

HERBALIFE INDEPENDENT DISTRIBUTOR

nutrition
club

Bringing people together for good nutrition

Nutrition Club

MANUAL & RULES OF CONDUCT



HERBALIFE®

Welcome to Nutrition Clubs

Dear Herbalife Independent Distributor,

Congratulations on taking your first step towards running a Nutrition Club!

To make your Nutrition Club successful, it is important to understand the Herbalife philosophy, which is used by Independent Distributors around the world.

So it's important to read and understand this Manual. Get to know the rules, Standards of Conduct and Procedures for Herbalife Distributors, which are in addition to those included in your International Business Pack (IBP). Becoming familiar with these guidelines will ensure your Nutrition Club can operate well and become sustainable for the long term.

Below are some tips to help towards potential success:

- Nutrition Clubs are places for socialising, tasting Herbalife products and where participants share their experiences on well-being and achieving a healthy lifestyle
- Taste is important! Get participants to taste the products - this will help them with their decision to purchase products from you
- Use the Herbalife product brochure or Personalised Nutrition Solutions DVD regularly, as support tools, when presenting Herbalife products. Give participants the brochure/DVD to take home, read and share with others
- Ensure participants feel welcome and make sure your club is clean and visually appealing
- Always use official Herbalife material. Unauthorised materials may contain information that could compromise your business
- And remember that the power of duplication is the key to your business

Please take the time to read this manual, and take the opportunity to learn from the experiences of your Sponsor and other appropriate training materials. If you have questions, please contact the Distributor Service Department via email or call +27 11 554 1000

With many people looking for a healthier, more active lifestyle, as a Herbalife Independent Distributor, this is a great opportunity to grow and develop your business.

All the best!

Herbalife International

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Herbalife Beginnings

Herbalife Founder and First Distributor was Mark Hughes

In 1980, Mark Hughes had a vision to achieve a healthier world, one person at a time.

Today, Herbalife is in over 80 countries around the world.



Nutrition for a better life.

HERBALIFE INDEPENDENT DISTRIBUTOR
nutrition
club



Be Inspired. Be Healthy.
Be Nutritious. Enjoy.

 **HERBALIFE**

You're Invited to a Nutrition Club

Welcome! I invited you to:

1. Become a member of the Club.
2. Improve your health.
3. Make friends.
4. Learn about the Herbalife business opportunity.



In Nutrition Clubs, You Can Enjoy Great Products

1



Formula 1 Shake Mix and Personalised Protein Powder

Provides essential minerals and vitamins your body needs daily.

2



Herbal Aloe Concentrate

Made from the Aloe leaf, Herbal Aloe Concentrate is a refreshing drink which contains Aloe Vera gel to give water a refreshing citrus twist.

3

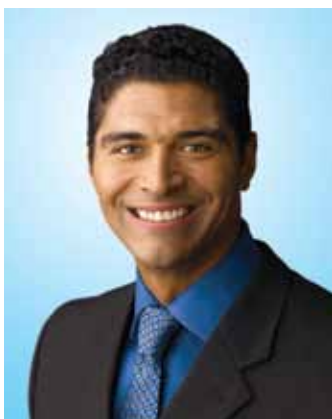


Instant Herbal Tea

Can help you feel more energised and may help to maintain and improve alertness – helps contribute to your mental performance.

World-Renowned Scientific Support

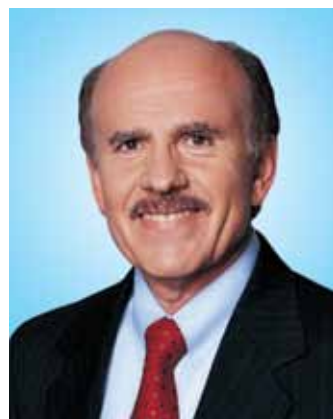
We combine the best of science and nature to offer you the highest-quality products, endorsed by our distinguished Nutrition Advisory Board and scientists.



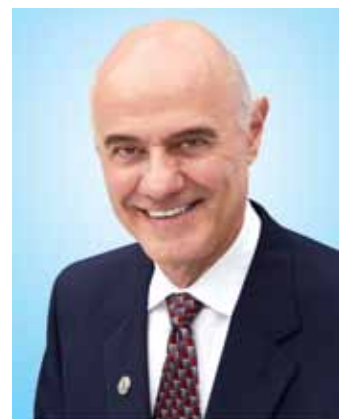
Luigi Gratton, M.P.H.
Vice President of Nutrition Education,
Herbalife.



David Heber, Ph.D.
Chairman of the Herbalife Nutrition Institute
and Nutrition Advisory Board, Herbalife.
Director, Center for Human Nutrition,
UCLA*.



Lou Ignarro, Ph.D.
Nobel† Laureate in Medicine. Member of
the Herbalife Nutrition Institute and Nutrition
Advisory Board, Herbalife.



Steve Henig, Ph.D.
Chief Scientific Officer, Herbalife.

* Titles are for identification only. The University of California, Los Angeles does not endorse specific products or services as a matter of policy.

† The Nobel Foundation has no affiliation with Herbalife and does not review, approve or endorse Herbalife products.

Getting Started - Step by Step Summary



1 If you haven't already, find an established Nutrition Club and visit it!

The most important thing is to see a Club in action – although this guide is aimed at helping you understand the principles, it is only by seeing with your own eyes that you will really appreciate the simplicity and values of the Clubs. If you can't find a Nutrition Club in your area, please contact Distributor Relations and we will help you locate one near you.

2 Review this guide thoroughly

This manual has been put together to help you. If you don't review the contents of this manual thoroughly, you may be putting your business inadvertently at risk.

3 Select your club location

For your Club, you might choose the location as your home or somewhere commercial like an office - the key is to choose a busy area with easy access. All of these locations may work for you depending on your circumstances. You can use other premises, provided that they have the required equipment.

