Associate shall maintain a log of Attendee visits for at least two years, setting forth the name of the Attendee, dates of visits, and contact information, and shall make those records available for verification purposes if requested by Herbalife Nutrition.*

4.3 SELLING PRACTICES

4.3.1 Associates as Brand Ambassadors

An Associate shall always be courteous and considerate and may not engage in high-pressure selling.

4.3.2 Product Sales to Non- Associate for Resale

No Associate may sell or otherwise provide Herbalife Nutrition products to non- Associates who intend to resell them.

4.3.3 Modifications to Labels and Materials

An Associate may not delete, add, modify or alter any labels, literature, material, or packaging for Herbalife Nutrition products or literature.

4.3.4 No Resale of Samples or Daily Use Portions

Products which are not packaged and labeled for individual sale as individual units or single servings are not permitted for resale.

4.3.5 Presentations and Directions for Use

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

When selling or providing samples, an Associate must explain the directions for use and cautions, if any, specified on product labels. Associates 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

Associates are responsible for properly storing and following storage instructions provided on Herbalife Nutrition product labels.

Proper storage of products includes:

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

4.3.7 Customer Service

Associates must provide their current contact information to their Customers and let Customers know that they are available to answer questions, provide advice, and respond to concerns. Associates must respond to any such questions or concerns. Associates should consult their materials, refer to and use available educational tools, or contact Associate Services directly in responding to questions or concerns. In addition, Associates must deliver all products to Customers within a reasonable amount of time after sale.

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 Associates. A Sponsor may seek assistance from upline Supervisors or TAB Team, but the primary responsibility for training is the Sponsor's. This includes teaching correct principles about:

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

A Sponsor may not require a personally sponsored Associate to pay for training or training facilities unless the Sponsor fully explains that the Associate may choose whether or not to participate in the training and states, in advance, the cost. If the Associate declines to participate in the training, the Sponsor is obligated to provide at no cost the basic training necessary to learn the business.²⁴

²⁴ **See Rule 3.3.1 Sale of Business Tools Not for Profit.**

5.1.2 Independent Relationship

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

5.1.3 Preparation of Associate Documents

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

5.2 MAINTAINING LINES OF SPONSORSHIP

The Sponsor/ Associate relationship is the foundation of the Sales & Marketing Plan. These Rules protect both parties, including safeguarding rights of sponsorship. Sponsoring Associates invest considerable time, energy, leadership and training to support their downline. Sponsorship changes are detrimental to the integrity of the Herbalife Nutrition business and are discouraged. Only on rare occasions are Sponsorship changes permitted, and always at the sole and absolute discretion of Herbalife Nutrition.

5.2.1 Inducement to Change Sponsors

An Associate may not interfere with the relationship between another Associate or Preferred Customer and their Sponsor. For instance, an Associate may not attempt to induce another Associate to change their Sponsor.

5.2.2 Sponsorship Correction

An Associate who wishes to request a sponsorship correction must complete and submit a "Change of Sponsorship Request" Form,²⁵ "Change of Sponsorship Consent" Form from the current Sponsor, and a letter of acceptance from the proposed Sponsor. All documents must be notarized.

Requests for sponsorship corrections will only be considered if all the following circumstances are met:

- Sponsorship details provided on the Associateship Application and Agreement were in error.
- The request is made within 90 days of Herbalife Nutrition accepting the current Associateship Application and Agreement.
- The current and proposed Sponsor are in the same Line.
- The current Associateship has not reached the level of Supervisor.
- The Associate making the request has not yet sponsored any other Associates.

²⁵ *The required Change of Sponsorship Request and Change of Sponsorship Consent Forms may be obtained from Associate Services Department. These forms and all other specified documentation must be submitted to Herbalife Nutrition Associate Services Department in order for Herbalife Nutrition to consider the request.*

5.2.3 Applying for Change of Sponsorship

In order to protect the integrity of lineage which is a fundamental principle of multi-level marketing, a change of sponsorship is discouraged and will only be approved by Herbalife Nutrition in the most exceptional circumstances.

An Associate who wishes to request a sponsorship change must complete and submit a notarized “Change of Sponsorship Request” Form,²⁶ along with a notarized “Change of Sponsorship Consent” Form from the current Sponsor and all Royalty Override and Production Bonus earners in the upline, up to and including the active President’s Team Associate earning a 7% Production Bonus. In addition, Herbalife Nutrition must receive a notarized letter of acceptance from the proposed Sponsor.

If both the current and proposed Sponsors share the same upline Sponsor, and each are at equal status and earning levels under the Sales & Marketing Plan, the Associate requesting the change only needs to obtain a notarized Change of Sponsorship Consent Form from the current Sponsor and a notarized letter of acceptance from the proposed Sponsor.

If Herbalife Nutrition approves the change, the requesting Associate will be allowed to keep downline Associates and Preferred Customers, provided the downline and upline agree.

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

²⁶ *The required Change of Sponsorship Request and Change of Sponsorship Consent Forms may be obtained from Associate Services Department. These forms and all other specified documentation must be submitted to Associate Services Department in order for Herbalife Nutrition to consider the request.*

6.1 CLAIMS AND REPRESENTATIONS

When sharing personal stories with others, Associates are making claims. Even simple statements about the benefits experienced while on an Herbalife Nutrition product or program or when discussing earnings from selling products, represents to others how products work, what products are for, or what people can achieve through the Sales & Marketing Plan. Customers perceive features and functions of products and the Sales & Marketing Plan because of claims. It's fine for Associates 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 Associates 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 claims are actually made.
- Consistent with claims made in then-current Herbalife Nutrition Materials or product labels.²⁷

²⁷ The law regarding claims is subject to change. As an accommodation to Associates (but not as legal advice), Herbalife Nutrition may post updates of this Rule, the disclaimers, at in.MyHerbalife.com. Associates 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:

These results are not typical. Individual results will vary.

