

Essential Information for Herbalife Independent Distributors in the United States:

We are confident that Herbalife[®] products and Marketing Plan are the best in the industry. We also believe in supporting Herbalife Independent Distributors by working together to uphold the highest ethical standards. We are committed to maintaining the integrity of Herbalife and its global distribution network.

Distributors must comply with all local, state, and federal laws and regulations that pertain to their Herbalife business. Distributors shall not engage in any practice or activity that could discredit Herbalife or damage its image.

Remember, we do the right, honest and ethical thing. We take the high road.



A message from Herbalife's Chairman and CEO Michael O. Johnson:

"At Herbalife, everything begins with the products. We are dedicated to developing and constantly improving our products with the highest research development and manufacturing standards in our industry.

Please learn how to talk about all of our products. Herbalife[®] products help provide balanced nutrition. One of our rules is that we don't talk about curing, preventing or alleviating the symptoms of any disease or health condition. Our products support a healthy, active life through excellent nutrition."

As an Herbalife Independent Distributor, make sure to do the following:

- Share personal testimonials about Herbalife[®] products and what you have done through the business opportunity to enhance your life, but only make statements that are **lawful**, **truthful** and **not misleading**. Product statements made on product labels and in corporate marketing materials are the only approved claims you may use in describing the purpose or benefit of a product.
- When making statements about the products or business opportunity, be sure to use the required disclaimers. The most current disclaimers can be found on MyHerbalife.com.
- Recommend that consumers consult a physician before making changes in their diet.
- Understand and stress that good nutrition is key to overall good health.
- Trust that Herbalife[®] products are among the best in the industry and do not require any endorsements other than those approved by Herbalife.



TRAINING business



Weight-loss Claims:

DO:

- Include the required disclaimer. All weight-loss claims and representations, including testimonials, MUST be accompanied by the approved weight-loss disclaimer.
- \checkmark Recommend that customers consult a physician before undertaking changes in their diet.
- ✓ Stress that a healthy diet and regular exercise are part of a complete weight-management program. Never claim that Herbalife[®] products alone are the reason for weight loss.
- $\sqrt{}$ Acknowledge that everyone's body is different, so the rate of weight loss varies from one person to another.

DO NOT:

- X Suggest that consuming the product is the only requirement toward weight loss.
- X Misrepresent your personal experiences and results.
- X Imply that Herbalife[®] products guarantee substantial or rapid weight loss.
- **X** Suggest that consumers use the products in a manner that is inconsistent with label instructions.

Appropriate Weight-loss Disclaimers

The following is a weight-loss claim:

"I went from a size 18 to a size 10!"

All weight-loss claims and representations, including testimonials, must be accompanied by the following **disclaimer**, placed prominently, and using a font size no less than 10-point type on every page where the claims appear:

An extensive questionnaire generated responses from more than 200 U.S. Herbalife Independent Distributors about their weight-loss programs and results. They reported weight loss ranging from 4 pounds to 167 pounds and a reduced body mass index (BMI) of 1.5 points to 24.1 points, suggesting that consumption of Herbalife[®] products is associated with weight loss and improvement in BMI in those ranges.

Remember: Laws regarding claims are subject to change so be sure to check MyHerbalife.com for updates and for the current rules of conduct (also available through Distributor Relations).





Structure/Function Claims:

Structure/function claims are statements describing the role a product or its ingredients play in maintaining or supporting normal structure or function of the body and its physiological processes. These claims must be truthful and not misleading. When made for dietary supplement products, they must be accompanied by a DSHEA statement, which appears on product labels.

DO:

- \checkmark Only make claims that appear on Herbalife[®] product labels and in corporate marketing materials.
- Include the required DSHEA statement and any disclaimers used in Herbalife[®] product labeling and marketing materials.
- ✓ Offer personal and truthful testimonials.

DO NOT:

- **X** Recommend Herbalife[®] products to diagnose, treat, cure or prevent any disease.
- X Administer health advice or make medical claims.
- X Misrepresent personal experiences and results.
- X Describe any Herbalife[®] product as approved by the FDA.

Appropriate Structure/Function Claim

The following is a Structure/Function claim:

"Calcium helps build strong bones."

You must always include the approved and required DSHEA statement:

These statements have not been evaluated by the Food and Drug Administration. This product is not intended to diagnose, treat, cure or prevent any disease.

As required, all structure/function claims, branded or unbranded, must be accompanied by disclaimer placed adjacent to the claims, and in a minimum of 10-point type on every page where the claims appear.

Remember: Laws regarding claims are subject to change so be sure to check MyHerbalife.com for updates and for the current rules of conduct (also available through Distributor Relations).



TRAINING



Earnings/Lifestyle Claims:

Lifestyle claims, like those involving cars, homes, vacations, etc., and personal testimonials about earnings or lifestyle are considered income claims.

DO:

- \checkmark Share your personal, truthful income/lifestyle testimonials.
- Include the required income disclaimer with any branded or unbranded mention or depiction of earnings/lifestyle claims.
- ✓ Be prepared to provide evidence that your testimonial is truthful to Herbalife and/or the U.S. Federal Trade Commission, the governmental agency that regulates earnings/lifestyle claims.