4 Notify Herbalife of your club

It is important to tell us that you are establishing a Nutrition Club. This allows us to keep you informed of any important developments that can occur and what you may need to know about. As an Independent Distributor you are free to use this or any other method (subject to our rules of conduct) to carry out your business. We feel for this type of business operation it is essential that we ask you to notify us.

5 Invite people everyday

You can, for example, talk to people in your 'circle of influence' e.g. neighbours, colleagues, friends, family and so on. Once your club is up and running, and you are providing a great environment for your existing customers, you can use them to generate referrals.

6 Never give up

Success in establishing Clubs may come in different ways and times for each individual. In some cases a Club may take off in a matter of days, for others it may require weeks or months of perseverance. The fundamental rule with Nutrition Clubs is never give up!

Training Recommendations

If you are thinking of opening your own Nutrition Club, then the following training recommendations and checklist will help you start the process towards running a successful Nutrition Club. Remember, you have to be a Herbalife Independent Distributor to open your Club.

Training Recommendations

- Inform your Sponsor you want to open your own Club.
- Participate actively in monthly and weekly trainings focused on Nutrition Clubs, Success Training Seminars and Herbalife Opportunity Meetings.
- Attend other Club openings to be more prepared when you open your own Club.
- Visit other Nutrition Clubs to learn about their daily operations.
- Familiarise yourself and be prepared with the Nutrition Club Rules in this manual.
- Take Mark Hughes' goal for good nutrition around the world, one person at a time.

Checklist for Nutrition Club Openings

Checklist

After you have read this checklist, ✓ the corresponding boxes and use the pages at the end of this document for your notes.

Before your Club opening:

- Tell your neighbours you are opening a club
- Be sure you have a blender, purified water, napkins and a good supply of Shakes, Instant Herbal Tea, Herbal Aloe Concentrate, Personalised Protein Powder etc.
- Make sure you branded invitation cards and send them out at least three days in advance
- Invite your Sponsor to your Club opening to share their experience and to offer the support you need
- Ask your family, friends and neighbours for referrals to support your business
- Make sure your Club location is clean and sanitary

On the day of your Club opening:

- Wake up early to make sure everything is ready for a successful Club opening
- Wear the button or other Herbalife accessories – remember, you are the brand!
- Do a final check on all the materials you need
- Do a final check of your Club location to make sure it is clean, especially the kitchen where you will be preparing the shakes and teas
- Apply everything you have learned from your prior training
- Welcome all your guests with a big smile!

nutrition club

Nutrition Club Rules

Introduction

Nutrition Clubs, conducted at residential or non-residential locations are social gatherings, bringing together persons who become members wishing to focus on good nutrition and regular exercise in order to achieve optimum health.

These Nutrition Club Rules have the same force and effect as the full body of Herbalife's Rules of Conduct and Distributor Policies (including the Supplemental Rules of Conduct). These Rules are effective as of February 2012 they will supersede and replace all previously released documents which contain Nutrition Club Rules or informal operational guidance. Violations of any Rule or Distributor Policy may result in disciplinary action, up to and including suspension or termination of Distributorships, and Distributors may lose their ability to operate Nutrition Clubs.

The Rules of Conduct and Distributor Policies (and the Supplemental Rules of Conduct) are included in the International Business Pack ("IBP") and may also be obtained online, at za.myherbalife.com or by calling the local Distributor Services Department on +27-11-554-1000 option 2.



Section 1: General Rules

1A - Compliance with Herbalife's Rules

Any Distributor operating a Nutrition Club must be familiar and comply with the most recent versions of Herbalife's Rules.

1B - Corporate Audits

Distributors must cooperate with Herbalife when it conducts audits of Nutrition Club practices for compliance with Herbalife's Rules. Failure to cooperate with an audit or to promptly make changes required by an auditor or audit report will result in disciplinary action, up to and including suspension or termination of Distributorships.

1C - Training

Rule 10-C of Herbalife's "Rules of Conduct and Distributor Policies", provides as follows:

Rule 10-C Training

A Sponsor is responsible for properly training their personally sponsored Distributors on the products and their usage, the Sales and Marketing Plan, the Rules of Conduct and other Company rules, regulations and guidelines for Distributors. They may seek assistance from their upline Supervisor or TAB Team member, but the primary responsibility is their own. No Sponsor may require payment from a personally sponsored Distributor for training or training facilities unless they fully explain that the Distributor may choose whether or not they want to participate in such training and state in advance the cost for such training. If the Distributor declines to participate in such paid training, the Sponsor is obligated to provide basic training necessary to learning the business.

A Nutrition Club operator must be trained by a knowledgeable member of their upline, or through local corporate or individual training events regarding on the proper operation of the Club under the law and according to Herbalife's Rules. The ultimate responsibility for the training of the Club operator is that of the first upline TAB Team member.

1D - Independent Distributors as Club Operators

Nutrition Clubs may only be operated by Herbalife Independent Distributors.

1E - Employees

While Distributors are generally permitted to utilize employees in operating their Herbalife businesses, they may not use employees to assist with any Nutrition Club operations.

1F - Not Franchises

Nutrition Clubs are not franchises and Distributors may not compare Nutrition Clubs to franchises when promoting them as a business tool. Nutrition Clubs are only a means of doing the core Herbalife business which is retailing, recruiting and retention.

1G - Independent Business Operations

As with all other Distributor business activities, Herbalife does not approve, endorse, authorize, guarantee or assume any obligation with regard to individual Nutrition Clubs.

1H - One Responsible Distributor

At least one Herbalife Independent Distributor must accept full responsibility for and oversee all operations of each Nutrition Club. This Distributor must post the Nutrition Club Advisory provided at the end of this document. The Nutrition Club Advisory will reflect the Distributor's

name and contact information at the Club at all times. This Distributor must be present during all Club sessions, except for short-term absences when attending Company sponsored meetings, and if absent, must assign a Distributor who they personally trained, to oversee Club operations in-person.