6.1.3 Product Claims

Associates MUST:

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

Associates MUST NOT:

- State that Herbalife Nutrition products prevent, treat, or cure diseases or medical conditions or discuss any experience with medications.
- Use the name of the Department of Health or other regulatory agencies when representing the Herbalife Nutrition products.

6.1.4 Earnings Claims

Any statement regarding an Associate'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 Nutrition Branded Materials: All Earnings Claims that mention Herbalife Nutrition require the following disclaimer:

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

Income Disclaimer for Unbranded Materials: If an Earnings Claim is made in materials that do not mention Herbalife Nutrition, 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, Associates may use the alternate disclaimers below:

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 and in large enough font for an average reader to be able to read it completely.

Written Presentations

The disclaimer must be displayed in:

- A color that contrasts with the color of the background (e.g., black on white);
- Close proximity to the claim (the disclaimer must appear on the same page or screen as the claim); and
- A font at least 75% as large as the size of the font used for the claim, but not smaller than 10-point type and in large enough font for an average reader to be able to read it completely.

6.1.6 Home-Based Business Claims

When promoting the Herbalife Nutrition opportunity, Associates may not misrepresent the extent to which the activities of an Associate can be conducted solely in the home. Associates should emphasize that personal interaction is fundamental to direct selling.

6.1.7 Claims Regarding Relationship Between Herbalife Nutrition and Herbalife Nutrition Associates

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

For example, Associates may not use the terms “job,” “salary,” “employment,” (or any similar term) when promoting the opportunity.

Associates may not market the Herbalife Nutrition opportunity using tools primarily devoted to advertising job opportunities, including “Help Wanted” ads, employment bulletin boards, and Internet job search engines including, but not limited to, MonsterIndia.com, Wisdomjobs.com and TimesJobs.com unless the advertisements clearly and conspicuously indicate that what is being offered is an independent income opportunity.

6.1.8 Opportunity Claims

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

- Misrepresent the Herbalife Nutrition opportunity as a franchise²⁸ or offer a franchise in connection with an Herbalife Nutrition Associateship; or
- State or imply that:

- Sponsoring Associates is as important as sales to Customers;
- An Associate can primarily benefit by sponsoring other Associates;
- An Associate is required to sponsor other Associates;
- An Associate can be successful with little or no effort;
- Associates have to buy Herbalife Nutrition products, materials or Business Tools; or
- Royalty Overrides, Production Bonuses or other benefits may be obtained primarily from the purchase of products rather than the sale of products.

²⁸ *Herbalife Nutrition does not have territories or franchises, and an Herbalife Nutrition Associateship is not a franchise.*

6.2 USE OF HERBALIFE NUTRITION INTELLECTUAL PROPERTY

Maintaining the integrity of the Herbalife Nutrition brand is one of Herbalife Nutrition's primary responsibilities. This Section is meant to help Associates understand the significance of Herbalife Nutrition intellectual property. Herbalife Nutrition continuously polices the marketplace for improper, inconsistent and inappropriate use of its intellectual property, including trademarks, logos, slogans, and copyrights, among other things. Such dedicated monitoring ensures Herbalife Nutrition's hard-earned reputation as a high-quality producer of global nutrition products is retained.

6.2.1 Definitions:

Copyrighted materials: Herbalife Nutrition owns the copyright to all printed material, internet content, and audio and video recordings produced by or for it.

A trademark is a proprietary name or symbol that identifies Herbalife Nutrition as the source of the products and services being sold and provided by Associates. For example, Herbalife Nutrition and the Tri-Leaf logo are Herbalife Nutrition trademarks, as are many product brands, such as Cell-U-Loss® or Herbalifeline®.

A trade name is a business name which Herbalife Nutrition has the exclusive right to use. For example, Herbalife International of America, Inc., and Herbalife International India PVT. Ltd. are trade names. Associates may not register trade names that include the words HERBALIFE NUTRITION or other Herbalife Nutrition 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 Nutrition's products and packaging.

A trade secret is confidential information that is generally not known outside of Herbalife Nutrition and has commercial value. Trade secrets held by Herbalife Nutrition include formulas, vendor relationships, branding and product development projects not yet in the marketplace, business plans, processes, and compilations of data identifying or relating to other Associates, including genealogies.

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

6.2.2 Copyrighted Materials

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

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

Reproduced with the permission of Herbalife. All rights reserved.

Herbalife Nutrition reserves the right to withdraw its consent to use of its copyrighted materials at any time in its sole and absolute discretion.

6.2.3 Trademarks, Trade Dress and Trade Names

Associates may use those trademarks, trade names and trade dress which Herbalife Nutrition makes available for downloading.

- Herbalife Nutrition trademarks and trade names may only be obtained from Herbalife Nutrition.
- Associates must always identify themselves clearly as Independent Herbalife Nutrition Associates.
- Associates 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 Nutrition products and services.
- Associates may use Herbalife Nutrition trademarks and trade dress only in accordance with the current Independent Herbalife Nutrition Associate Style Guide.²⁹
- Associates must include the following statement: *“Trademarks and designs are the property of Herbalife Nutrition International, Inc., or its licensors. Used by permission of Herbalife Nutrition.”*

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

²⁹ *The Independent Herbalife Nutrition Associate Style Guide is posted in the Assets Library at in.MyHerbalife.com.*

6.2.4 Trade Secrets

An Associate will hold trade secrets in confidence and may not disclose them at any time, even after termination of the Associateship.

