

QUESTIONS & ANSWERS

General Information:

Q1: What are the new enhancements to Herbalife's marketing plan?

A1: To help everyone achieve even greater success from Herbalife's business opportunity, we are introducing:

- the level of Qualified Producer;
- a new method to qualify to Supervisor by accumulating 5,000 Personally Purchased Volume Points on orders you are placing with the company within 12 months (with a minimum of 3 months required); and
- a simplified Distributor Discount Scale

With these enhanced marketing methods and incredible momentum leading up to our 30th anniversary celebration in 2010, there's never been a better time than right now for your Herbalife success.

Q2: What date will the marketing plan enhancements launch?

A2: The enhancements to our marketing plan are effective as of November 1, 2009, but you can begin your qualifications towards Qualified Producer and the 5,000 VP accumulated Supervisor Qualification by using Volume Points from orders you place with the company in **October 2009 Volume Month!**

***Note:** Distributors in countries where the 5000 VP accumulated SP Qualification was test piloted may use PPV from the past 12 months towards their 5000 VP Supervisor Qualification only – not towards their QP Qualification.

The countries are Russia & CIS, Israel, Chile, South Africa, Botswana, Lesotho, Namibia, Swaziland and Zambia.

Q3: What is Personally Purchased Volume?

A3: Personally Purchased Volume (PPV) is the Volume from the orders you have placed directly from the Company using your own Herbalife Identification Number. Personally Purchased Volume is the Volume on which the Qualified Producer and the accumulative 5,000 VP Supervisor Qualifications are based.

Q4: Will the Volume I've accumulated from purchases made directly from my Sponsor or Supervisor (field orders) count towards my qualification for Qualified Producer or the accumulative 5,000 VP Supervisor Qualification?

A4: Unfortunately, field orders purchased by you from your Sponsor or Supervisor will not contribute towards the Qualified Producer or the accumulative 5,000 VP Supervisor qualifications. To qualify for Qualified Producer and the accumulative 5,000 VP Supervisor method, the order volume must come from the orders you have placed directly from the Company using your own Herbalife Identification Number.

Marketing Plan Enhancements

Qualified Producer:

Q5: What is a Qualified Producer?

A5: When you buy directly from Herbalife and achieve 2,500 Volume Points within 1-3 months, you become a Qualified Producer.

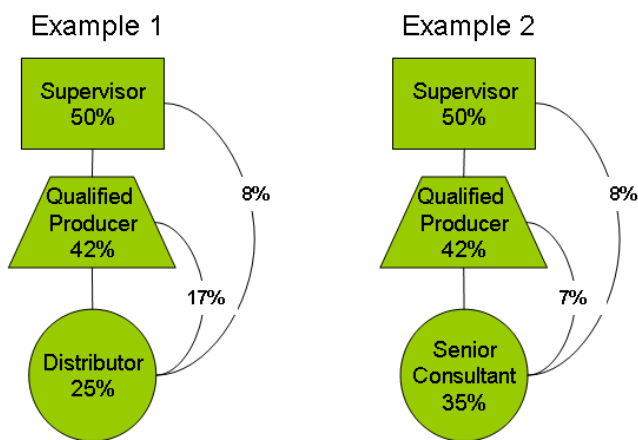
As a Qualified Producer:

- You will be eligible for a 42% discount which you will be able to maintain as long as you retain your Qualified Producer status;
- You will earn an immediate 42% retail profit when you sell at the suggested retail price;
- You will be eligible to receive split commissions on purchases with Herbalife made by any downline Distributors made at 25% or 35% discount.

***Note:** Qualified Producers earn split commission down to the next downline Qualified Producer.

Q6: What are Split Commissions?

A6: Split Commission is the commission earned from a downline Distributor below a Qualified Producer who is purchasing at less than 42% discount. A commission of 7% or 17% is first paid to the first upline Qualified Producer and the remaining 8% is paid to the first upline Fully Qualified Supervisor.



Q7: As a Qualified Producer, will I be required to purchase a certain amount of Volume to maintain my 42% discount every month?

A7: No, once you have achieved Qualified Producer status you will be at a 42% discount. However you do need to requalify annually to maintain your Qualified Producer status.

