

SALES & MARKETING
PLAN
INTRODUCTION & FUNDAMENTALS

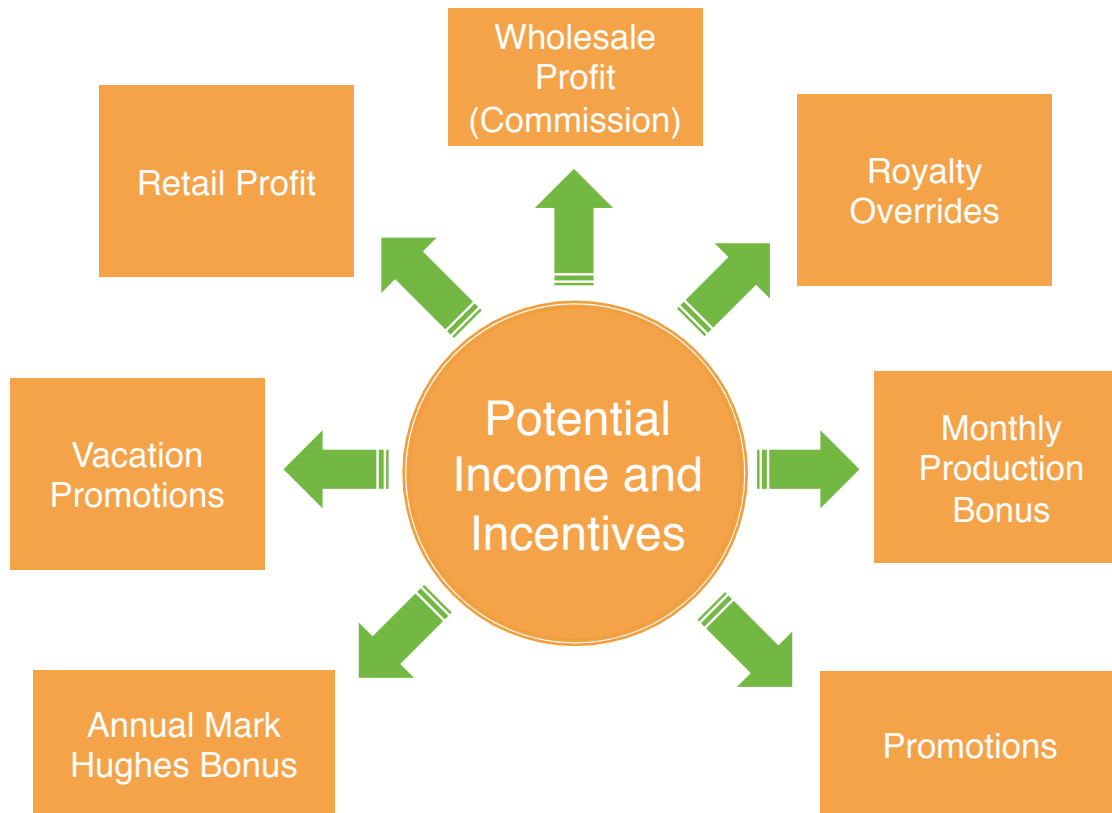
The Herbalife Sales & Marketing Plan

The Herbalife Sales & Marketing Plan offers Independent Herbalife Members the opportunity to earn income and other rewards.

Members can move up through the Sales & Marketing Plan and earn additional income by building a strong organization, which means taking care of customer needs and mentoring their downline Members.

Potential Earnings

As an Independent Herbalife Member, you can become eligible to earn potential income and incentives in 7 ways:



Member Discount/Profit Overview



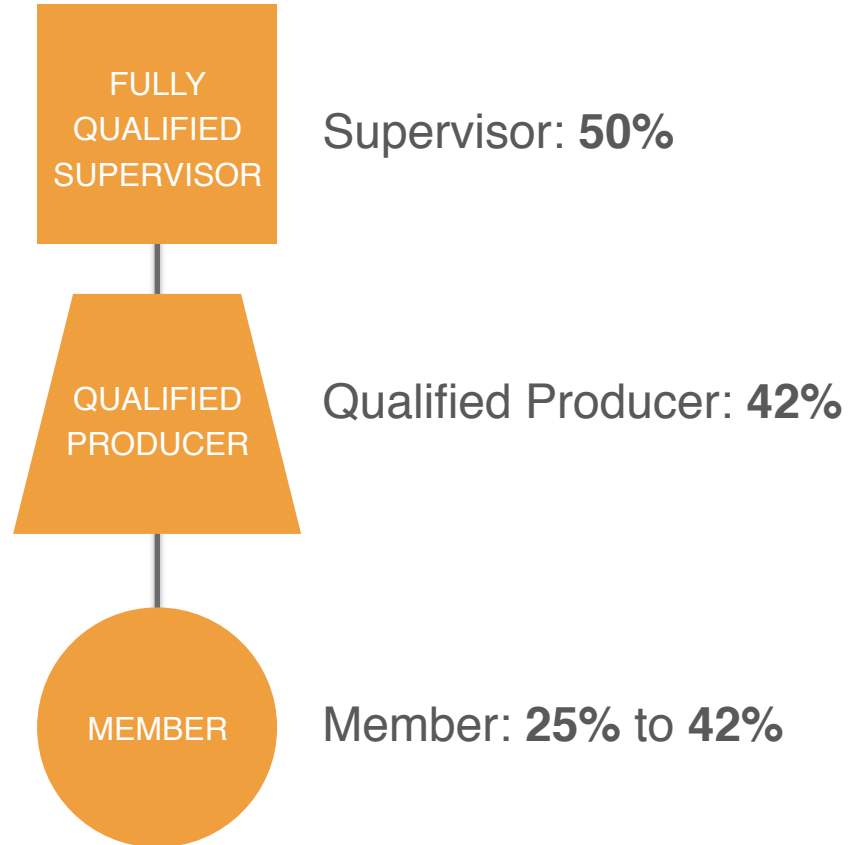
Retail Profit Example			
Suggested Retail	Earn Base	Cost (at 25% discount taken from Earn Base)	Profit
\$110	\$100	\$85	\$25

As a Member, you may purchase Herbalife® products at a wholesale discount of 25% to 50% on Earn Base value. **Earn Base** is the value assigned to a product, in local currency, on which discounts and earnings are calculated. You can earn an immediate **Retail Profit** of 25% to 50% when you sell these products to customers at the suggested retail price.

Note: When determining your final retail price, consider shipping costs, sales taxes and additional selling expenses, if any.

Wholesale Profit

- **Wholesale Profit** (also known as Commission) is the difference between the discounted price you pay and the price paid by your downline.
- You can earn between 7% and 25% Wholesale Profit on the Earn Base value of these orders.



Volume Points

- A **Volume Point (VP)*** – Each Herbalife® product has a Volume Point value. Volume Points are used to determine qualification and earnings.
- As you accumulate Volume Points, your discount increases up to a maximum 50% discount on the Earn Base of each product, which can potentially result in higher Retail Profits when selling products to the customer.

*The Herbalife Member Pack (HMP), literature items and sales tools do not count as volume.

Tracking Sales Volume

Sales volume can be tracked on MyHerbalife.com and BizWorks.

myHerbalife
HERBALIFE

Current Unaudited Volume: 381.95 Points United States - English

Logout

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MY ACCOUNT & REPORTS

- Overview
- My Volume**
- My Orders
- My Checks & Deposits
- My Statements
- Submit Ten Customer Form
- My Downline Reports
- Lineage Report

My Volume

IMPORTANT NOTICE:
Volume will not be reflected here immediately after orders are submitted. Orders must be verified and volume allocated across the appropriate organizations. As a result, please expect the following delays between order placement and volume appearing here for the current month: 20 minutes to 24 hours (on orders placed during weekends). *These are average delays and they may vary.

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.

Your Unaudited Volume

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

Unaudited Volume for July 2014: Volume Showing for Current

Personally Purchased Volume	177.90
Downline Volume	0.00
Personal Volume	381.95
Group Volume	0.00
Total (Pers.+Grp.)	381.95

Volume History

Volume History Search

Enter your search criteria below and click "Search."