6.2.5 Use Limited to Herbalife Nutrition Business

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

6.2.6 TV, Radio, Magazines or Newspapers

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

6.2.7 Internet Search Advertising

An associate may not advertise on any internet search provider (e.g., Google, Bing, etc.) if the advertisement uses Herbalife or Herbalife Nutrition related keywords as search terms. These search terms include any term that includes the word Herbalife or the name of any Herbalife Nutrition product or service offering.

This rule applies to all advertisements whereby a priority position (such as an appearance in the “paid ad” search boxes) is secured.

In addition to the sanctions set forth in Rule 9.1.2, Herbalife Nutrition reserves the right to re-direct to the generic URL www.goherbalife.com, any query coming from paid advertisements to any individual Associate’s GoHerbalife site.

6.2.8 Toll-Free Telephone Numbers

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

6.2.9 Telephone Directory Listings

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

6.2.11 Herbalife Nutrition’s Addresses

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

6.2.12 Prohibited Use of Third Parties Intellectual Property

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

6.2.13 Termination of Herbalife Nutrition Associateship

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

6.3 ADVERTISING AND PROMOTIONS

6.3.1 Herbalife Nutrition Advertising Templates

Herbalife Nutrition publishes a variety of advertising templates which Associates may use without alteration, except for adding their name and contact information. The templates are available for download from in.MyHerbalife.com.

6.3.2 Associate Advertisements and Promotional Materials

Herbalife Nutrition produces promotional literature and sales tools for Associate use in advertising and promoting their Herbalife Nutrition business. Associates 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: Associates may post advertising materials on private property with the prior written consent of the owner. To document consent, Associates may use Herbalife Nutrition’s template “Letter of Consent to Post Advertising on Private Property,” available at in.MyHerbalife.com and from Associate Services.

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

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

Public Property: Associates 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

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

Independent Herbalife Nutrition Associate

Call me for products or opportunity

(Associate Name and phone or email address)

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

6.4 PRESERVING THE PERSONAL RELATIONSHIP

Direct selling is about personal relationships and product knowledge, and the value both skills provide to existing and potential customers. These Rules protect the direct sales channel by supporting an Associate’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 Associates achieve success, inspire others to do the same, and ensure the highest level of customer satisfaction.

6.4.1 Promoting the Preferred Customer Program

The Preferred Customer Program is intended for Associates to use with their existing Customers once they have established a relationship and understand their Customers’ nutrition, health and wellness goals. To preserve this one-on-one relationship with Associates and their Customers, Associates may not advertise, market or in any way promote the Preferred Customer Program to the General Public.³⁰

³⁰ “General Public” refers to persons who have not had prior personal contact in any manner with the Associate placing the advertisement.

6.4.2 Price Advertising

Independent Herbalife Nutrition Associates are independent business persons and may sell Herbalife Nutrition products, literature and promotional items at any price they choose. However, to preserve the one-on-one nature of direct selling, Associates may only advertise Pricing Information to existing customers, their downline,

and potential new customers who have indicated an interest in purchasing Herbalife Nutrition products.

Herbalife Nutrition Associates may not advertise Price Information to the general public.³¹ Pricing Information is any indication of price and includes but is not limited to:

- “special offer”
- “___% off”
- “free shipping”
- “pay less”
- “best prices”
- “lowest prices”
- “special discounts”
- “apply this code at checkout”³²

This Rule applies to branded and unbranded advertising to all forms of media including television, radio, telephone, newspapers, magazines, flyers, leaflets, pull-tabs, signage and all means of internet based electronic communication.³³

Finally, Associates may not modify Herbalife Nutrition-produced literature or materials which in its original form features maximum retail prices. Those materials must be used without alteration.

³¹ *“General public” refers to persons who have not had prior personal contact with the Associate placing the advertisement.*

³² *The 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.*

³³ *“Internet based electronic communication” includes social media tools including, but not limited to, LinkedIn, Facebook, Instagram, Pinterest, Snapchat, Twitter, WeChat, What’s App, and Viber. It also includes blogs, public message boards, email, and SMS/MMS campaigns along with targeted internet advertising that is delivered through pop-up or banner advertisements, pay-per-click advertisements, sponsored search results, and sponsored advertisements to discuss pricing. All these forms of advertising are, by their nature, either specifically targeting or generally accessible by the general public and hence may not be used.*

7.1 ASSOCIATE CONDUCT

7.1.1 Standard of Personal Conduct

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

7.1.2 Unauthorized Computer Access

Associates may not:

- Interfere or take any action that results in interference with or disruption of:
 - Herbalife.co.in
 - in.MyHerbalife.com
 - other websites maintained by Herbalife Nutrition or its Associates
- Gain or attempt to gain access to computer systems or networks connected to these sites without prior written permission from Herbalife Nutrition.

7.1.3 Consumer Data

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

7.2 ASSOCIATE WEBSITES

7.2.1 Associates Must Disclose Relationship with Herbalife Nutrition

Associates operating independent websites that use Herbalife Nutrition trademarks must clearly and conspicuously identify themselves as an "Independent Herbalife Nutrition Associate".

Associates must:

- Clearly display an entry splash pop-up³⁴ that appears once at every visit to the website; and
- Clearly display the Associate's personal name and contact details along with the "Independent Herbalife Nutrition Associate" logo; and
- Ensure the website does not have the same or similar visual appearance as the official Herbalife Nutrition website Herbalife.co.in.

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

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

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

Anonymous postings or the use of an alias are prohibited.