If multiple Distributors share a common space to operate their Nutrition Clubs, the posted information of the responsible Distributors may be alternated accordingly.

1I - Good Neighbour Policy

Nutrition Club operators must be good and considerate neighbour, especially when operating out of their homes.

Operators must limit Club attendance and take any other necessary steps to ensure that Club meetings do not cause unreasonable amounts of noise, traffic congestion, or other forms of nuisance to the public.

1J - Comply with the Law

Nutrition Club operators must comply with all laws and regulations that apply to the operation of their Club. In dealing with relevant government agencies, prospective and current Club operators must be cooperative and represent their proposed or actual activities accurately.

1K - No Assigned or Exclusive Territories

There are no territorial assignments or exclusive territories for Nutrition Clubs; they may be opened and operated anywhere it is legally permissible to do so.

1L - Multiple Clubs

Nutrition Club operators may operate in more than one (1) location (e.g., operate multiple Clubs), but only if they do not operate two (2) or more Clubs simultaneously:

1M - Required Advisory for Posting

Every Club operator must post the following Advisory in the Club:

Nutrition Club Advisory

This Nutrition Club is operated by Herbalife Independent Distributor _____ ("Operator"), Operator's mailing address is _____, and operator's business phone number is _____. Operator, not Herbalife, is responsible for all of the activities related to this Nutrition Club.

Nutrition Clubs are social gatherings, bringing people together with a focus on good nutrition and general wellbeing. They are not retail stores or outlets, nor are they restaurants or carry-out establishments. Carry out is prohibited.

Nutrition Club fees cover general operational costs and do not represent the price or cost of products. Participants may share their experiences after having used the products, but must always remember that the products are not intended to diagnose, treat, prevent or cure any disease or medical condition. References to weight control relate to the Herbalife Weight Management Programme including, amongst other things, a balanced diet, regular exercise, adequate daily fluid intake, nutritional supplementation where required and appropriate rest. Income reported in Nutrition Club materials, or in oral testimony at Club gatherings, is applicable to the individuals (or examples) depicted and not average. It is illegal for a promoter or a participant in a trading scheme to persuade anyone to make a payment by promising benefits from getting others to join a scheme. Do not be misled by claims that high earnings are

easily achieved. The business opportunity is made available by Herbalife International South Africa, Ltd, Riverview Business Park, Janadel Avenue, Midrand, Johannesburg, South Africa Goods sold are nutritional and personal care products. Transactions are effected by distributors as principals.

Earnings Claims are not a guarantee of your income, nor are they typical. Any earnings will depend on factors including your business skills and the effort and time you put into the business.

For average financial performance data, see the Statement of Average Gross Compensation for South Africa Supervisors at www.herbalife.za and za.myherbalife.com.

This sign containing the Advisory must be at least **21 by 29.7 Centimeters** (A4) and the Advisory itself must be in a font size **no smaller than 17 points**. The specific wording of the Advisory may change from time to time, but the most recent version can always be obtained by calling your local Distributor Services Department, or it can be downloaded from za.myherbalife.com.

A copy of this Advisory is provided for your use at the end of this document.

1N - Good Hygiene

Although Nutrition Clubs are not restaurants, carry-outs, or any other form of food service establishment, the provision of complimentary shakes, teas, and Herbal Aloe Concentrate to Club members requires that Nutrition Club operators always practice good hygiene and maintain clean and sanitary Club premises. You may refer to your Nutrition Club Manual for a full list of hygiene and sanitary best practices, but the following practices are always required:

Food Sourcing, Handling and Preparation

- Always obtain fruit, vegetables, and other non-Herbalife ingredients from reputable suppliers; inspect these ingredients for freshness and quality on delivery and again before use.
- Always use good quality water in preparing the Club's complimentary beverages; if you are unsure of the quality please ensure water is boiled before use.
- All kitchen equipment which is used for Club activities, including, but not limited to, blenders and cutting boards, must be cleaned thoroughly before and after every use.
- Always use disposable cups to serve complimentary beverages.

Non-Perishable Products

- Always use your stock of Herbalife products, and non-perishable ingredients on a "first-in, first-out" basis, this means, always using the older products first. Do not use products that are past their Use By date.
- Always store your Herbalife products and non-perishable ingredients in a cool, clean, well-ventilated space; the fact that items are non-perishable does not excuse poor storage practices.

Perishable Products

- Always use your stock of perishable food items on a "first-in, first-out" basis, and perishable items such as fruits and vegetables must be washed prior to use. Do not use products that are past their Use By date.
- Clean your refrigeration units at least once a week and always store perishable products in a manner that protects them from damage, spoilage or contamination.

Personal Hygiene

- Keep your hands and forearms clean at all times by washing thoroughly with anti-bacterial soap and warm water, and take special care to wash in the following instances:
 - After using the restroom
 - Before and after handling any food items
 - After sneezing, coughing, or blowing your nose
 - After smoking, eating, drinking or leaving the Club premises
 - After touching your hair or any other body part
 - After touching another person
 - After touching used or dirty kitchen equipment or utensils
- Leave the Club premises immediately if you are sick or feel sick, even if this means the Club must be closed until you are back to good health. Where possible another Distributor that has been properly trained regarding Nutrition Club operations, may cover in your absence to support the Club activities.
- Keep your clothing and hair clean and neat at all times.

Club Premises

- Be careful to watch for spillage and clean up any spills immediately; warn members and guests to avoid the affected areas until clean-up is complete.
- Maintain multiple covered rubbish receptacles lined with high-quality garbage bags throughout the Club premises; remove and empty them frequently.