From: 2012 To: 2014

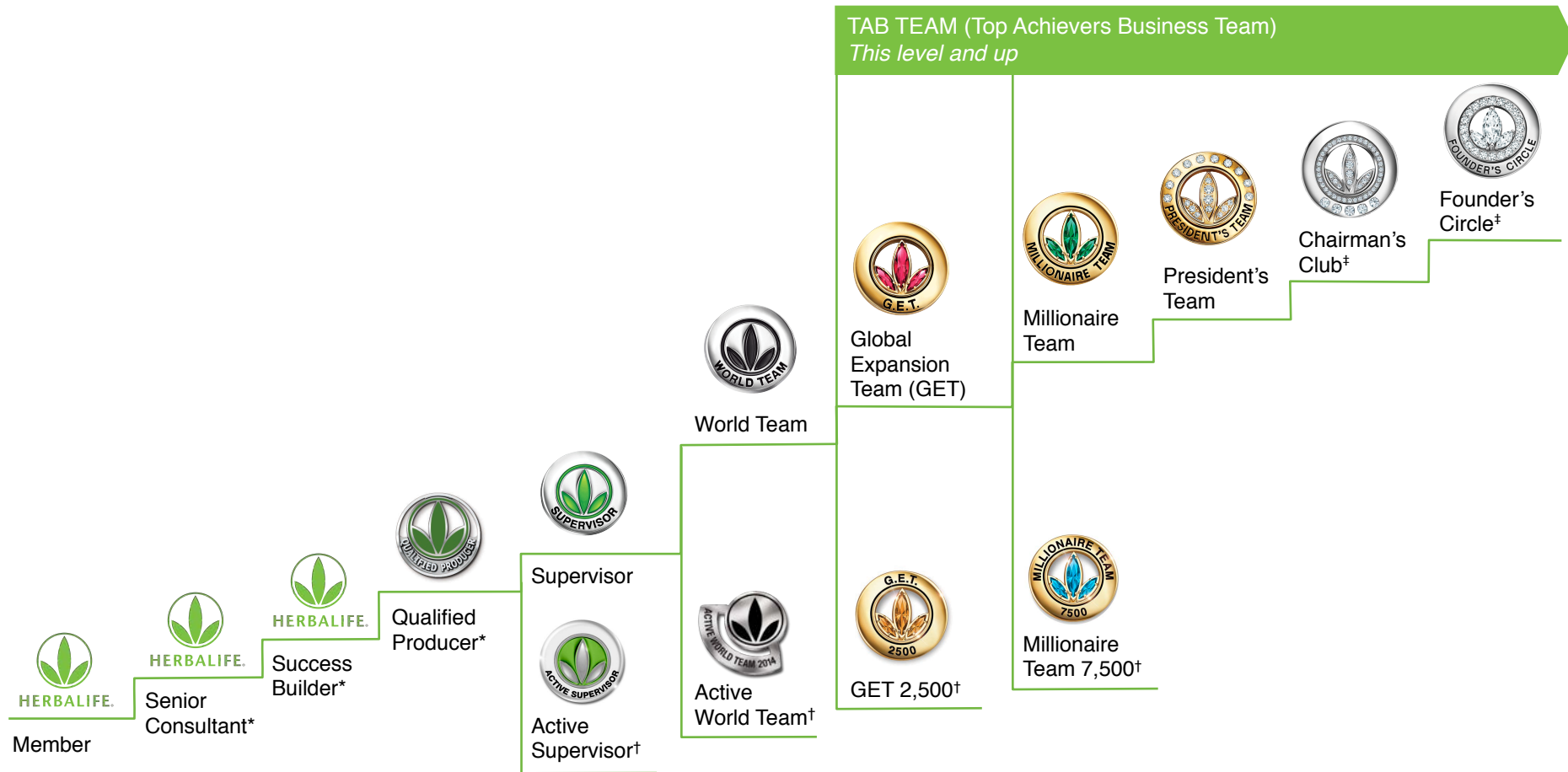
Volume History Years 2014-2012

2014	Personal Purchase Volume	Downline Volume	Personal Volume	Group Volume	Total (Pers.+Grp.)	Org. Volume	Royalty Points Earned
January	251.80	0.00	251.80	0.00	251.80	0.00	0.00
February	282.55	0.00	282.55	0.00	282.55	0.00	0.00
March	542.75	0.00	759.10	0.00	759.10	0.00	0.00
April	168.25	0.00	168.25	0.00	168.25	0.00	0.00
May	277.05	0.00	277.05	0.00	277.05	0.00	0.00
June	211.90	0.00	347.80	0.00	347.80	0.00	0.00
July	177.90	0.00	381.95	0.00	381.95	0.00	0.00
Total	1912.20	0.00	2468.50	0.00	2468.50	0.00	0.00

2013	Personal Purchase Volume	Downline Volume	Personal Volume	Group Volume	Total (Pers.+Grp.)	Org. Volume	Royalty Points Earned
January	2238.13	0.00	2524.10	0.00	2524.10	0.00	0.00
February	1316.54	0.00	2506.99	0.00	2506.99	0.00	0.00
March	607.30	0.00	1049.42	0.00	1049.42	0.00	0.00
April	285.35	0.00	2176.60	150.67	2327.27	150.67	6.03
May	449.20	0.00	449.20	0.00	449.20	0.00	0.00
June	437.05	0.00	437.05	0.00	437.05	0.00	0.00
July	174.95	0.00	174.95	0.00	174.95	0.00	0.00
August	496.42	0.00	496.42	0.00	496.42	0.00	0.00
September	774.11	0.00	774.11	0.00	774.11	732.10	7.32
October	556.45	0.00	556.45	0.00	556.45	777.40	7.78
November	418.24	0.00	524.19	0.00	524.19	689.50	6.90
December	454.85	0.00	518.30	0.00	518.30	208.85	2.09
Total	8208.59	0.00	12187.78	150.67	12338.45	2558.52	30.12

2012	Personal Purchase Volume	Downline Volume	Personal Volume	Group Volume	Total (Pers.+Grp.)	Org. Volume	Royalty Points Earned
January	0.00	0.00	0.00	0.00	0.00	0.00	0.00
February	0.00	0.00	0.00	0.00	0.00	0.00	0.00
March	0.00	0.00	0.00	0.00	0.00	0.00	0.00