Herbalife Nutrition reserves the right, as its sole discretion, to require Associates to amend their websites so as

to comply with this Rule.

³⁴ *The entry splash pop-up guide is available through Associate Services or online at in.myherbalife.com.*

7.2.2 Domain Names, Email Addresses, and Websites

Associates may not use Herbalife Nutrition Intellectual Property in their:

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

Examples of Herbalife Nutrition Intellectual Property terms that may not be used (including but not limited to):

- Herbalife Nutrition
- Herbalife Nutrition product names

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

Associates must operate their own independent website and no more than one Associate shall use the same domain name, operate, fulfil orders or otherwise participate on the same website.

7.2.3 Hyperlinking and Associations

Associates may link their websites to:

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

Associates 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.³⁵

³⁵ *The only exception to this Rule is if and when an Associate has obtained prior written consent from the owner. An Associate shall indemnify Herbalife Nutrition against any claim arising or related to the Associate's use of third-party trademarks, trade names, or product names.*

7.2.4 Third Party Advertisements on Associate Websites

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

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

- i. nutritional food products
- ii. nutritional supplements, or
- iii. cosmetics.

7.2.5 International Business

Associates 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

Associates 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

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

Associates must also display the following statement in the page description on any search engine result (search engine result includes paid search engine advertisements and organic search engine results):

“This is the website of an Independent Herbalife Nutrition Associate. For Herbalife Nutrition’s Corporate website, go to Herbalife.co.in.”

Associates must identify themselves and display “Independent Herbalife Nutrition Associate” in the title tag on any search engine result.

Associates 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.

7.2.8 Associate Websites

All Associates who use the Internet to sell products for delivery in India must do so exclusively through the GoHerbalife platform. Links or redirects from independent sites are also not permitted. In addition, the Associate’s name and current phone number must be clearly indicated on their GoHerbalife platform. The current phone number indicated on the GoHerbalife profile must originate from the country in which the platform is hosted. For example, an India Associate using a GoHerbalife platform in the U.S. must indicate a current U.S. phone number.

7.3 PROHIBITIONS OF INTERNET AND AUCTION SALES

Sales of Herbalife Nutrition products by Associates on the Internet shall be done exclusively through the GoHerbalife platform. See Rule 7.2.8. Auction sales, sales on online auction sites, and sales on other unauthorised websites weaken the personal relationships Associates have with their customers, as well as the Herbalife Nutrition brand and the image Herbalife Nutrition establishes for its products. Accordingly, Associates

may not (directly or indirectly through any intermediary or instrumentality) offer for sale, or facilitate the offering of Herbalife Nutrition products for sale through any auction, online auction website, or any e-commerce or other website. This prohibition includes, but is not limited to, selling Herbalife Nutrition products on eBay or Amazon.

7.4 EMAIL

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

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

7.4.1 Requirements and Restrictions

1. All email messages sent by Associates regarding Herbalife Nutrition must meet the following requirements:
 - a. Associates 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. The “From” line of each message must accurately identify the Associate who initiated the message.
 - b. The “Subject” line of each message must not be misleading.
2. The following additional requirements apply to Associates’ email messages that are commercial in nature, irrespective of whether the messages are part of a bulk-message distribution or whether the intended recipients are businesses or individuals. A commercial email is an email message that advertises or promotes a commercial product or service, including content on a website operated for a commercial purpose. Commercial emails include messages promoting Herbalife Nutrition. An email is still considered commercial even if it also includes other non-commercial content.
 - a. Each message must include the Associate’s valid physical postal address.
 - b. Each message 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 (each an “opt-out mechanism”). All opt-out mechanisms must be able to process opt-out requests for at least 30 days from when the message was sent.
 - ii. All opt-out requests must be honored within 10 business days and Associates must stop initiating or sending commercial email to such persons at that time.
 - iii. The opt-out mechanism may not be burdensome and cannot require the recipient to take steps other than sending a reply email or visiting a single web site as a condition of opting-out. Recipients cannot be asked or required to provide personally identifying information beyond an email address in order to process an opt-out request.
 - iv. Associates cannot charge a fee for processing opt-out requests.
 - v. Each Associate must produce and maintain its own Do-Not-Email List (“DNE list”) to track and honor all opt-out requests.
3. Associates are prohibited from sending commercial email messages unless the:
 - i. Associate has an existing business relationship with the recipient based on a prior purchase or transaction; or

- ii. Associate is a friend, family Associate, 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 Nutrition.
4. Associates may not obtain email addresses by address harvesting, dictionary attacks, or brute force searching.
- 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.
 - iii. “Brute force searching” refers to automated or manual efforts used to discover possible email addresses by scraping publicly accessible web pages to acquire text strings with an “@” within them.
5. Associates are prohibited from using scripts or other automated means to register for multiple email accounts or online user accounts from which to send email messages.

7.4.2 Government Notice to Discontinue Emailing

Associates must immediately discontinue email activity if they receive any notice from a governmental authority regarding their email practices. Associates must promptly report all such notices to Herbalife Nutrition, by calling 080-40311444, within 24 hours after such notice is received.

7.5 SOCIAL MEDIA

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

7.5.1 Responsibility for Postings

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

7.5.2 Social Media as a Sales and Promotion Forum

Social media sites may not be used to conduct sales of Herbalife Nutrition products. Online sales of Herbalife Nutrition products may only be made from an Associate’s GoHerbalife website.

7.5.3 Postings and Claims

Associates must be accurate and truthful in all social media posts. All claims, representations and testimonials must be in compliance with the Rules, including the Rules on claims. See **Section 6.1 Claims and Representations**.

