



*Business
Administration*



Business Administration

This section of the Career Manual is designed to acquaint you with Herbalife’s administration policies which ensure the smooth flow of daily business activity.

Every profitable enterprise establishes clear guidelines for the conduct of its own business. The rules provide the parameters within which the business operates freely. Many of the rules relating to the conduct of business are applied externally, by government, regulatory bodies, consumer legislation or industry codes and practices. In addition to the rules governing companies in Latvia, and other open for Herbalife business countries, Herbalife has developed a set of rules for the conduct of an Herbalife Distributorship, to ensure the maximum fairness and protection for all Distributors.

These rules provide consistency, security, integrity and honesty, enabling the Company, Distributors and the public to enjoy total confidence in the system and respect for our industry.

Please read and become familiar with these policies and procedures.

Ordering Procedures

Distributors can purchase products from their Sponsor, first Upline Fully Qualified Supervisor/ National Supervisor or the Sales Center.

Ordering and Payment Policy

To place your orders via phone, fax, or mail, or to place and pick up your orders in person, please contact the Sales Center.

Acceptable methods of order payment are:

- Wire Transfers (must be bank-to-bank transactions).
- Cash-Lats only.
- Debit Card (Maestro, Visa Electron)
- Credit Card (Visa, Mastercard)

If you wish to use bank-to-bank wire transfer payment method, contact the Sales Center for the correct procedure.

After payment has cleared, your order will be released.

Incoming Calls

Herbalife does not pay for the incoming calls from Distributors.

Important Ordering Tips

- Prepare your order in advance to ensure accurate and speedy processing.
- Clearly indicate order month.
- Have your Herbalife identification number ready.
- Have the name and identification number of your Sponsor, Upline Fully Qualified Supervisor (FQS), and National Supervisor (NS) (if applicable).

- Have shipping method and shipping address, recipient’s name and corresponding telephone number (if applicable).
- Provide the appropriate discount percentage.
- Provide method of payment and appropriate details.
- Provide the stock number(s), description and quantity of the item(s) you are ordering.
- Complete all calculations and totals.

Mail Orders

All orders you place by regular mail should be addressed to:

Filuet Baltica, Ltd.
Senchu Street 4
Riga, LV-1012, Latvia

To assure correct and prompt processing of your orders, make sure they are correctly and completely filled out with an acceptable form of payment attached. This form of payment is:

- Wire Transfer (must be bank to bank transaction) Lats only.
- Please do not mail cash!

Telephone Orders

To place your telephone orders, please call the Sales Center at

371-737-6575 or 371-737-6576 between the hours of:
10:00 - 18:00 LatviaTime (Monday-Friday)
10:00 - 15:00 Latvia Time (Saturday)

Acceptable method of telephone payment is:

- Wire Transfers (must be bank-to-bank transaction) Lats only.
- Upon payment clearance, your order will be released for pick-up.

Walk-In Orders

To place and pick up your orders in person, please see Worldwide Offices section, for the addresses of the various Herbalife Distribution Centers. Acceptable means of payment are:

- Major Credit Cards (Visa, Mastercard)
- Debit Cards (Maestro, Visa Electron)
- Wire Transfer
- Cash. Lats Only.

Acceptable Methods of Payment

A. Telephone/Fax/Mail Orders

- Wire Transfers
 - a. Wires must be initiated by the designated “EOM” day and must be received and verified by the bank’s report by the 5th of the following month (regardless of what day the actual “EOM” falls on).
 - b. The following information must be clearly indicated on all Wires:

Beneficiary: Filuet Baltica, Ltd.
Bank Name: A/S Parekss Banka

Account No: 0394641014
 Code: PRXLV22
 Additional: Purchaser's Name,
 ID# and Order#

B. Walk-In Orders

1. Cash. Lats only.
2. Credit Cards (Visa, Mastercard)
3. Debit Cards (Maestro, Visa Electron)

You must have your Distributor ID# and Order# with you when you pick up your order.

Month End Ordering Guidelines

I. General-International

- A. The Sales Center will be open regular business hours on the designated (usually the last day) "End of the Month" (EOM).
- B. ALL Orders taken on the "EOM" day must be fully paid by the end of that same day to count for that month's volume.
 1. Wire payments must be initiated by the designated "EOM" day and must be received by the Sales Center NO LATER than the 5th of the following month.
 2. Wire Transfers can take a minimum of 24 – 48 hours before receipt of bank verification.
 3. The Sales Center shall not be held responsible for monetary transfers that are not deposited to our account by the specified deadline.
 4. Wire payments must be bank-to-bank transactions.
- C. Distributors are responsible for making whatever arrangements are necessary to assure that payment is received on time and that adequate credit is available to assure approval of any credit card purchases. If payment is not received by the specified date, the order will count as the following month's volume.