April	0.00	0.00	0.00	0.00	0.00	0.00	0.00
May	0.00	0.00	0.00	0.00	0.00	0.00	0.00
June	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Sales & Marketing Plan



*It is not necessary to become a Senior Consultant, Success Builder or Qualified Producer before qualifying as a Supervisor. For complete qualification details, refer to your HMP.
 †Active Supervisor, Active World Team, GET 2,500 and Millionaire Team 7,500 are recognition levels, not earnings levels in the Sales & Marketing Plan. See your Sponsor for more information.
 ‡For complete qualification details, refer to your HMP.

Herbalife Member Pack (HMP)

- Mini HMP or Full HMP
- Receive Member discounts and potential retail profits from selling the products.
- Opportunity to sponsor other Members. A Sponsor is a Member who brings another individual into Herbalife.



Full



Mini

Senior Consultant

Qualifications

- Achieve 500 VP or more in 1 month.*

Benefits

- Eligible to buy products at a 35% or 42% discount off the Earn Base.

*It is not necessary to become a Senior Consultant, Success Builder or Qualified Producer before qualifying as a Supervisor. For complete qualification details, refer to your HMP.

Success Builder

Qualifications

- Achieve 1,000 Personally Purchased Volume (PPV) Points or more in 1 order.*

Benefits

- Receive a 42% discount on your order.
- Receive a 42% discount on additional purchases in the same Volume Month.

*It is not necessary to become a Senior Consultant, Success Builder or Qualified Producer before qualifying as a Supervisor. For complete qualification details, refer to your HMP.

