



HERBALIFE.

Rules Advisory Product Export

Herbalife's brand and reputation continue to grow worldwide through the wonderful combination of amazing products, the best Distributors in the industry and effective brand-building initiatives worldwide. Herbalife takes great pride that this has been achieved in an increasingly active regulatory environment. It has never been more important for Herbalife Distributors to ensure their businesses are conducted in accordance with Herbalife's Rules and with the highest ethical standards.

Herbalife products are formulated and labelled in compliance with each country's complex national product and labelling requirements. For that reason, products produced and labelled for one country may not be sold or distributed in another country.

For those Distributors that conduct business internationally, or who may wish to do so, Herbalife maintains Export Rules, which follow this Advisory for your information. Compliance with Herbalife's Rules will help to avoid regulatory risk to your Distributorship and the Herbalife business as a whole. Violations of the Export Rules present great risk, and are consequently regarded as serious violations. We also recommend the use of Herbalife's International Ordering System which allows the placement of orders through your local Distribution Center for delivery in another open Herbalife country. The System is designed so that the product delivered is compliant with the requirements of the country to which the product is delivered.

Many Distributors travel regularly to other countries and wish to buy local Herbalife products for their personal needs while travelling. Herbalife's International Export Rules support this and allow small orders (not to exceed 1000 VPs per 30-day period) to be picked up in person and personally transported to another country for one's own family use.

This means an individual may purchase up to a two-month, 1000 total volume point supply of varied products within a 30-day period for their own consumption; or an individual may purchase up to a one-month, 1000 total volume point supply of varied products within a 30-day period for their own and another individual's consumption.

Examples;

YOU MAY

Buy 2 cans of Niteworks for your personal use and/or another individual

Buy 2 bottles of Herbalifeline and 2 bottles of Cell Activator for your personal use and/or another individual

Buy one months supply of each of a variety of products for personal use by yourself and/or another individual to a maximum of 1000 VP

YOU MAY NOT

Buy any product to take to another country for resale or distribution

Buy any product for delivery to a friend who will ship them to you in another country

Arrange for product to be shipped out of one country to another by a freight forwarder or other shipper

Please thoroughly review Herbalife's Export Rules that follow, to ensure compliance.

EXPORT RULES

A. Activities in countries or territories which Herbalife has not announced as officially open for business

1. Whether or not the name “Herbalife” is used, Distributors may not engage in any business activity (including “preparatory” activity) relating to Herbalife in these countries or territories, including but not limited to efforts or attempts to
 - a. Register or license Herbalife names or products or its Marketing Plan,
 - b. Sell or distribute Herbalife products,
 - c. Promote Herbalife products or the business opportunity (including, but not limited to wearing the button, or advertising using any media) or
 - d. Hold meetings (large or small) or sponsor or recruit persons who reside in these countries.
2. This prohibited activity includes activity which occurs physically outside of an unopen country, but which has the purpose or effect of causing any of the results prohibited by subparagraph 1, above.

B. Herbalife-related activities in open countries (other than China)

1. Herbalife products are intended for sale and distribution only within the specific countries for which those products are approved and produced. The sale of these products in any other country is prohibited.
2. Distributors may not ship or arrange the shipment (directly or indirectly) of products from one country to another, whether or not it is for personal consumption.
3. A Distributor may personally, physically pick up product from Herbalife in one country and take it to another country, BUT only a “reasonable amount of product” for the purpose of his or her own personal consumption or gift, not for resale. A “reasonable amount of product” means an up to two months supply for an individual (or a one month supply for two individuals) of a reasonable assortment of products, not to exceed in any one thirty-day period 1000 volume points in total for all such products.
4. The Distributor shall be solely responsible for the consequences of bringing from one country to another any products and shall indemnify the Company for any adverse consequences.
5. No Distributor is authorized or permitted to approach government authorities in any country regarding the importation and/or distribution of Herbalife products or registration of the Herbalife trademarks. Only Herbalife International, Inc. is responsible for assuring that our products and Marketing Plan fully comply with local laws and regulations.
6. The Company reserves the right in its sole and absolute discretion to act against practices which it believes violate the letter or spirit of the foregoing or which appear to do so.

C. Herbalife-related activities in China

1. Non-Chinese Nationals may not do business in China.
2. No one may ship (or arrange for shipment) or bring any Herbalife product into China, whether or not the product is for personal use, consumption or gift.
3. Distributors registered in China may NOT purchase, sell or distribute Herbalife products outside of China.
4. Violations of these or other Rules applicable to China are likely to result in termination of the violator's commercial relationships with Herbalife worldwide.

PENALTIES FOR VIOLATION OF EXPORT RULES

Any violation of these rules may result in legal or regulatory problems for the Company and endanger the business for all Distributors. For this reason, the penalties to Distributors who, directly or indirectly, violate these Rules will be severe.

Herbalife shall have sole and absolute discretion to determine the appropriate penalty based on the severity of the violation and damage that resulted or could result, including but not limited to:

- Suspension of all Distributor Rights and Privileges
- Monetary Sanctions
- Obligation to reimburse Herbalife's Legal Fees
- Considered non-eligible to be a Speaker at Herbalife Corporate Events
- Disqualification from participation in the Annual Mark Hughes Bonus Award
- Permanent Loss of Lineage
- Termination of Distributorship

Important Note: Herbalife may hold the upline(s) of the violator responsible for violations of these rules if Herbalife determines they were a party to the violation or had knowledge of the violation and did nothing to stop the violation or bring it to Herbalife's attention.