If the 'EOM' falls into the beginning of the next month, causing a dual Volume Month, Distributors are responsible for specifying the order month they wish the volume of the order to count towards.

II. General-Latvia

- A. Business Hours/Order Department
 1. Sales Center:
Monday - Friday, 10:00- 18:00 (Latvia Time) & Saturday
10:00 - 15:00.
- B. Business Numbers/Addresses
 1. Sales Center: 371-737-6578
 2. Order Only Fax Line: 371-737-6577
 3. Mailing Address:
c/o Filuet Baltica
Senchu Street 4
Riga, LV-1012, Latvia

4. For additional information on products, qualifications, Marketing Plan, etc., please contact the Distributor Relations Department.

Monday-Friday, 09:00-18.00 (Moscow Time)

Phone: +7 095 729 5030

Fax: +7 095 729 5031

III. End of Month Closing

- A. The deadlines set forth by Herbalife are set to ensure accurate payment of Royalty Overrides to each and every Distributor.
- B. All orders MUST be received on or before the "EOM" day in order to count for that month's volume.
- C. The "EOM" day is absolutely the last day for your order to be processed in the current month.
- D. All payments must be received by the "EOM" day for a particular month's volume, no matter what day the "EOM" actually falls on.
- E. Order(s) will be shipped once full payment is received.

Once an order is released, no changes can be made to that order.

IV. Deadlines for Placing Orders (in Latvia)

- A. All Telephone Orders must be placed and fully paid on the designated "EOM" day. Please have your order ready before dialing.
- B. All Faxed Orders must be faxed, received at the Sales Center, and include appropriate payment on the designated "EOM" day. (It's strongly recommended that you keep copies of all fax confirmations.)
- C. All Mail Orders must be postmarked on the designated "EOM" day and received at the Sales Center NO LATER than the fifth (5th) of the following month (regardless of what day the actual "EOM" falls on). Appropriate payment must be included with the order.

Note: All payments must be received by the Sales Center by the "EOM" day for a particular month's volume.

- D. All Walk-In Orders must be placed and fully paid by 18:00 (Latvia local time) on the designated "EOM" day. Please have your order ready before handing it to the Sales Center.

When Receiving Your Order

All Herbalife products are in perfect condition when the Sales Center take possession. Before signing "Received" for your order, here are some things to remember:

- Your signature means that you have received your order in a satisfactory manner (unless otherwise specified).
- Determine the number of boxes your order includes, either by the order documents or by the number of boxes marked on top of each box, e.g., 1 of 3, 2 of 3, etc.
- Only sign "Received" for the number of boxes actually received.

- Inspect your order for obvious outside damages. (Even though there is no apparent damage on the outside, some damages might be found inside.)
- Note any damages and/or box shortages on the order documents.

Damaged Product

You must check all orders at the time of receipt for any damage. Damaged merchandise must be reported to and seen by the authorized personnel of the Sales Center to ensure that you may place a claim.

Inquires & Claims

For any specific inquiry or problem (damaged- and lost-order claims, etc.) associated with a particular order, please contact the the Sales Center.

Frequently Asked Questions

Do I have to wait for my Distributor Application to be processed before placing an order?

No, your order can be processed utilizing your Herbalife Registration Card and/or a copy of your Distributor Application as a temporary ID number until you officially become a Distributor.

How do I place an order?

That's simple! You can place orders through your Sponsor, first upline Supervisor or directly with the Sales Center. When you become a Supervisor you must order directly from the Sales Center. It's important for you to have certain information prepared prior to placing your order. You can place orders by telephone, fax, mail or by going to the Sales Centre in Riga, where you can place and pick-up your order in person. Full details of these ordering methods can be found in pages -2- and -3-.

May I call Herbalife directly with questions?

Of course! We're here to assist you in any way possible. We always encourage you to refer to your Herbalife International Business Opportunity Manual/ IBO (Guide Book) and work closely with your Sponsor and upline Supervisor, as they have a great deal of field experience. However, if we may assist you please call the Distributor Relations Department directly Monday-Friday 09.00 - 18.00 (Moscow Time).

May I export the products?

Distributors may only sell products approved for a specific country within that country. Distributors may not export products, literature and promotional items from one Herbalife country to another, unless approved for sale there. Regulations vary from country to country in which we are officially open. Each country has its own line of products, literature and promotional items specific to each of these countries.