Qualified Producer



Qualifications

- Achieve 2,500 accumulated VP in 1 to 3 months.
All orders must be purchased directly through Herbalife.*

OR

- Achieve up to 1,000 Downline Volume (DLV) Points plus 1,500 PPV Points in 1 to 3 months.

Benefits

- Eligible to earn a 42% Retail Profit.
- Eligible to earn up to 17% Wholesale Profit (Commission) on the Earn Base of the product purchases made by your downline at 25% or 35%.

*It is not necessary to become a Senior Consultant, Success Builder or Qualified Producer before qualifying as a Supervisor.
For complete qualification details, refer to your HMP.

Supervisor



Qualifications

- Achieve 4,000 VP in 1 month (with a minimum 1,000 of those 4,000 VP unencumbered).

OR

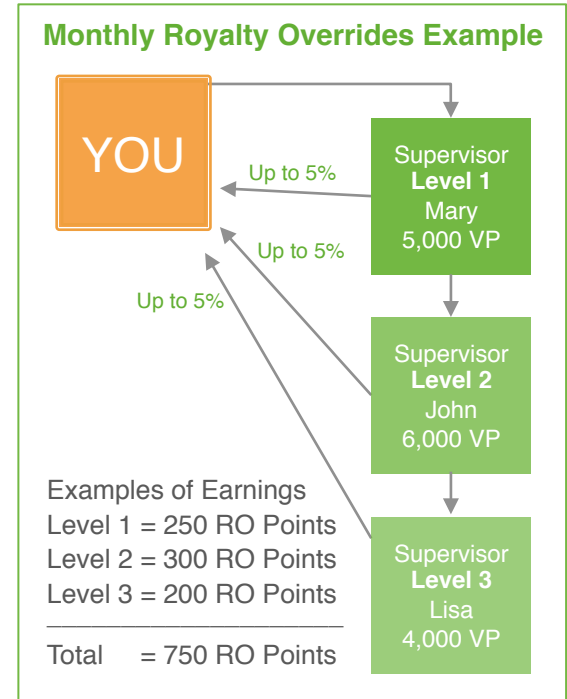
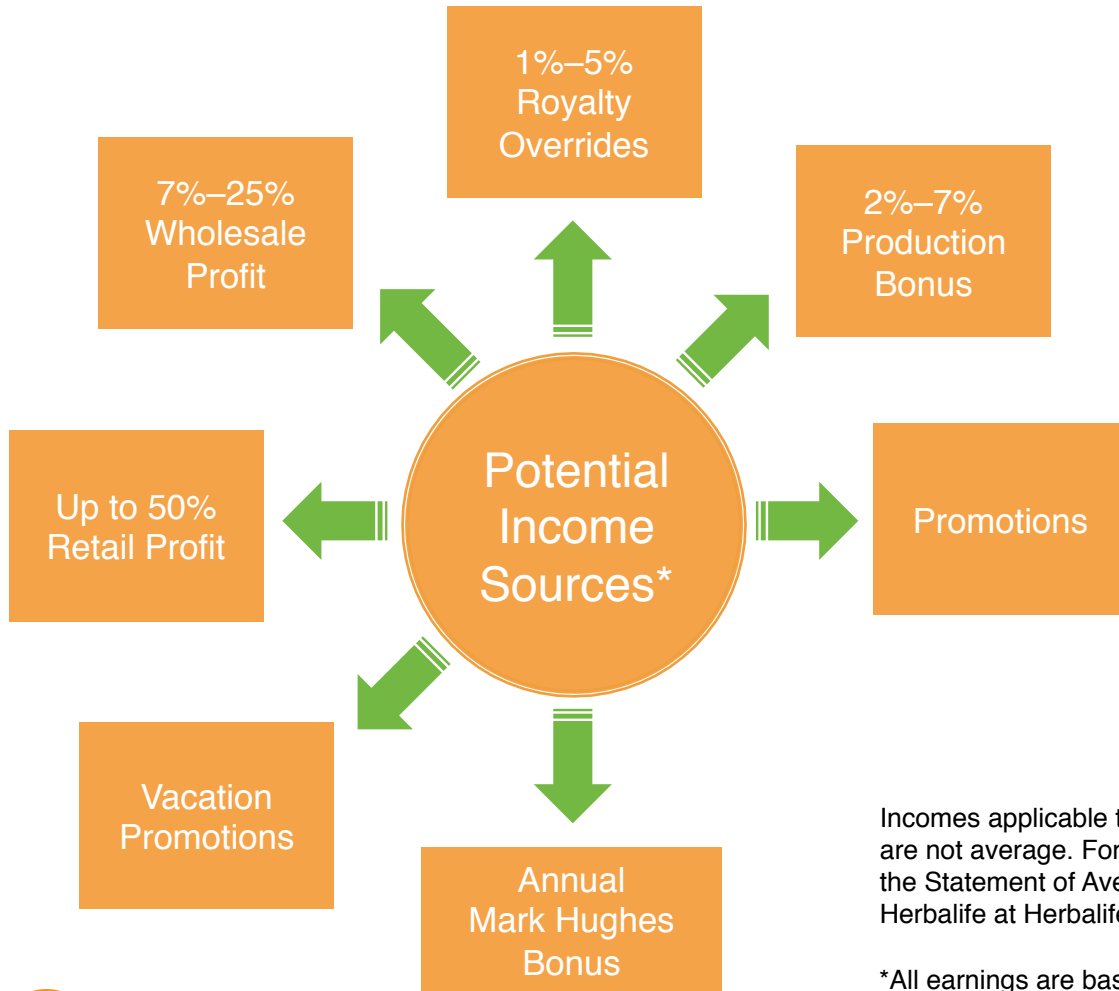
- Achieve 2,500 VP in 2 consecutive months (with a minimum of 1,000 of those 2,500 VP unencumbered for each month).