7.5.4 Use of Herbalife Nutrition’s Intellectual Property

Social media profile names and posts must comply with the requirements of **Rule 6.2 Use of Herbalife Nutrition**

Intellectual Property, including the requirement that Associates only use the trade name “Herbalife Nutrition” in a manner that clearly identifies the Associate as an Independent Herbalife Nutrition Associate.

Examples of unauthorized uses of the Herbalife Nutrition trade name in social media profile names/posts are:	Examples of authorized uses of the Herbalife Nutrition trade name in social media profile names/posts are:
<ul style="list-style-type: none"> • “Herbalife Nutrition Wellness Challenge” • “The Herbalife Nutrition Page” • “Let’s Talk Herbalife Nutrition” 	<ul style="list-style-type: none"> • “Independent Herbalife Nutrition Associate – Wellness Challenge” • “The Herbalife Nutrition Page – Independent Herbalife Nutrition Associate” • “Let’s Talk Herbalife Nutrition – Independent Herbalife Nutrition Associate” #HerbalifeNutrition #TeamHerbalifeNutrition #IAmHerbalifeNutrition

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

7.5.5 Photos, Video/Audio Recordings

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

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

7.5.6 Professionalism

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

7.5.7 Terms of Use

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

7.5.8 No Purchasing Followers and Likes on Social Media

Associates may not purchase Followers or Likes³⁶, or use any other misleading or deceptive tactics to boost the perceived popularity of their social media accounts or pages.

³⁶ A Follower is a person who subscribes to a social media account in order to receive updates. On Facebook, a person who Likes a page is the same as a Follower, Friend or Fan. A Like is an action that can be made by a Facebook, Twitter or Instagram user. Instead of writing a comment or sharing

a post, a user can click the Like button as a quick way to show approval.

7.5.9 No Targeting Followers on Social Media Platforms

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

7.5.10 No Data Mining and Website Scraping Software

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

7.5.11 No Inappropriate Communication Practices

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

7.6 TELEMARKETING

Laws severely restrict telemarketing operations and are highly technical. Associates are responsible for knowing and obeying telemarketing laws when using telecommunication services such as live or recorded calls, texts, and facsimile (fax) messages in connection with their Herbalife Nutrition businesses.

Associates must also comply with the terms of use, terms and conditions, terms of service, acceptable use guidelines or similar terms for all telemarketing service providers used in their Herbalife Nutrition businesses.

These Rules are being provided as an accommodation to Associates, but not as legal advice.

7.6.1 Definitions

Autodialer

Equipment that dials, or has the capacity to dial, telephone numbers automatically (even if the Associate does not actually use the equipment to automatically dial numbers). Any computerized equipment that performs the dialing function or could reasonably be modified to do so (such as by installing a software upgrade) should be treated as an Autodialer, whether or not the machine is pre-programmed with a list of numbers or dials numbers on a random basis.³⁷

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 an Associate and a telephone subscriber based on the subscriber's inquiry, application, purchase or transaction regarding the Associate's products or services.

Prior Express Written Consent

A written agreement or email between an Associate and consumer clearly stating: (a) the consumer agrees to receive automated or prerecorded advertisements from the Associate regarding Herbalife Nutrition products or opportunity, including the telephone or fax number through which such contact may be made, (b) that the consumer is not required to agree to receive such messages as a condition of purchasing Herbalife Nutrition products, and (c) any other disclosures as may be required by applicable law. This agreement must also bear the signature of the person providing consent (the signature can be electronic or digital pursuant to applicable law).

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.

³⁷ Includes computerized equipment such as:

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

7.6.2 Telemarketing Requirements

Associates engaged in Telemarketing must:

- Obtain Prior Express Written Consent from the consumer.
- Not rely on an EBR as a basis for Telemarketing.
- Set up a business account with the Do-Not-Call Registries identifying the Associate as the "Seller" or "Client."³⁸
- Pay all fees associated with accessing the Do-Not-Call Registries.
- Maintain and observe their own "Do-Not-Call" lists recording the number(s) of persons requesting not to be contacted (whether or not the number is registered on any Do-Not-Call Registries).
- Access the Do-Not-Call Registries 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 Do-Not-Call Registries unless the Associate satisfies applicable statutory consent requirements.

³⁸ Associates must not identify Herbalife Nutrition as the "Seller" or "Client."

7.6.3 Autodialers

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

7.6.4 Prerecorded or Artificial Voice Messages

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

7.6.5 Unsolicited Faxes

Associates may not use a Broadcast Fax, Blast Fax, or similar services to send fax messages.

Associates may only send faxes to recipients if the recipient has provided Prior Express Written Consent to receive faxes from the Associate.

When sending, the Associate must have obtained the fax number through:

- The recipient's voluntary communication with the Associate; or
- From a directory, advertisement, or website to which the recipient voluntarily agreed to make the fax number available (unless the directory explicitly notes that unsolicited advertisements are not accepted at that number).

All faxes must include a clear and conspicuous notice on the first page (an "Opt Out Notice") stating:

- That the recipient may request that the sender not 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 fax number (for the recipient to transmit a Do-Not-Fax request);
- At least one cost-free way the recipient can use to transmit a Do-Not-Fax request to the Associate, such as a website address, or email address, or toll-free number; and
- That a Do-Not-Fax request (1) must identify the telephone number(s) opting out of future faxes, (2) must be sent through one of mechanisms specified in the Opt Out Notice, and (3) will be superseded if the recipient subsequently gives its Prior Express Written Consent to send fax advertisements to the affected number(s).