How quickly will my order be processed and when can I pick it up?

Generally, if your telephone, mail or fax order is received, confirmed and processed, by 12.00 noon, you may pick it up the afternoon of the same day. Orders received after 12.00 noon will generally be ready for pick-up on the next business day. Please note that some delays may be experienced at month-end due to heavy ordering volume.

Do I have to pay any other charges on top of the price of the products?

The only other charges are a 7% packaging and handling charge on the full retail (excluding literature items), a 5% logistics surcharge (applied to the total retail amount of the order) and a 18% VAT charge on the subtotal of your order. Please consult the current Latvian price list for complete price details.

Why do I have to pay a 7% packaging & handling charge?

A great deal of administrative time and labor goes into processing, packaging, handling and marketing. Charging by products ordered is the fairest way to cover these costs.

Why is there a 5% logistics surcharge?

This charge is necessary to cover the cost of shipping to and making the products immediately available in Latvia.

How do I retail the products?

Retailing the Herbalife products will be one of the most important keys to your success. As Mark Hughes always said, use the products, wear the button and talk to people. You will develop your own selling style, which might include talking to your circle of influence, conducting surveys and/or participating in special promotions. Your Sponsor has the field experience to provide you with the proper training.

Are there any special tax regulations or other requirements pertaining to how an Independent Herbalife Distributor does business in Latvia?

Independent Herbalife Distributors are solely responsible for the proper reporting of income and payment of taxes related to their Herbalife business activities. Additionally, Distributors may be required to obtain certain licenses and registrations, and/or meet other requirements to conduct their business in compliance with tax and statutory regulations in Latvia. Please note that once a Distributor accumulates 7,500 Volume Points in orders per year they must provide Herbalife with a copy of their Individual self-employed business registration, obtainable from your local Municipality in order to continue purchasing additional products in that year and to be able to receive earnings. Please contact Distributor Relations for more information.

Please refer to "Highlights of Latvian Tax and Registration Requirements."

Once I qualify for earnings, are there any special procedures to follow?

Yes, and they are quite simple. You are required to strictly adhere to Herbalife's 10 Customer/70% Rule (see Rule #20 in the "Rules of Conduct & Distributor Policies" section of your Herbalife International Business Opportunity/IBO (Guide Book) for complete information).

Latvian earnings will be paid in U.S. Dollars.

Where can I get more training on the Herbalife products and selling methods?

You have a multitude of fantastic choices. Your Sponsor and/or upline Supervisor should be able to assist you, and we always suggest you contact them first. There are many training sessions held throughout the world every year. We have many great web sites on the Internet where you can always get lots of information:

- **HERBALIFE.COM:** This web site provides Distributors with the latest updated information on Herbalife events, announcements, qualifications, product information, the Today Magazines and much more information to assist Distributors with their Herbalife business. This is also Herbalife's official web site for viewing by the general public where information such as the Herbalife Story and product information can be found.
- **HERBALIFE4US.COM:** Sometimes seeing is believing. That's why we've dedicated an entire web site to people who have lost more than 100 pounds following the Thermojetics Weight Management Program. The before and after photographs tell the story of their incredible success with the products and prove you really can win at losing. Everyone featured in this site decided to change their lives and improve their health by following Herbalife's safe and effective weight-management program. Their accomplishments attest to the fact that when you set a goal for yourself and consistently work toward it, nothing is impossible.
- **HERBALIFECENTRAL.COM:** This is an Administrative Website for Fully Qualified Supervisors. The doors to Herbalife are never closed with Herbalifecentral.com. Supervisors have access to this site, 24 hours a day, 365 days a year. Additionally, all Distributors can view online price lists and modify or change their PIN number.
The options available on this site are:
 - A - PIN Code Maintenance- Distributors can modify or retrieve their PIN code here. It's fast and easy!
 - B - Price Lists- View all price lists online.
 - C - Euro Update- Get detailed information regarding the Euro currency conversion here.
 - D - Forms- Supervisors can submit their 10 Customer Forms online (current month only.)
 - E - Supervisor Info- Supervisors can get the latest status of their account.

G - Online Statements- Supervisors can get their latest Herbalife Account statements here!

H - Online Shopping- Supervisors can order Herbalife products online using the Online Order System.

■ **HERBALIFEWEBPAK.COM:**

Earnmoneycentral.com- Build a business opportunity web site today! (Based on the popular "Funnel" lead generation system). Use this to create or manage your Lead Generation (Recruiting) web site. Supervisors and above only.