1O - Required Advisory for Posting; Hygiene and Sanitary Practices

Every Club operator must post the following Hygiene and Sanitary Practices Advisory in the Club:

Advisory for Nutrition Club Operator

Although Nutrition Clubs are not restaurants, carry-outs, or any other type of food service establishment, Herbalife expects Nutrition Club Operators to adopt the highest standards of hygiene and sanitary practices. Rule 1- N "Good Hygiene" itemizes practices that are required, and additional best practices are available for review in the Nutrition Club Manual. The following core principles of good hygiene and sanitation are always required:

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

This sign containing the Hygiene and Sanitary Practices Advisory must be at least **21 Centimetres by 29.7 Centimetres** (A4) and the Advisory itself must be in a font size **no smaller than 17 points**. The specific wording of the Advisory may change from time to time, but the most recent version can always be obtained by calling your local Distributor Services department or it can be downloaded from za.myherbalife.com A copy of this Advisory is provided for your use at the end of Section 5 of the Nutrition Club Rules.

Section 2: Fees, Recruiting and Support

2A - Fees

A daily, weekly or monthly membership fee may be charged to cover operational costs such as rent, utilities, etc.; these membership fees should not represent the price or cost of products, which may be offered to members and their guests for consumption.

2B - Club Attendance Not Mandatory

Attending Club sessions is a personal decision for the member or guest (whether or not he or she is a Distributor); Club operators must never state or imply that there is an obligation to attend.

2C - Club Activities and Services

Nutrition Clubs must offer their members regular opportunities to socialize, as well as frequent educational and coaching sessions (group and one-on-one) on nutrition and weight management.

2D - Member Referral Incentives

Club operators may offer reasonable rewards, such as free products, for the referral of new members, but Club operators are prohibited from paying cash or cash equivalents for such referrals.

Section 3: Serving and Selling Products

3A - Authorized Herbalife Products Only

Only Herbalife products authorized for each respective market in Herbalife's Southern Africa markets (Botswana, Lesotho, Namibia, South Africa, and Swaziland) may be provided for consumption or sale while operating a Nutrition Club.

Non-Herbalife products may not be provided, sold or promoted on the Club premises.

3B - Product Consumption

Nutrition Clubs are social gatherings, bringing people together with a focus on good nutrition. They are not retail stores or outlets, nor are they restaurants or carry-out establishments.

Subject to this restriction, Club operators may offer complimentary products such as shakes, teas and Herbal Aloe Concentrate. Club operators may post a list of available flavors of shakes and teas, as well as any optional ingredients such as protein or fiber, but consistent with the proper operation of a Nutrition Club they may not post, list or charge individual prices for these products or ingredients. The only permissible Nutrition Club fees are daily, weekly or monthly membership fees to cover operational costs such as rent and utilities.

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

3C - Carry-outs

Product offerings must be consumed on the Club premises. Carry-out is prohibited.

3D - Product Retailing

Nutrition Clubs are social gatherings, bringing people together with a focus on good nutrition. They are not retail stores or outlets, nor are they restaurants or carry-out establishments.

Club operators may keep product inventory on hand, and they may sell their inventory at retail. All Herbalife products must be sold unopened and in their original Herbalife packaging. Products which are not packaged and labeled for individual sale as individual units or single servings may not be sold in the Nutrition Clubs, or elsewhere. An official Herbalife product catalog may be made available to Club members, but product pricing may not be posted.

Club operators may not pressure their members or guests to buy the products, and may not state or imply that product purchases are required in order to enter, attend, become a member, or remain a member of the Club.

3E - Sampling

Sampling of Herbalife products is permissible at Nutrition Clubs. Club operators may offer complimentary (sample) products such as shakes, teas and Herbal Aloe Concentrate. Loose tablets may not be sampled. Club operators may post a list of available flavors of shakes and teas, as well as any optional ingredients such as protein or fiber, but consistent with the proper operation of a Nutrition Club they may not post, list or charge individual prices for these products or ingredients. The only permissible Nutrition Club fees are daily, weekly or monthly membership fees to cover operational costs such as rent and utilities.

3F - Mixtures

Club operators may not mix shakes, teas or Herbal Aloe Concentrate using alcoholic beverages, medications, or other inappropriate ingredients.

3G - Product Packaging and Display

Club operators may display product-related literature, promotional items and one unit (per product) of Herbalife products, unopened and in their original packaging, but such display may not be visible from the exterior.

When preparing shakes, teas and Herbal Aloe Concentrate for consumption, these products must be available for inspection by members and guests (again, unopened and in their original packaging).

3H - Proper Disposal of Product Containers

To protect against those who might seek to counterfeit Herbalife product, Club operators are required to deface or destroy product labels and containers before disposing of empty containers.

Section 4: Marketing, Promotion and Advertising, Including Claims / Testimonials

4A - Testimonials/Product Claims

Club members may share their experiences from using the products, but the products are not intended to diagnose, treat, prevent or cure any disease or medical condition, and under no circumstances should there be any statements or implications to the contrary, whether by the Club operator or by members or guests who are offering testimony.

All information which is given to Club members should be consistent with the information which is provided in Herbalife support materials and publications, both in general and for specific products. Refer to Herbalife's Rules of Conduct and Distributor Policies Rule 21-C "Products Claims". These Rules are in the latest version of the Herbalife Career Book, on za.myherbalife.com or available through Services Department, upon request.

4B - Testimonials/Income Claims

Income and earnings testimonials, whether made orally at a Club event or in writing in websites or Club-related materials must be appropriately disclaimed, orally and/or in writing. The appropriate disclaimer is:

Income reported in Nutrition Club materials, or in oral testimony at Club gatherings is applicable to the individuals (or examples) depicted and not average. Earnings claims are not a guarantee of your income, nor are they typical. Any earnings will depend on factors including your business skills and the effort and time you put into the business.