Marketing Plan Enhancements

Q8: Do I need to requalify my Qualified Producer status annually?

A8: Yes, you must requalify your Qualified Producer status annually. The requalification period is from February 1st – January 31st of the year following your qualification. You will have no less than 12 months to requalify your status.

To requalify your Qualified Producer status, you must accumulate 2,500 Personally Purchased Volume Points within 1-3 consecutive months during your requalification period. The Volume Points must come from orders you have placed directly from the Company using your own Herbalife Identification Number.

Q9: What happens if I do not requalify my Qualified Producer status?

A9: If you do not requalify your Qualified Producer status, the following will occur:

- You will return to Senior Consultant at a 35% discount;
- You will no longer be eligible to receive a split commission check from Herbalife.

***Note:** Qualified Producers that do not requalify will not lose lineage.

Q10: Is there a minimum amount I have to earn before a payment will be issued?

A10: Yes, you must have a minimum of \$25 USD (or local equivalent) before Herbalife issues local earnings payment. A minimum of \$50 USD must be met before Herbalife will issue your OC earnings payment. This applies to all payment methods (check, direct deposit, wire transfer, etc.). Once your accumulated earnings reach this threshold, your earnings will be issued.

Q11: Are Qualified Producers required to pay the Annual Processing Fee (APF)?

A11: Yes, all Distributors are required to pay the Annual Processing Fee. As a Qualified Producer, you will pay the non-Supervisor fee of \$15 USD (or local equivalent).

Q12: As a Qualified Producer, what will happen if I do not pay the APF on time?

A12: It's important to pay your APF on time so that no interruption of your business occurs. If your APF is not paid on time, your Distributorship will be deleted. After deletion, if you decide to pay your fee and become reinstated, you will be a Senior Consultant at 35% discount.

***Note:** Any loss of lineage would not be reinstated.

Marketing Plan Enhancements

5000 VP Accumulative SP Qualification:

Q13: How do I qualify to Supervisor using the accumulative 5,000 VP Supervisor method?

A13: Beginning with October 2009 Volume, you may qualify to Supervisor using this method by accumulating 5,000 Personally Purchased Volume Points within 12 months with a minimum 3 months required.

Q14: Can I still qualify to Supervisor using the One Month or Two Month methods?

A14: Yes, you may still qualify to Supervisor using the One Month and Two Month Supervisor Qualification methods. The accumulative 5,000 VP Supervisor Qualification is an additional option for achieving your Supervisor Qualification.

Q15: If I qualified to Supervisor using the 5,000 accumulative VP method, what will I need to do to requalify?

A15: All Supervisors must requalify their status annually between February 1st and January 31st of every year by achieving one of the following:

- One Month Qualification: Achieve 4,000 Volume Points in one Volume Month (with a minimum of 1,000 of those 4,000 Volume Points Unencumbered*).
- Two Month Qualification: Achieve 2,500 Volume Points for two consecutive months (with a minimum of 1,000 of those 2,500 Volume Points Unencumbered* for each month).
- Accumulate 4,000 Unencumbered* Volume Points.

* Unencumbered Volume is Volume that is not being used by anyone in your downline for qualification or Requalification purposes.

***Note:** If you requalify using the 4,000 Unencumbered cumulative Volume Point method, your downline lineages that contain Supervisors below you will be moved to your upline Supervisor.

Q16: Does the accumulative 5,000 VP Supervisor Qualification method replace the 4,000 accumulative Supervisor Requalification method?

A16: No, the Supervisor Requalification methods will remain the same. The 5,000 PPV method is to qualify for Supervisor level, the 4000 VP unencumbered method is to maintain this level, however you will not retain and Supervisor legs you have in your downline via this method.

Marketing Plan Enhancements

Q17: I am a Distributor and I have a downline who has placed orders directly with Herbalife. Can I use this Volume to qualify to Supervisor also using the 5,000 Supervisor Qualification method?

A17: To qualify to Supervisor using the 5,000 Accumulated method each Distributor must place their own orders and you must accumulate 5,000 Personally Purchased Volume Points within 12 months with a minimum 3 months required.