OR

- Achieve 5,000 PPV Points within 12 months (of which a minimum of 3 months is required). Members selecting this option can qualify when purchasing their orders directly with Herbalife. Members can use up to 1,000 DLV Points.

Note: See your Sponsor for more information about qualifications.

Benefits of Supervisor and Above



Incomes applicable to the individuals (or examples) depicted are not average. For average financial performance data, see the Statement of Average Gross Compensation paid by Herbalife at Herbalife.com and MyHerbalife.com.

*All earnings are based on Earn Base.

Active Supervisor

Qualification

- Achieve 2,500 Total Volume Points (TVP) in 3 consecutive months.

Stone-Pin Qualification

PLUS

- 3, 5, 7 or 10 Fully Qualified Supervisors in your first line also achieve 2,500 TVP in the same 3 consecutive months.

Note: Active Supervisor is a recognition level, not an earnings level in the Sales & Marketing Plan. See your Sponsor for more information.

*A Supervisor will only be recognized the first time they complete the qualifications.



Benefits

Qualifiers Receive:*

- Active Supervisor pin
- Certificate of Achievement

Stone-Pin Qualifiers Receive:

- Corresponding 3-, 5-, 7- or 10-stone pin
- Certificate of Achievement

World Team



Qualifications

- Achieve 2,500 TVP each month for 4 consecutive months as a Fully Qualified or Qualifying Supervisor.

OR

- Achieve 10,000 TVP in 1 month after becoming a Fully Qualified or Qualifying Supervisor.

OR

- Achieve 500 Royalty Points in 1 month.

Benefits

- All the benefits of a Supervisor.
- Attend special planning and training sessions targeted to accelerate your progress to TAB Team.

Note: See your Sponsor for more information about qualifications.

Active World Team



Qualifications

Achieve all 3 qualifications for World Team in any 6 consecutive months:

- 2,500 TVP in each of 4 consecutive months.

AND

- 10,000 TVP in 1 month.

AND

- 500 Royalty Points in 1 month.

Benefits

- Be able to attend higher level leadership trainings.

First-Time (non-TAB) Qualifiers Receive:

- An exclusive Herbalife Active World Team pin and Certificate of Achievement
- A \$500 Special Bonus (non-TAB)

Requalifying* Active World Team Members Receive:

- Yearly Active World Team pin (non-TAB or TAB) and Certificate of Achievement

Note: Active World Team is a recognition level, not an earnings level in the Sales & Marketing Plan. See your Sponsor for more information.