For average financial performance data, see the Statement of Average Gross Compensation for South Africa Supervisors at www.herbalife.za or za.myherbalife.com.

Refer to Herbalife's Rule 24-C "Income Statements and Claims". The Rule is in the latest version of the Herbalife Career Book, on za.myherbalife.com, or available through Distributor Services upon request.

4C - Offering Nutritional Advice to Members and Guests

Club operators may offer the general health, wellness and nutritional information which is a part of their daily activities as Herbalife Independent Distributors. This includes guidance about the products, their usage and their key benefits, as well as information about the business opportunity. Operators may also provide appropriate product and income testimonials both orally and in writing (accompanied by Herbalife's required disclaimers).

However, 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 which is given to Club members and guests should be consistent with the information that is provided in Herbalife's support material and publications, both in general and specific products.

4D - Advertising

Nutrition Clubs are social gatherings publicized exclusively through word of mouth and attended only by persons who are personally invited by the Club operator, another independent Distributor or a customer, either through oral conversation or through conversation accompanied by the provision of a written invitation.

Nutrition Clubs are not intended to attract "walk-in" traffic, therefore, Nutrition Club advertising is limited to promoting services that are offered at the Club's location, such as a Weight-Loss Challenge, a wellness evaluation, or wellness presentation. Advertising such services may include the following details:

- Name of Club and Club Operator
- Phone Number

Using radio and television to advertise services that occur in a Club is not permissible.

4E - Personal Websites

Every Nutrition Club operator is permitted to create a website under the following conditions:

- **Password-protected websites** that are not accessible by the general public, dedicated or partially dedicated to Nutrition Clubs, may be operated subject to their full compliance with Herbalife's Rules.
- **Non-password protected websites**, accessible by the general public, are permitted with regard to a Distributor's overall Herbalife business, but not with regard to Nutrition Clubs specifically. A publicly accessible website may only provide the following Nutrition Club information:
 - Services available at Club (for example, a Weight Loss Challenge, a wellness evaluation, or wellness presentation)
 - Name of Club and Club Operator
 - Phone Number

Any other information specific to Nutrition Club(s) which is posted on publicly-accessible websites will be considered and treated as prohibited Nutrition Club advertising.

4F - Nutrition Club Signage

Residential Locations: Clubs operating from residential locations may not use exterior signage of any kind. For signage restrictions that apply to Clubs operating from non-residential locations, refer to Section 5 of these Nutrition Club Rules.

Section 5: Nutrition Clubs Operating From Non-Residential Locations

5A - Required Notification Form:

As an aid for Distributors to comply with Herbalife's Rules regarding notification of Nutrition Clubs (for Clubs operating from non-residential locations) the "Notification Form" is available (in its current form) at the end of this Document, on za.myherbalife.com, or from your local Distributor Services Department. Distributors are required to complete and submit the "Nutrition Club Notification Form", at least 30 days in advance of opening their Club.

5B - Retail/Service Establishments

Retail Establishments: Nutrition 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:

Nutrition Clubs may not operate on the premises of service establishments whose primary purpose is to provide prepared foods (such as, but not limited to, restaurants, cafés, ice cream shops, etc.).

However, it is permissible to operate within other types of service establishments including but not limited to, beauty salons, barber shops, gyms, and health clubs, provided that the Nutrition Club activities and all signage are restricted to an enclosed room and are not visible to passersby or to the public frequenting the service establishment provided the establishments are not opened to a street/avenue, gallery, mall or commercial retail areas.

Herbalife has the sole and absolute discretion as to the determination and application of this policy.



5C - Club Identification/Signage Restrictions

A Nutrition Club may not have any type of signage on the exterior of their location, or surrounding the premises which identify the Club. However a small plaque adjacent to the door of the club simply identifying the Distributor and/or name of the club is permissible under the following conditions:

- The plaque may be no larger than 210 x 297 mm (A4)
- Must ensure that the location is not perceived as a store, restaurant, franchise or other "Retail Location".
- Must not invite passersby to purchase Herbalife product.
- No two clubs operating from non-residential locations may have identical or substantially similar names or plaques within a 100 mile or 160 KM radius (as determined by Herbalife, at its sole and absolute discretion). This would include anything visible from the exterior that might suggest that the location is a franchise.
- Plaques may not directly or indirectly identify, imply or signal that the occupant is an Herbalife Independent Distributor (or otherwise indicate an Herbalife business).
- Plaques may not advertise services offered as part of a Nutrition Club (for example, Herbalife product available, Weight Loss Challenge, etc.).

The following are a few examples of plaque do's and don'ts:

Do's	Dont's
<p>"Angela's Wellness Center" "Healthy Lifestyle's Club" "The Feel Good Zone"</p>	<p>"Angela's Shake Café" "Healthy Nutrition Bar" "Herbalife Weight Loss Shop"</p>

- The plaque may not state or suggest that Herbalife products are available for retail purchase on the premises.
- The plaque may not use the terms "Nutrition Club," "Herbalife®," "L.A. Live," "Mark Hughes," "Liftoff®," "Shapeworks®," "Skin Activator®," "NouriFusion®" or any other Herbalife intellectual property, product names or brands, or the word "shake" or any other words that imply or signal that Herbalife products are available at that location.
- The following terms, and any similar terms, are not acceptable: "café," "restaurant," "bar," "mart," "store," or "shop."
- Signs that depict "Open/Closed" may not be visible from the exterior.

Provided that the Club operator adheres to the above specified points, the use of the following terms and any similar terms are acceptable: "club," "center," or "meeting"; Club operators may also use their business name or the name of the individual or group.

5D - Window and Door Coverings

Window and door coverings must be frosted or opaque, plain, and unbranded.

For example:

- Window and door coverings may NOT state, imply or

suggest (even without words) that retail products are available for purchase inside.