Associates 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):

- The date and time the Fax is sent;
- The identity of the sender (which must be the Associate's personal or company name); and
- The telephone number of the sending fax machine and of the Associate.

7.6.6 Government Inquiries

Associates must immediately discontinue Telemarketing if they receive any notice from a governmental authority regarding their Telemarketing activity. Associate must promptly report all such notices to Herbalife Nutrition, by calling 080-4031 1444, within 24 hours after such notice is received.

Many Associates utilize Nutrition Clubs as a successful way of doing business. Nutrition Clubs operate with the purpose of introducing and retailing Herbalife Nutrition food-based products to new and existing customers. While this section provides a brief explanation of the operation of Nutrition Clubs, it is not intended to be a substitute for the extensive training Associates 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 Nutrition has sole and absolute discretion to determine whether a Club is in compliance with these Rules.

8.1 GENERAL RULES

8.1.1 Reviews

Associates must cooperate with Herbalife Nutrition reviews of Club practices.

8.1.2 Training

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

8.1.3 Employees

Clubs may only be operated by Independent Herbalife Nutrition Associates. Associates may not use employees to assist with any Club operations.

8.1.4 Not Franchises

Clubs are not franchises,³⁹ and Associates may not compare Clubs to franchises when promoting them as a Daily Method of Operation. Clubs are only a means of doing the core Herbalife Nutrition business of retailing products within a Club.

³⁹ *No Associate may represent, imply, or suggest in any way, that Clubs are franchises.*

8.1.5 Independent Business Operations

Herbalife Nutrition does not approve, endorse, authorize, guarantee or assume any obligation of a Club.

8.1.6 One Responsible Associate

At least one Associate must accept full responsibility for and oversee all operations of each Club.⁴⁰ If multiple Associates share a common space to operate their Clubs, the posted information of the responsible Associates may be alternated accordingly.

⁴⁰ *The responsible Associate must post the Nutrition Club Operator's Advisory including the Associate's name and contact information. If absent, the Associate must assign an Associate (whom the Associate personally trained) to personally oversee all Club operations.*

8.1.7 Good Neighbor Policy

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

8.1.8 Comply With the Law

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 Nutrition 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.⁴¹ Copies of these Advisories are available on in.MyHerbalife.com.

⁴¹ *The specific wording of the Advisories may change from time to time, but the most recent version may always be obtained by calling Associate Services, or it can be downloaded from in.MyHerbalife.com.*

8.1.12 Good Hygiene

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

Food Sourcing, Handling and Preparation

- Fruits, vegetables and other non-Herbalife Nutrition 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 Nutrition 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.

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.

8.2.2 Club Attendance Not Mandatory

Club attendance is a personal decision for the Club Attendee, guest, Preferred Customer, or Associate. 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 Nutrition Products Only

Only Herbalife Nutrition products may be provided for consumption or sale in a Club. Non-Herbalife Nutrition products may not be provided, sold or promoted on the Club premises except for ingredients used in shakes.⁴²

⁴² *Only Herbalife Nutrition products authorized for sale in India may be used in India Clubs.*

8.2.6 Product Consumption

Club operators may offer complimentary products such as shakes and Afresh Energy Drink. Club operators may post a list of available flavors of shakes and Afresh Energy Drink, 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.⁴³

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

⁴³ *The only permissible Club fees are daily, weekly or monthly Attendee fees to cover operational costs.*

8.2.7 Carry-Outs

Although it is preferable that product be consumed on Club premises, registered Club Attendees may carry out one cold Afresh Energy Drink 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 Nutrition products must be sold unopened and in their original Herbalife Nutrition packaging.

Club operators may not:

- Sell as individual units or single serving 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

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

8.2.10 Inappropriate Mixtures

Club operators may not mix shakes, or Afresh Energy Drink 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 Nutrition product in its original packaging. Displays may not be visible from the exterior. When preparing shakes and Afresh Energy Drink 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 Nutrition products, Club operators are required to deface or destroy product labels and containers before disposing of empty containers.

8.2.13 Sale of Clubs Prohibited

Transfer of Lease: A Club operator may not sell his or her Club to another Associate. 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 Associate. Before another Associate can enter into the lease, the Associate must have been an Herbalife Nutrition Associate 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 Nutrition's required disclaimers).

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

8.3.3 Advertising

Clubs are social gatherings publicized exclusively through word of mouth.

- Guests may be personally invited by the Club operator, another Associate, 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 wellness evaluation, or wellness presentation

Advertisements about Club services may include the following details:

- Name of Club and Club operator
- Phone number
- Address of Club
- Map/Direction

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 Nutrition'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 wellness evaluation, or wellness presentation)
 - Name of Club and Club operator
 - Phone number
 - Address of Club
 - Map / Direction

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 an Associate must:

- Be an Herbalife Nutrition Associate for at least 90 days.
- Complete the process required by Herbalife Nutrition for site location, proposed signage, and other matters.
- Submit the Club "Registration Form"⁴⁴ at least 30 days prior to opening the Club.

⁴⁴ The Registration Form is available at in.MyHerbalife.com or from Associate 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.

CHAPTER 8 : NUTRITION CLUBS

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 25 mile radius.⁴⁵
- 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 Nutrition Associate (or otherwise indicate an Herbalife Nutrition business).
- Signs may not advertise services offered as part of a Club (for example "Health Evaluation" etc.).
- Signs may not state or suggest Herbalife Nutrition products are available for purchase on the premises.
- Signs may not use Herbalife Nutrition Intellectual Property, product names or brands, the word "shake," or any other words that imply or signal that Herbalife Nutrition products are available at that location, such as:
 - Nutrition Club
 - Herbalife Nutrition
 - L.A. Live
 - Mark Hughes
 - Lifftoff®
 - 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 Nutrition Weight-Loss Shop"

⁴⁵ This would include anything visible from the exterior that might suggest that the location is a franchise.