Q18: I am a Distributor and I have a downline who has placed orders directly with Herbalife. Can I use this Volume to qualify to Supervisor also using the One Month or Two Months method?

A18: Yes, the qualification for the One Month and Two Months methods remain unchanged and are the following:

- One Month Qualification: Achieve 4,000 Volume Points in one Volume Month (with a minimum of 1,000 of those 4,000 Volume Points Unencumbered*).
- Two Month Qualification: Achieve 2,500 Volume Points for two consecutive months (with a minimum of 1,000 of those 2,500 Volume Points Unencumbered* for each month).

***Note:** PPV placed by NON Supervisors and used for the Qualified Producer and 5,000 Accumulated Volume Points qualification are not considered Encumbered to the upline Supervisor.

Q19: I have just achieved 5,000 accumulative Volume Points. Am I now eligible for a Temporary 50% discount?

A19: In order to be eligible to purchase at a Temporary 50% discount, you must accumulate 4,000 Volume Points in one Volume Month. Once you do, at the beginning of next month you will be updated to a Fully Qualified Supervisor and you will be eligible for 50% discount. This remains unchanged.

Q20: Can I use Personally Purchased Volume from my QP qualification towards the accumulative 5,000 VP Supervisor qualification?

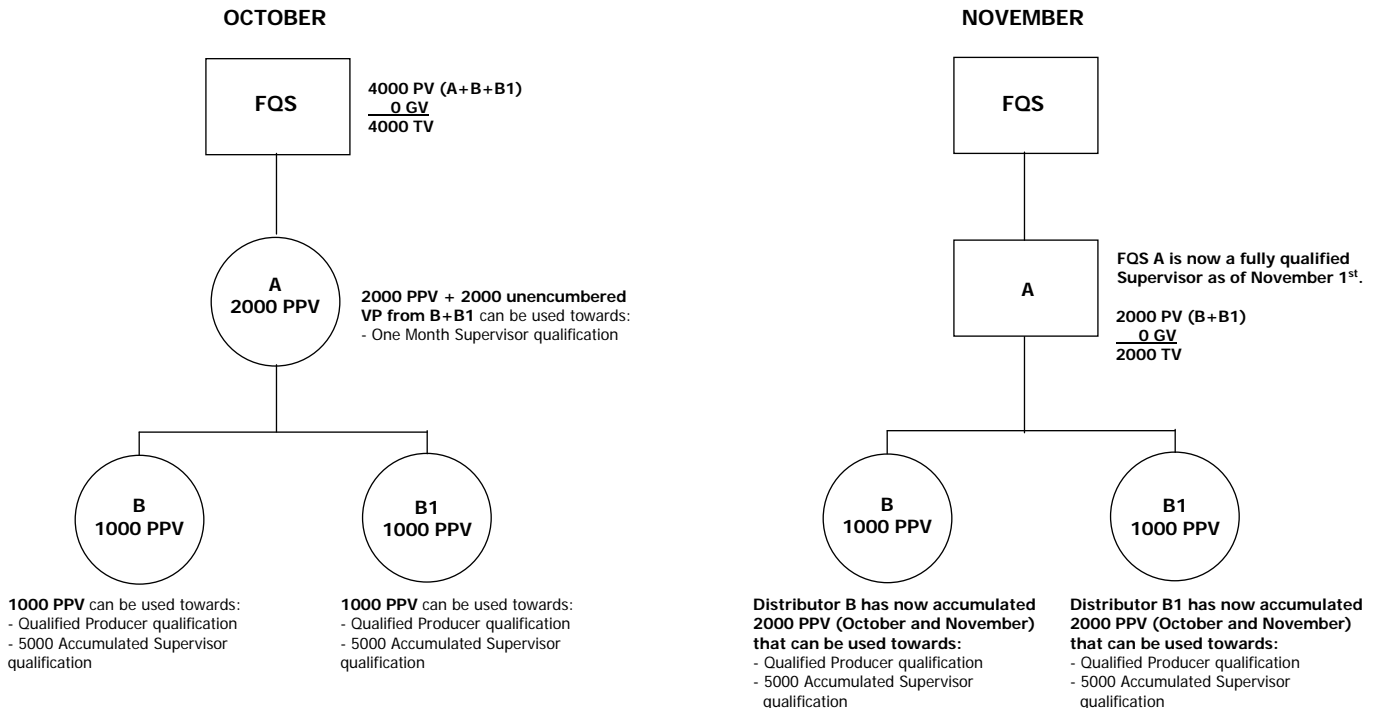
A20: Yes, if you've already achieved your Qualified Producer qualification, keep going! The personally purchased volume that you have used towards your QP qualification can contribute to your accumulative 5,000 PPV VP Supervisor qualification as long as it is within a 12 month period.