- "Before & After" photographs are not permitted as (full or partial) window or door coverings.
- The word "shake" or pictures of shakes, or any other products, even if unbranded, are not permitted as (full or partial) window or door coverings.

Herbalife products, posters, materials, images used inside the Club should not be visible from the exterior.

5-E Nutrition Club Exterior

Because Nutrition Clubs are not retail establishments, cafés, restaurants or take-out establishments and to avoid any misconceptions by the public, the exterior of a Nutrition Club may NOT have:

- Tables, chairs, or outdoor seating;
- 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, or ".com," "www," ".net," or any other reference to a website;
- Repetitive names with numbers (e.g. Rockin' wellness #3, Rockin' wellness #4); or
- Tag lines or slogans. A tag line is a descriptive term used in conjunction with the name of a Nutrition Club.

Herbalife shall have the right in its sole and absolute discretion to determine if a Nutrition Club's appearance conflicts with this or any other Distributor policy, or Nutrition Club Rule.

5-F Cash Registers

Since Nutrition Clubs are not retail establishments, cash registers, cash boxes and the like may not be visible to Club members.

5G - Leasing, Renting, or Sharing Club Locations

Nutrition Club operators may lease, rent or otherwise charge for clubs located in non-residential locations which they make available to, or share with, members of their downline organizations. However, the fees derived may not exceed a 5% net profit to the offering Distributor, and the offering Distributor(s) may not solicit or promote these locations to Distributors in other organizations.

5H - 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 Member. Nutrition Club operators may sign up a walk-in prospect as a member, but if the prospect cannot or will not sign up as a member, the operator is then limited to offering the prospect a complimentary shake, tea, and Herbal Aloe Concentrate as samples, and explaining the Nutrition Club concept of socialization, product consumption and wellness education among Club Members, all in a fun and relaxed atmosphere. Nutrition Clubs are not retail locations and operators may not state or imply that they are. It is not permissible to sell product servings to anyone. Product servings are only available to registered Nutrition Club Members as part of their daily, weekly or monthly membership fee. Free samples of prepared products may be provided to encourage walk-ins to return and become Club members. Please refer to Rule 5- C "Club Identification/Signage Restrictions

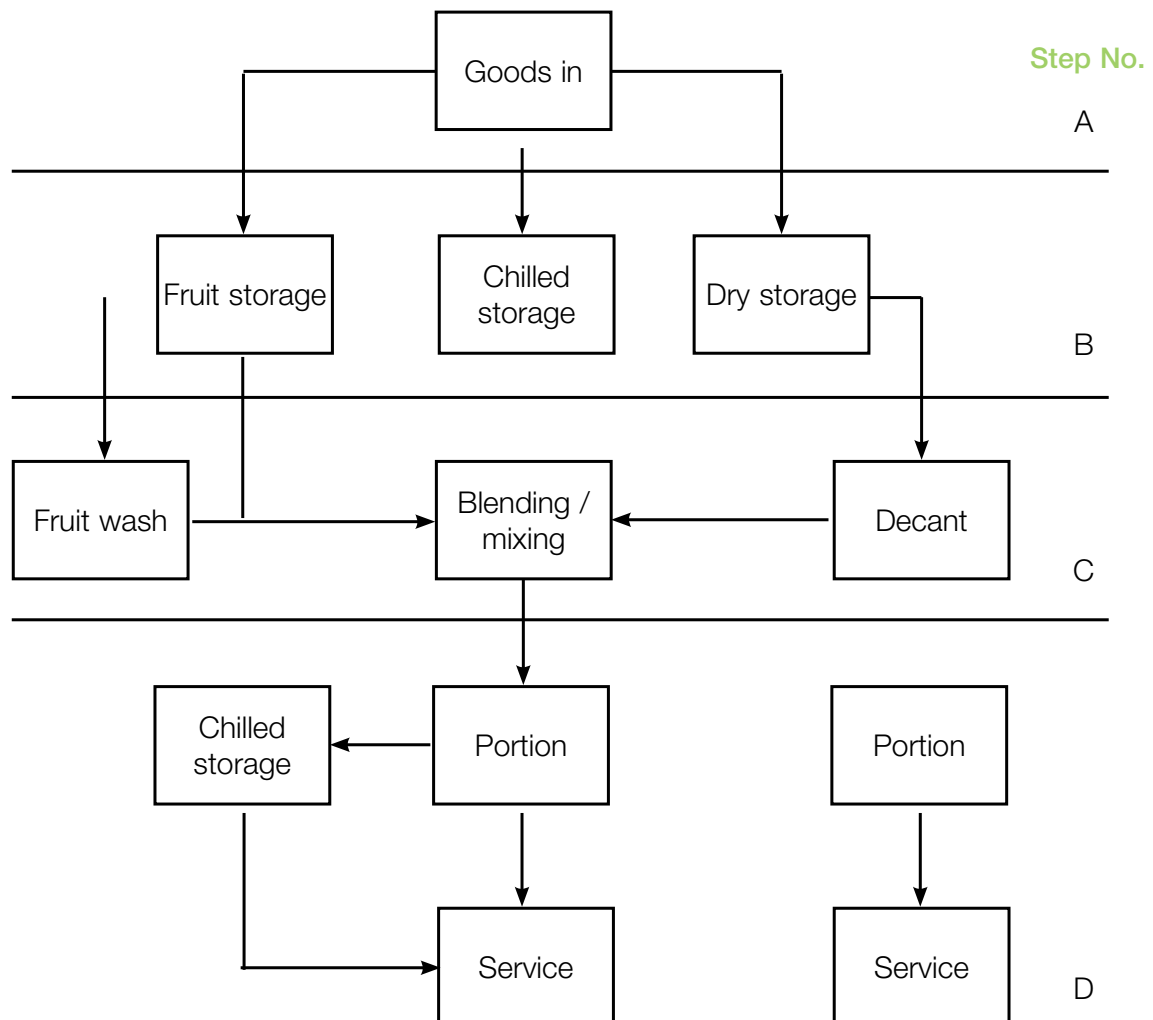
APPENDIX 1: HACCP Guidelines

What is Hazard Analysis Critical Control Points (HACCP)?