*The requalification period begins in August and ends in December of the next year. First qualifications are recognized in February for qualifiers during the period from August to January.

Global Expansion Team

Qualifications

- Achieve 1,000 Royalty Points each month for 3 consecutive months.

Benefits

- Eligible to earn up to 2% monthly TAB Team Production Bonus on your downline organization's volume by achieving 1,000 Royalty Points and 5,000 TVP each month.
- Be eligible to qualify for company training event promotions.
- Be eligible to participate in special advanced trainings.
- Participate in special conference calls.

GET 2,500: Achieve 2,500 Royalty Points each month for 3 consecutive months.

Note: GET 2,500 is a recognition level, not an earnings level in the Sales & Marketing Plan. See your Sponsor for more information.



Millionaire Team

Qualifications

- Achieve 4,000 Royalty Points each month for 3 consecutive months.

Benefits

- After a waiting period of 2 months, eligible to earn up to 4% monthly TAB Team Production Bonus on your downline organization's volume by achieving 4,000 Royalty Points and 3,000 TVP each month.
- Be eligible to qualify for company training event promotions.
- Participate in special conference calls.

Millionaire Team 7,500: Achieve 7,500 Royalty Points each month for 3 consecutive months.

Note: Millionaire Team 7,500 is a recognition level, not an earnings level in the Sales & Marketing Plan. See your Sponsor for more information.



President's Team



Qualifications

- Achieve 10,000 Royalty Points in 3 consecutive months.
After a waiting period of 3 months, earn up to 6% Production Bonus.

Benefits

- Be eligible to earn TAB Team Production Bonuses based on your qualification level.
- Be eligible to qualify for special President's Team vacation and training event promotions.
- Participate in special conference calls and advanced trainings.

20K President's Team: Achieve 20,000 Royalty Points in 3 consecutive months.
After a waiting period of 3 months, earn up to 6.5% Production Bonus.

30K President's Team: Achieve 30,000 Royalty Points in 3 consecutive months.
After a waiting period of 3 months, earn up to 6.75% Production Bonus.

50K President's Team: Achieve 50,000 Royalty Points in 3 consecutive months.
After a waiting period of 3 months, earn up to 7% Production Bonus.

Chairman's Club



Qualifications

- 5 Fully Qualified President's Team members in 5 or more separate lines of your downline organization.

Benefits

- All the benefits of a President's Team member.
- Be eligible to qualify for special Chairman's Club vacation and training event promotions.
- Participate in special conference calls and advanced trainings.
- As a leader, assist with worldwide trainings.

Founder's Circle



Qualifications

- 10 Fully Qualified President's Team members in 10 or more separate lines of your downline organization.

Benefits

- All the benefits of a Chairman's Club member.
- Be eligible to qualify for special Founder's Circle vacation and training event promotions.
- Participate in special conference calls and advanced trainings.
- As a leader, assist with worldwide trainings.