Examples:

Distributor	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
#1	500	500	900	1,200	QP 1,900	SP	→			
#2	3,000	QP 2000	QP 0	SP	→					
#3	0	3,000	QP 2,000	QP 0	SP	→				

Q21: Can I achieve 5,000 VP Supervisor Qualification in line with my downline?

A21: In-line qualifications with your organization are not possible for the 5,000 VP Supervisor method as this is a qualification that is achieved from the orders you are placing directly from the company using your own Herbalife Identification Number. However, the unencumbered volume from your downline may still be used towards the One and Two month Supervisor qualification methods.



Q22: I understand that matching volume is not required for the 5,000 VP accumulated Supervisor Qualification. Is this correct?

A22: Yes, that is correct since most Distributors qualifying with this method will be part time daily consumption Distributors. Due to the length of the qualification (up to 12 months) and the fact that they will have relatively low volume each month, the chances of this volume being utilized for the traditional Supervisor qualification methods is low. Due to this, the volume will remain unencumbered to the FQS.

Remember, only the volume purchased by a Supervisor or by a downline Distributor in the same line can be used to qualify a Distributor via the One Month or Two Consecutive Month Supervisor qualification method.

When a Distributor purchases directly from Herbalife using their ID#, this is considered Personally Purchased Volume (PPV) to the Distributor and it is considered Personal Volume for their first upline Supervisor.

To qualify for the Qualified Producer (2500 PPV within 1 to 3 months) or 5K Supervisor Qualification (5000 PPV within 12 months, with a 3 month minimum required), all orders must be placed directly with Herbalife. The volume for these (QP and 5K SP) qualifications is considered unencumbered volume to the first upline Supervisor.

Matching Volume requirement will be applied only to the one month (4000 volume points) and two month (2500 volume points in 2 consecutive months) Supervisor qualifications.

Marketing Plan Enhancements

Distributor Discount Scale:

Q23: With the marketing plan enhancements, what discounts will remain?

A23: Beginning November 1, 2009, regardless of the volume month, we will streamline our discount scale to four discounts:

- 25%
- 35%
- 42%
- 50%

DISTRIBUTOR LEVEL	MONTHLY VOLUME	DISCOUNT	ELIGIBILITY
DISTRIBUTOR	0 – 499 Volume Points	25%	Until you become eligible for a higher discount.
SENIOR CONSULTANT	Achieve 500 Volume Points or more	35%	Accumulate 500 VP during the month and then your next order is at 35% OR Purchase a 500VP order @ 35% All orders will be placed at 35% discount until you become eligible for a higher discount.
	Accumulate 2000 Volume Points or more	42%	Once you have accumulated 2000 Volume Points, you are eligible to place this order and all orders for the remainder of the Volume Month at a 42% discount.
SUCCESS BUILDER	Minimum 1000 Volume Points (one order)	42%	This order entitles you to a 42% discount on this order and all orders for the remainder of the Volume Month.
QUALIFIED PRODUCER	2500 Personally Purchased volume Points in 1-3 months	42%	As a Qualified Producer you are entitled to a 42% discount on every order. Must requalify annually
QUALIFYING SUPERVISOR	Accumulate 4000 Volume Points or more	Temporary 50%	Once 4000 Volume Points are achieved in one Volume Month, additional orders are purchased at a Temporary 50% discount
SUPERVISOR	1. 4000 volume points in 1 month 2. 2500 volume points in 2 consecutive months OR 3. Accumulate 5000 personally purchased volume points within 12 months (with a 3 month minimum required)	50%	As a Supervisor you are entitled to a 50% discount on every order. Must requalify annually.