It is a Food Safety methodology that relies on the identification of Critical Control Points (CCP's) in food production and preparation processes. Closely monitored CCPs will ensure that food is safe for human consumption.

Within this section are the core guidelines that you should follow when preparing to service foods for consumption to members of your club. In fact they're really straightforward and much of the detail below will seem like simple common sense. However, for your protection we have included several guidelines on things that you should take in to account at various important points in the 'food service chain'.

Take a look at the flow chart below:



Please review the procedures that follow which outline what these steps are. Again you will see that they are all very simple and straight forward but we hope that you find these procedures simple and easy to follow.

Step A: Control of Goods In

Purpose Control product temperature and product / packaging quality at goods in.

Scope This applies to any additional ingredients that you may use in your nutrition club such as fruit, milk, fruit juices etc.

Critical Limit General

All incoming goods should be free from signs of infestation. Packaging should not be damaged with no product visible. Fruit should have no signs of spoilage and be fresh.

All Use By or Best Before dates should be checked.

Chilled Product

All milk should be pasteurised.

Chilled product to be transferred to chilled storage immediately on receipt and within 45 minutes of purchase.

Monitoring Visual examination to assess quality of packaging and product. Use By and Best Before date to be checked.

Frequency of Monitoring All incoming goods to have packaging checked. Every batch of bought in product.

Immediate Corrective Action

1. If packaging shows signs of damage and product is exposed or evidence of pest activity, product should be rejected.
2. If chilled product cannot be held in refrigeration within 45 minutes of purchase then product should not be bought.
3. If the Use By or Best Before date has expired then product should be rejected.

Use good quality trusted suppliers.

Preventative Action Any non-conformances to be reported back to suppliers immediately with corrective actions.

Responsibility of Monitoring and Corrective Action Nutrition Club owner.

Step B: Control of Food Storage Temperature

Purpose Prevent deterioration of chilled products during storage.

Scope Applies to all food required to be stored in fridges (e.g. milk etc)

Critical Limit Target temperature 0-5°C
Chilled storage temperature maximum 8°C

Monitoring (CCP2a) Refrigeration temperature – it is advisable to use the attached monitoring form, or similar, to demonstrate that you have checked fridge temperatures regularly.

Frequency of Monitoring Minimum of every eight hours (working hours). Herbalife will provide all registered clubs with a fridge thermometer for this purpose.

Immediate Corrective Action If refrigeration temperature exceeds 8°C, close door and re-check after 30 minutes. If still above 8°C discard food.

Preventative Action Preventative maintenance (cleaning / defrosting).

Responsibility of Monitoring and Corrective Action Nutrition Club owner.



Step C: Use of Potable Water

Purpose Reducing the risk of bacterial contamination in the incoming water supply.

Scope Applies to all water used for blending / mixing and cleaning processes for nutrition clubs.

Critical Limit Blending / mixing and cleaning water should be mains fed 'potable' at all times or if such supply is unavailable should be bought in drinking water.

Monitoring Billing information will confirm the continued use of potable water. N.B. If you are using a rented facility you should simply obtain confirmation from the venue that taps you intend to use are mains drinking water and are not fed from storage tanks etc.

Frequency of Monitoring Provided you have confirmation from the venue owner you need not take further action. If you are running the club from your own home you should retain water service bills on file.

Immediate Corrective Action If water supplier informs the premises of possible contamination, all possible contaminated products must be disposed of. Alternative supply of potable water (bottled) should be used.

Preventative Action Should water supplies be unusable for any period bottled water should be used.

Responsibility of Monitoring and Corrective Action Nutrition Club owner.

Step D: Display and Serving of Food

Purpose To prevent excessive microbial growth during service of foods.

Scope High risk ready to eat products.

Critical Limit Once made, any 'high risk' products which are left at room temperature (this would include shakes made with milk) should be consumed within two hours or thrown away. If a large quantity is being made, then to prevent waste, a portion should be refrigerated once produced.

Monitoring Record batch times of product if stored at ambient temperatures. This may not be necessary if you are only making up one batch of shake at a time. The important point is that you are able to monitor and throw away any product that has been left out at room temperature for 2 hours.

Frequency of Monitoring This applies to every batch produced and stored at ambient.

Immediate Corrective Action If product is stored at ambient for over two hours, product should be discarded.

Preventative Action Store product in refrigerated conditions.

Responsibility of Monitoring and Corrective Action Nutrition Club owner.

Nutrition Club Advisory

This Nutrition Club is operated by Herbalife Independent Distributor _____ (“Operator”).

Operator’s mailing address is _____, and operator’s business phone number is _____. Operator, not Herbalife, is responsible for all of the activities related to this Nutrition Club.

NOTICE

Nutrition Clubs are social gatherings, bringing people together with a focus on good nutrition and general wellbeing. They are not retail stores or outlets, nor are they restaurants or carry out establishments. Carry-out is prohibited.

Nutrition Club fees cover general operational costs and do not represent the price or cost of products. Participants may share their experiences after having used the products, but must always remember that the products are not intended to diagnose, treat, prevent or cure any disease or medical condition.

References to weight control relate to the Herbalife Weight Management Programme including, amongst other things, a balanced diet, regular exercise, adequate daily fluid intake, nutritional supplementation where required and appropriate rest.

Income reported in Nutrition Club materials, or in oral testimony at Club gatherings, is applicable to the individuals (or examples) depicted and not average. Earnings Claims are not a guarantee of your income, nor are they typical. Any earnings will depend on factors including your business skills and the effort and time you put into the business. For average financial performance data, see the Statement of Average Gross Compensation for South Africa Supervisors at www.Herbalife.za and za.MyHerbalife.com.