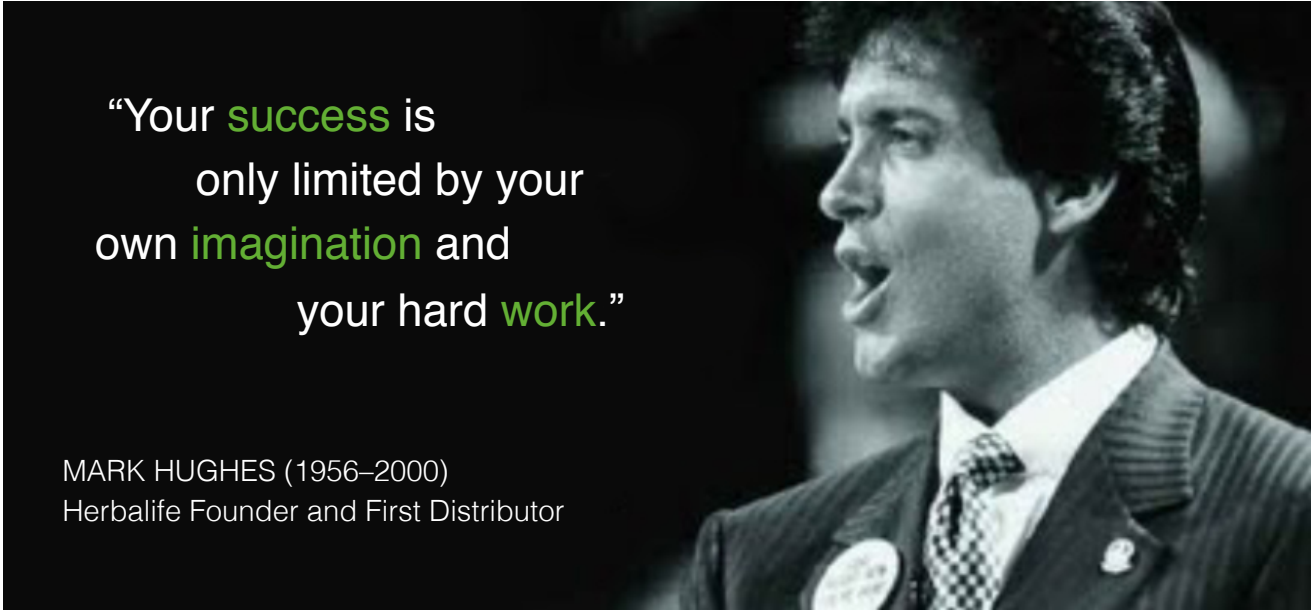
Mark Hughes Bonus

- Herbalife sets aside up to 1% of total worldwide company product/AOP Earn Base sales to be paid as a Mark Hughes Bonus Award to eligible President's Team members.
- The award is distributed annually among eligible President's Team members in recognition of outstanding performance in advancing sales of Herbalife® products.
- For 2013, Herbalife paid out (in 2014) \$71 million during the Mark Hughes Bonus Awards.
- The qualification period is 12 months, beginning in January and ending in December of the same year.

Note: Please refer to the Mark Hughes Bonus Award qualifications and rules document for full information.

Go for Your Goals

- DECIDE where YOU want to be.
- DESIGN your plan to get there.
- WORK YOUR PLAN.



“Your **success** is
only limited by your
own **imagination** and
your hard **work.**”

MARK HUGHES (1956–2000)
Herbalife Founder and First Distributor

Appendix

Achieving Sales Volume

As a Member, you can work your way up the Sales & Marketing Plan by accumulating sales volume in many ways:

- **Personally Purchased Volume (PPV)** – Product you purchase directly from Herbalife.
- **Personal Volume** – The volume from orders you purchase as a Fully Qualified Supervisor and all purchases by others in your downline organization, excluding any 50% orders by Qualifying Supervisors and Qualified Supervisors.
- **Group Volume** – The volume on orders purchased at a temporary 50% discount by Qualifying Supervisors in your downline in the qualifying month.
- **Total Volume** – The total of Personal Volume plus Group Volume.
- **Downline Volume (DLV)** – Volume placed by your non-Supervisor downline Members who order at between 25% to 42% discount.

Achieving Sales Volume

Other types of sales volume:

- **Matching Volume** – The Total Volume a sponsoring Supervisor must have in a given month to equal or exceed the volume achieved by their downline Member(s) who are qualifying for Supervisor based on purchases from their upline.
- **Organizational Volume** – The volume on which a Supervisor is paid a Royalty Override (RO).
- **Volume, Encumbered** – All volume produced by anyone in your personal organization who has achieved 2,500 Volume Points or more in one Volume Month. This is volume being used by them for Supervisor qualification purposes.
- **Volume, Unencumbered** – All volume produced by anyone in your personal organization who has achieved less than 2,500 Volume Points in one Volume Month, and all your own Personal Volume. This is volume that is not used by anyone else for Supervisor qualification purposes.

And one more term you should know:

- **Supervisor's Personal Organization** – Includes all Members in the Supervisor's downline who are at Member, Senior Consultant, Success Builder, Qualified Producer and Qualifying Supervisor levels.