DO NOT:

- **X** Promise results or build expectations of a specific income.
- X Misrepresent any oral, written, or visual representations of wealth or lifestyle.
- X Misrepresent personal experiences and results.

Appropriate Earnings/Lifestyle Claim

The following are examples of earnings/lifestyle claims:

"I make \$50,000 per year as an Herbalife Independent Distributor." "I quit my job and purchased a vacation home in Costa Rica!"

You must always include the approved and required income disclaimer(s), as applicable:

Branded (use of the Herbalife name)

Incomes applicable to the individuals (or examples) depicted and not average. For average financial performance data, see the Statement of Average Gross Compliance for U.S. Supervisors at Herbalife.com and MyHerbalife.com.

Branded Alternate disclaimer when describing the results achieved by the top 1% of Herbalife Independent Distributors

The incomes presented are those of persons within the top 1% of Herbalife Independent Distributors.

Unbranded (the Herbalife name does not appear)

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

Unbranded alternate (regarding the top 1% of Herbalife Independent Distributors) *The incomes presented are those of persons within the top 1% of all participants.*

Unbranded alternate for formats less than six square inches: *Incomes presented are not typical.*

NOTE: The disclaimers must be placed adjacent to the claims and in a minimum of 10-point type on every page where the claims appear. You'll find the most recent disclaimers on MyHerbalife.com.





Home-Based Business Claims:

Distributors are self-employed, independent contractors and may not claim, represent or imply that they are employed by, speak for, or provide any kind of consulting services to Herbalife or that the Herbalife business is a job.

DO:

- \checkmark Always be truthful when promoting the Herbalife[®] business opportunity.
- √ Acknowledge that Herbalife Distributors are self-employed, independent contractors.
- \checkmark Acknowledge that results may vary and are dependent upon an individual's efforts.

DO NOT:

- **X** Give the impression that the business can be operated exclusively in the home.
- X Imply that you are employed by Herbalife or that an Herbalife Independent Distributorship is a job.
- X Use words that relate to employment, such as "salary," "paid vacations" or "job."
- X Speak on behalf of Herbalife.

Appropriate Home-Based Business Claim

The following is a home-based business claim: "Discover how to run your own business and be your own boss!"

Unacceptable Claims:

"You'll never have to leave your home!" "We represent a company established in over 70 markets." "International company hiring part-time."

Herbalife offers approved wording for advertisements on MyHerbalife.com.

Remember: The most recent version of the *Herbalife Rules of Conduct and Distributor Policies* is available on MyHerbalife.com or from Distributor Relations.



TRAINING business



Product Claims:

Learn how to talk about each of the Herbalife[®] products confidently. Distributors may unintentionally make exaggerated claims about our products thinking this will make them easier to sell. This is not necessary.

DO:

- ✓ Recommend the consumer consult a doctor before making changes to his/her diet especially if the consumer is under current medical treatment!
- ✓ Understand and stress that balanced nutrition is key to overall good health.
- ✓ Share product "Key Benefits" as offered by Herbalife or as featured on product labels when selling and promoting Herbalife[®] products.

DO NOT:

- X Make any oral or written medical, therapeutic or curative claims about Herbalife[®] products.
- X Misrepresent, in any way, the price, quality, performance or availability of Herbalife[®] products.
- \mathbf{X} Describe any Herbalife[®] product as approved by the FDA.

REMEMBER:

- Herbalife has leading scientists and experts on the Nutrition Advisory Board and as part of the Herbalife Nutrition Institute, including international nutrition expert David Heber, M.D., Ph.D., Nobel* Laureate in Medicine, Lou Ignarro, Ph.D., and highly acclaimed physician and nutrition specialist Luigi Gratton, M.D.
- We develop products that meet the needs for balanced nutrition through ongoing research at our Mark Hughes Cellular and Molecular Nutrition Laboratory at UCLA[†], the University of Mississippi, and our own product and science center in Los Angeles. Remember, though, that these institutions do not endorse Herbalife[®] products, and you should not refer to them in marketing products or the business opportunity.
- Herbalife commissions clinical studies at universities and research organizations around the world, and its manufacturing facility has the highest testing standards and quality assurance procedures in place.



Complying with Herbalife rules and regulations as well as local, state and federal laws was essential to Herbalife Founder and First Distributor Mark Hughes:

"Stay loyal to all the Herbalife rules. They are not easy sometimes, but you've got to do it. You've got to do it for you, you've got to do it for your kids, and you've got to do it for the Company, because if you don't stay within some of the Herbalife rules over the years to come, we won't be able to continue to provide these products to every single person in the world...

We have got to make certain that each and every day we protect the rules and regulations of all of our distributorships because our company is the goose that laid the golden egg."

- Herbalife Founder and First Distributor Mark Hughes (1956-2000)

*The Nobel Foundation has no affiliation with Herbalife and does not review, approve or endorse Herbalife[®] products. †The University of California does not endorse specific products or services as a matter of policy.

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