

**June 2, 2014**

**Policy Update:** Business Tools and Training Not For Profit

**NAM Region:** US and Puerto Rico

**Effective Date:** Immediately

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There are many fulfilling aspects that come along with operating an independent Herbalife business. Learning about the products and business opportunity through proper training and support are key to a sound business operation. In addition to proper training, many Members find the use of Business Tools helpful in the development of their business.

Herbalife reemphasizes the purchase of Business Tools is voluntary. Herbalife makes available a variety of training and support materials for Members to advertise and promote the sale of Herbalife products and the sharing of the Herbalife business opportunity for free or at a nominal cost. Visit [MyHerbalife.com](http://MyHerbalife.com) to learn about these tools or ask Member Services.

Business Tools are defined as sales aids (including trainings or meetings) not produced by Herbalife. These materials may support retail sales and/or business development efforts and might be helpful in prospecting for customers and potential Members, as well as communicating with a downline.

The policies provided below regarding Business Tools and Training are **effective immediately**.

**Sales of Business Tools May Not be for Profit:**

Members may sell Business Tools to other Members at a price no greater than the cash expenditures made that directly relate to the particular product or service being offered (for example, printing and freight; but not overhead, administration or other indirect costs).\*

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

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

\*Members who sell Business Tools or charge fees for independent trainings or meetings must maintain detailed records and supporting documentation, reflective of direct costs and charges for all Business Tools being sold, including but not limited to, promotional wear/items, products, trainings or meetings.

Members are required to utilize the "Expense and No Profit Tracking Schedule" made available by Herbalife, 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 has the right to request copies of these documents and to verify compliance with this Rule.

[Click here](#) to download the required "Expense and No Profit Tracking Schedule" available from [MyHerbalife.com](http://MyHerbalife.com), under the tab for My Office/Distributor Documents, or contact Member Services.

### **Written permission is required for the promotion of Business Tools:**

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

### **Promotion of Business Tools provided by Vendors:**

Members may only promote Business Tools provided by vendors if:

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

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

*\*\* The actions of the vendor shall be regarded as the actions of the Member for purposes of the Rules. Herbalife does not recommend or endorse materials that we have not produced.*

### **Training provided by an Herbalife Member to their downline may not be for Profit.**

To view the complete and latest edition of Herbalife's Rules of Conduct, visit [MyHerbalife.com](http://MyHerbalife.com), or contact Member Services for assistance.

Herbalife thanks you for your support in upholding the policies that have been established to provide protections for your Membership. Should you have any questions regarding this communication please contact Member Services at 866-866-4744.