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 Nutrition 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.

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 Associates of their downline or crossline organizations. However, the fees derived may not exceed 5% of the costs associated with the premises.

Associate(s) may not promote or solicit the leasing/renting of space in these locations to their downline or crossline organizations, unless they have received prior written consent to such promotion or solicitation from the first qualified President’s Team Associate above the Associate(s) to whom such promotion or solicitation is to be made.

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 and Afresh Energy Drink 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 : ENFORCEMENT PROCEDURES

The Rules protect the Herbalife Nutrition opportunity and brand. Violations can adversely influence the opinions of regulators, the media and the public about Herbalife Nutrition, its products and its Associates. While many Rule violations may be resolved by educating the Associate about the Rules and proper business practices, there are instances where violations of the Rules merit more severe penalties.

Associates are strongly encouraged to promptly report alleged violations of the Rules to Herbalife Nutrition in order to protect the goodwill and reputation of Herbalife Nutrition and its Associates. Herbalife Nutrition generally will only act on complaints brought within one year of when the Associate knew or should have known of the violation but reserves the right to conduct an inquiry at any time.⁴⁶

⁴⁶ *Herbalife Nutrition's enforcement of the Rules shall not create liability to pay compensation for loss of profits, goodwill, or any consequential damages.*

9.1 COMPLAINT PROCEDURE

Associates should report suspected violations on an Official Complaint Form.⁴⁷ Required information includes the nature of the complaint and the factual details that support the allegations.⁴⁸ The Official Complaint Form must be signed and include the reporting Associate's Herbalife Nutrition ID number.

⁴⁷ *The Form can be obtained through Associate Services or by accessing in.MyHerbalife.com.*

⁴⁸ *Factual details include names, addresses, and telephone numbers of persons involved as well as dates, times, places, etc.*

9.1.1 Inquiry

If Herbalife Nutrition determines in its sole and absolute discretion there is sufficient information to support the allegation, an Herbalife Nutrition representative will contact the Associate who is the subject of the complaint to permit the Associate to provide a response.

In certain circumstances it may become necessary to place restrictions on an Associateship while an inquiry is in process. Those restrictions may include a prohibition from attending Herbalife Nutrition events and suspension or denial of:

- Buying privileges.
- Payment for Volume Rebate.
- Payment for TAB Team Production Bonus.
- Awards or benefits (i.e., vacations, pins, etc.).
- Speaking at Herbalife Nutrition sponsored Training Seminars or other meetings.
- Qualifications that may be in progress.
- The right to represent oneself as an Independent Herbalife Nutrition Associate.

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

9.1.2 Sanctions

Violations of the Rules may result in legal or regulatory challenges for Herbalife Nutrition and endanger the business for all Associates. For this reason, penalties may be substantial. Herbalife Nutrition shall have sole and absolute discretion to determine the appropriate penalty based on the nature of the violation and consequence that resulted or could result, including:

- Suspension of all Associate rights and privileges.

- Monetary sanctions.
- Obligation to reimburse Herbalife Nutrition’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 Associateship (see “Termination or Deletion of an Associateship” below).

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

9.1.3 Corrective Measures

Volume and earnings adjustments resulting from corrective measures to resolve dual Associateship violations will not include activity occurring more than two years before the date the complaint was received by Herbalife Nutrition.

9.1.4 Requests for Reconsideration (unrelated to Terminations)

Associates may submit a request for Herbalife Nutrition’s reconsideration of a decision within 15 days of the date of the decision. When requesting reconsideration, the Associate 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.

9.1.5 Termination of an Associateship

Herbalife Nutrition may, in its sole and absolute discretion, terminate an Associateship if an Associate violates the Rules.⁴⁹

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

A terminated Associate⁵⁰ may no longer:

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

⁴⁹ Termination means the complete cancellation of an Associateship and revocation of the Associate’s right to conduct the Herbalife Nutrition business. This includes cancellation of the Associate’s right to receive any further income from the Associateship.

⁵⁰ These prohibitions also apply to Associates who resign or otherwise leave the Herbalife Nutrition business while under an inquiry for possible Rule violations.

9.1.6 Appealing a Termination

Associates may submit a request for Herbalife Nutrition’s reconsideration of a termination decision within 15 days of the date of the decision. When requesting reconsideration, the Associate 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 Nutrition reserves the right to consider evidence submitted beyond the 15-day time

frame in its sole and absolute discretion.

The appeal will be reviewed by a committee comprised of an appointed representative from each of the Sales Department, the Associate Services Department, and the Legal Department (the "Review Committee"). A majority of the Review Committee may uphold the termination, reinstate the Associateship, 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.

10.1 DAMAGES

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

10.2 WAIVER AND DELAY

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

10.3 SEVERABILITY

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

10.4 CHOICE OF LAW AND FORUM

This Agreement, and any dispute arising from the relationship between Herbalife Nutrition and Associates, shall be governed by the substantive laws of the Union of India without the application of conflict of law principles. Any such dispute shall be resolved exclusively in a judicial proceeding in the competent court located in Bangalore governed by the laws of the Union of India.

10.5 INDEMNIFICATION

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

10.6 CLAIMS BETWEEN ASSOCIATES

Herbalife Nutrition shall not be liable to any Associate for any cost, loss, damage, or expense suffered by any Associate directly or indirectly as a result of any act, omission, representation, or statement by any other Associate.