It is illegal for a promoter or a participant in a trading scheme to persuade anyone to make a payment by promising benefits from getting others to join a scheme. Do not be misled by claims that high earnings are easily achieved. The business opportunity is made available by Herbalife International South Africa, Ltd, Riverview Business Park, Janadel Avenue, Midrand, Johannesburg, South Africa Goods sold are nutritional and personal care products. Transactions are effected by distributors as principals.

Advisory For Nutrition Club Operator

Although Nutrition Clubs are not restaurants, carry-outs, or any other type of food service establishment, Herbalife expects Nutrition Club Operators to adopt the highest standards of hygiene and sanitary practices. Rule 1-N “Good Hygiene” itemizes practices that are required, and additional best practices are available for review in the Nutrition Club Manual. The following core principles of good hygiene and sanitation are always required:

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

CLUB NAME, PLAQUE, WINDOW AND DOOR COVERING REQUIREMENTS

Distributors operating Nutrition Clubs from non-residential locations are required to submit a Notification Form to Herbalife, at least 30 days prior to the official opening date of their Club. Please re-submit your Notification Form if there is any change in the exterior of the Club's structure and/or the plaque.

WHY DO I NEED TO SUBMIT A NOTIFICATION FORM?

Submitting your Notification Form will help you stay connected with the latest news and updates on Nutrition Club trainings and promotions. This notification process will allow Herbalife to review your proposed Club name and plaque, prior to your Club's opening date and avoid premature expenditures that may not be compliant with Herbalife's Rules of Conduct and Distributor Policies. As stated in Herbalife's Nutrition Club Rules, Nutrition Clubs are not franchises. Therefore, their overall appearance must be unique to avoid the appearance of a franchise.

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

Yes. Please, submit the following with your completed Notification Form:

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

- A drawing of the plaque.
- A brief description, including the dimensions, locations of your plaque, and window and door coverings needed.
- Once the Club is open please also submit an overall photo that captures the entire exterior of the Club's structure, including the plaque.

For existing Nutrition Clubs located in a non-residential location:

- A photo of the plaque.
- Photos of each window and door covering.
- A brief description, including the dimensions, locations of your plaque, and window and door coverings needed.
- An overall photo that captures the entire exterior of the Club's structure, including the plaque.

PRIMARY NUTRITION CLUB OPERATOR

Only one Distributor is responsible for submitting a Nutrition Club *Notification Form*. This Distributor is considered the Primary Nutrition Club Operator. Additional Club Operators may be listed on the *Notification Form*. A Notification Form is required for every non-residential Nutrition Club location.

WHERE DO I SUBMIT MY NOTIFICATION FORM AND ADDITIONAL INFORMATION?

For your convenience, there are two (2) simple ways to submit your Notification Form and the additional information required:

1) Email: ssssafrika@herbalife.com

2) Mail: Sales Strategy and Support Dept
Herbalife International S.A. Ltd
Private Bag X86
Halfway House. 1685
South Africa

3) Fax: 011 805 0899

Distributors operating Nutrition Clubs from residential locations are also encouraged to submit a *Notification Form*.

SF Nutrition Club Notification Form



PRIMARY (MAIN) NUTRITION CLUB OPERATOR'S INFORMATION:

Last Name: _____
Primary Distributor ID#: _____

First Name: _____
Team Level: _____

Country: _____
Club Type: _____

Address 1: _____
Address 2: _____

Residential Non-Residential

City: _____

I do not have a Club Name.

Province: _____

I have a Club Name: _____

Postal code: _____

I previously submitted this form, but have an update/change to my NC Name, and/or plaque.

I am closing or have closed my Nutrition Club. Date of Closure: _____

Is the Club: Existing or Planned

Main Contact Number: _____

Opening Date: _____

Alternative: _____

Seating Capacity: _____

Website URL: _____

Average Daily

Consumption/Memberships: _____

Email Address: _____

How did you learn about the Nutrition Club Rules?

- Upline Other Distributor At a Training
 Career Manual Other

Club Hours of Operation

Club is Open All Day Monday – Friday: to

OR Daily Hours of Operation:

Morning: to Afternoon: to Evening: to

Number of additional Distributors who operate the Club? _____

Additional Club Operator Information:

Club is Open All Day Saturday: to

OR Daily Hours of Operation:

Morning: to Afternoon: to Evening: to

Distributor Name: _____

Distributor ID#: _____

Team Level: _____

Club is Open All Day Sunday: to

OR Daily Hours of Operation:

Morning: to Afternoon: to Evening: to

Distributor Name: _____

Distributor ID#: _____

Team Level: _____

If there are more than (2) Operators for your Club; submit them on a separate page.

Comments:

For marketing purposes only:

Please select Business methods conducted at this Club.

- Weight Loss Challenge Total Plan
 Wellness Coach Method Other

What % of your business comes from Nutrition Clubs? _____

Signature _____

Date: _____

Please be aware that an incomplete form may delay the plaque and/or window and door covering confirmation process of your Nutrition Club. Failure to submit a Notification Form to Herbalife may result in sanctions to your Distributorship.

HERBALIFE INDEPENDENT DISTRIBUTOR

nutrition
club



mission

THE PURPOSE of Herbalife® Nutrition Club services is to bring good nutrition to the people of our community, one person at a time.

NUTRITION CLUBS provide a valuable service to the community, informing people about the importance of proper nutrition and exercise for optimum health.

ADMITTANCE to the Nutrition Club is by personal invitation only and is not open to the public. The activities of the Nutrition Club include socialising, community building, recognizing members' health success and enjoying a tea, shake and Herbal Aloe Concentrate. The products are not intended to diagnose, treat, cure or prevent any disease.