***Note:** Once you have qualified for Senior Consultant the following Monthly Discount Scale will apply:

- 35% = 0 – 1,999 Volume Points
- 42% = 2,000 – 4,000 Volume Points
- 42% = 1,000 in One order = Success Builder

Online Tools and Support:

Q24: Will there be a tracking site online to track my Qualified Producer or 5,000 VP qualifications?

A24: Yes, you may track your own qualification towards Qualified Producer and 5,000 VP Supervisor Qualification at MyHerbalife.com in the My Account "Overview" and "Volume" sections.

Marketing Plan Enhancements

My Account - Overview

Overview

Volume

Orders

Checks

Statements

Submit Ten Customer Form

Lineage Reports

Account Maintenance

My Account Overview

My Volume for this Month

Below is your current unaudited volume for June 2009 .

You have achieved 2,000 PPV towards your Qualified Producer status. [info](#)

You have achieved 2,000 PPV towards your 5K Accumulated Supervisor status. [info](#)

Personally Purchased Volume: 2000.02

Personal Volume: 0.00
Group Volume: 0.00
Total Volume: 0.00

[View Volume History](#)

My Most Recent Orders

Order Date	Order No.	Volume Pts.	Status
06/21/2009	1056455428	102.10	ORDER COMPLETE (03)
06/20/2009	1056455218	778.10	ORDER COMPLETE (03)
06/15/2009	J156398299	698.57	ORDER COMPLETE (03)
06/15/2009	J156397527	421.25	ORDER COMPLETE (03)
05/22/2009	1056969389	32.05	ORDER COMPLETE (03)
05/15/2009	1056916949	66.00	ORDER COMPLETE (03)
05/12/2009	0440277623	1.04	ORDER COMPLETE (03)
05/11/2009	0421072163	10.26	ORDER COMPLETE (03)
05/05/2009	1056856737	101.78	ORDER COMPLETE (03)
04/28/2009	1056789749	98.17	ORDER COMPLETE (03)

[View More](#)

My Account - Volume

Overview

Volume

Orders

Payments

Statements

Submit Ten Customer Form

Lineage Reports

Account Maintenance

Volume

Please note: Volume information for the current month is unaudited and therefore subject to change when royalty processing is completed. Royalty processing occurs around the seventh day of the following month.

At this time we are only able to show three years of your volume history at a time. Please select an ending year and click "Go".

You have achieved 2,000 PPV towards your 5,000 Volume Point Accumulated Supervisor status. [info](#)

You have achieved 2,000 PPV towards your Qualified Producer status. [info](#)

Your Unaudited Volume for June 2009:
Volume Showing for Current ID# 1111111111

2000.02 Personally Purchased Volume

0.00 Personal Volume

0.00 Group Volume

0.00 Total Volume (Personal + Group)

[How is my volume calculated? Click here to find out.](#)

Volume History Search

Enter your search criteria below and click the "GO" button.

Select Ending Year:

[Print this page](#)

The Following Volume History match your search criteria.

Displaying Years 2009,2008,2007

Year 2009	Personally Purchased Volume	Personal Volume	Group Volume	Total Volume (Personal + Group)	Organizational Volume	Royalty Pts Earned
January	500.00	0.00	0.00	0.00	0.00	0.00
February	500.00	0.00	0.00	0.00	0.00	0.00
March	0.00	0.00	0.00	0.00	0.00	0.00

Q25: How can I tell if my downline is close to achieving Qualified Producer or 5,000 VP Supervisor Qualification?

A25: As of November 1st, Supervisors who subscribe to BizWorks Downline or Complete package can track their downline's qualifications and receive real time reports with the information of their downline who are close to achieving Qualified Producer qualification or 5,000 VP accumulated Supervisor Qualification.

- From the BizWorks Overview page, under "Your Organization Activity" you can access the report titled "Distributor Organization Milestone Report".

*Note: Your Distributor Organization will include only those Distributors in your personal lineage who contribute to your Total Volume.

 HERBALIFE.