Unless otherwise indicated, Herbalife Nutrition collects uses and shares “Personal Information” (e.g., your first and last name, mailing address, city, state, zip code, telephone number, email address, credit card, and banking information) in accordance with its Privacy Policy located at <http://www.herbalife.co.in/privacy-policy>.

Because of the unique nature of multi-level marketing, Associates may receive Personal Information about others directly from Herbalife Nutrition, such as information regarding other Associates in an Associate’s downline, customers or referrals who express interest in Herbalife Nutrition products or services, or individuals who use our online properties and mobile applications (“Sites”). (The downline organization consists of all Associates and Preferred Customers that were personally sponsored by a particular Associate, and in turn, all other persons sponsored by the subsequent Associates.) Once Herbalife Nutrition provides Personal Information to an Associate, he or she is responsible for it and must keep it strictly confidential. Associates may only use this Personal Information to develop their Herbalife Nutrition business relationship with their downline, customers or referrals, unless they have received consent from the individual to use his or her Personal Information for other purposes.

One way that Herbalife Nutrition shares information with Associates is through Lineage Reports. These reports contain information regarding other Associates and Preferred Customers within an Associate’s downline, such as their name and contact information, their Herbalife Nutrition Identification Number, and business metrics such as their level or rank, volume and sales statistics. Lineage Reports are provided to Associates in the strictest confidence and for the sole purpose of supporting the Associates in further developing their Herbalife Nutrition businesses. Lineage Reports, including all Personal Information and other data contained therein, constitute confidential, proprietary trade secrets of Herbalife Nutrition. Associates may not collect, distribute or gather confidential information or personal or aggregate information about other Independent Herbalife Nutrition Associates, their customers or the Preferred Customers they sponsor, except in connection with their downlines and solely for the purposes of promoting their Herbalife Nutrition businesses, and to manage, motivate and train their downlines.

Associates may also collect Personal Information from individuals directly or by other means, such as when they collect contact and payment information from customers to process product orders. Associates must abide by applicable privacy and data protection laws, including international data transfer restrictions, with respect to all Personal Information obtained by Associate (from Herbalife Nutrition or otherwise) in connection with the Associate’s Herbalife Nutrition business. In addition, it is the Associate’s responsibility to maintain the security of all Personal Information that he or she receives.

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

Application: Herbalife Nutrition Associateship Application and Agreement.

Associate Services: Herbalife Nutrition Associate Services Department which may be reached at 080-4031 1444.

Association: In a divorce, or dissolution of a Life Partner relationship, the combination of volume between the original Associateship and the separate Associateship of the divorced couple or the former Life Partners, for the purpose of earnings percentage calculation.

Autodialer: Equipment that dials, or has the capacity to dial, telephone numbers automatically (even if the Associate does not actually use the equipment to automatically dial numbers). Any computerized equipment that performs the dialing function or could reasonably be modified to do so (such as by installing a software upgrade) should be treated as an Autodialer, whether or not the machine is pre-programmed with a list of numbers or dials numbers on a random basis.

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

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

Club: Nutrition Club.

Customer: Preferred Customers or retail customers

Do-Not-Email List (“DNE list”): A list produced and maintained by an Associate to track and honor all opt-out email requests.

Earnings Claims: Any statement regarding an Associate’s actual or potential income.

Established Business Relationship (EBR): A prior relationship between an Associate and a telephone subscriber based on the subscriber’s inquiry, application, purchase or transaction regarding the Associate’s products or services.

Former Participant: A former Associate, Preferred Customer, spouse, Life Partner, or an individual who assisted in an Associateship.

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

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

Life Partner: A person designated by an Independent Herbalife Nutrition Associate as their Life Partner on the “Add Life Partner Request Form”.

Lifestyle Claims: A form of Earnings Claim.

Lineage Reports: These reports contain information regarding other Associates and Preferred Customers within an Associate’s downline, such as their name and contact information, their Herbalife Nutrition Identification Number, and business metrics such as their level or rank, volume and sales statistics.

Materials: Herbalife Nutrition produced literature and sales aids.

MLM: Multilevel Marketing.

Period of Inactivity: One year waiting period. See Rule 2.1.9.

Preferred Customer: A Preferred Customer is entitled to purchase Herbalife Nutrition products directly from Herbalife Nutrition at a discount. A Preferred Customer is not allowed to (1) sell Herbalife Nutrition products or services; (2) recruit or sponsor others to be Independent Herbalife Nutrition Associates or Preferred Customers; or (3) receive compensation under the Sales & Marketing Plan.

Pricing Information: Information related to pricing including “special offer,” “% off,” “free shipping,” and “discounts.”

Prior Express Written Consent: A written agreement or email between an Associate and consumer clearly stating: (a) the consumer agrees to receive automated or prerecorded advertisements from the Associate regarding Herbalife Nutrition products or opportunity, including the telephone or fax number through which such contact may be made, (b) that the consumer is not required to agree to receive such messages as a condition of purchasing Herbalife Nutrition products, and (c) any other disclosures as may be required by applicable law. This agreement must also bear the signature of the person providing consent (the signature can be electronic or digital pursuant to applicable law).

Review Committee: The committee that reviews an appeal of a termination decision. Consists of an appointed representative from each of the Sales Department, the Associate Services Department, and the Legal Department.

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

Sales & Marketing Plan: The Herbalife Nutrition Sales & Marketing Plan.

Sponsor: The Associate who brings another individual into Herbalife Nutrition as an Associate.

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 Associate to whom an Associateship is transferred.

Transferor: The former Associate who is transferring his or her Associateship to another.