- **Sellherbalife.com**- Customer Ordering Website - coming soon! Our Beta Test is now complete. Thank you for your input on this tool in development. Please check back for availability and launch date.

- **HERBALIFEFAMILY.ORG:** This is the official Website of the Herbalife Family Foundation. The Foundation is charitable organization dedicated to helping "at-risk" children around the world. You too can make a difference by making a donation to the Herbalife Family Foundation. Forms can be downloaded on this site and faxed directly to the foundation.

- ***CYBERSTS.COM:** The purpose of this site is to give Distributors the training tools they need, Herbalife news and product information in a secure and cost-effective manner. Features include an online training center, an STS resource library which contains a comprehensive library of audios, videos and printed material for all areas of your business and an STS Meetings section where Distributors can obtain the latest STS Schedule or register online for their next meeting.

- ***EARNINCOMENOW.COM:** This is a "blind" lead generation site for World Team & TAB Team Members. Herbalife's name and/or identity are NOT incorporated within the site. The emphasis is a "work from home opportunity" and the site identity will revolve around the domain name – earnincomenow.com.

Once registered, an access code will be assigned to the Distributor. This code can then be used in advertisements, flyers, business cards etc. If a user enters a Distributors access code, then that lead goes directly to that distributor. If the user does not have an access code, then it will be randomly distributed to the next World Team or Tab team member in the rotation.

- ***PRESTEAM.NET: FOR PRESIDENT'S TEAM ONLY –**
On this site Herbalife's elite President's Team can communicate directly with the Home Office. Whether it's announcements, updates, or feedback, the information is transmitted 24 hours a day! President's Team Members can also set up their own web-based email on this site (similar to a Yahoo or Hotmail account) where they will be able to access their email anywhere in the world where there is a computer with a connection to the Internet.

■ ***12WEEKTRAINING.COM:** This site is an extension of the 12 Week Success Building Call Program. The pre-recorded calls are the most recent calls broadcast and are posted to the site the next day (by the afternoon) following the live calls. Distributors can learn about 90 day plans, 2 minute drills, sponsoring techniques, successful retailing programs, promotions and much more, from the most successful Distributors active today! Take advantage of this exciting opportunity to take your business to the next level!

■ **THERMOSUCCESS.COM:** This Website personally assists Distributors and Customers to help them achieve maximum results from the Herbalife products. We all know that Herbalife products are proven effective, but the Thermojetics Success Program now keeps customers even more motivated by letting them know what to expect week-by-week and providing them with the encouragement they need to succeed. This Website features the latest Thermojetics Success Program news, updates, personal testimonials and advice from Herbalife medical and wellness expert Dr. Jamie McManus and sports physiologist Heather Livingston. Both members of the Herbalife Medical Advisory Board, Dr. McManus and Heather Livingston have the credibility and knowledge to thoroughly explain all aspects of the Thermojetics Success Program and keep you motivated for success.

■ *User names and passwords for the above sites can be obtained through the Sales & Communications or Distributor Relations Departments.

There is also Herbalife's very own global satellite television network (Herbalife Broadcast Network - HBN). The following are some of the exclusive programs HBN offers:

- Exciting product launches.
- Timeless training library from Herbalife's Founder, Mark Hughes.
- Business-building knowledge from Herbalife's top-earning Distributors.
- Live question-and-answer sessions with top Distributors and Herbalife's doctors.
- Motivation by Jim Rohn, World-renowned business speaker.
- House Party training.

For additional information, please contact the Distributor Relations Department.

Frequently Asked Questions

Rules of Conduct & Distributor Policies

IMPORTANT NOTICE:

Following are the answers to some of the most commonly asked questions by new Distributors regarding Herbalife's Rules of Conduct and Distributor Policies. Please carefully review the "Rules of Conduct and Distributor Policies" section of your Herbalife International Business Opportunity Manual/IBO (Guide Book),

which will provide you with additional details. These Rules of Conduct and Distributor Policies have been established for your protection. They represent the code of ethics by which all Independent Herbalife Distributors must operate. We encourage you to read and understand them, so you are fully aware not only of your own obligations, but also of your rights as an Independent Herbalife Distributor. We believe Herbalife's products and Sales and Marketing Plan are the best in the industry. We also believe in our Distributors, and in supporting them by working together to uphold the highest possible ethical standards. We are committed to maintaining the integrity of Herbalife, its Sales and Marketing Plan and its global distribution network of Independent Distributors.

What are the age requirements for becoming a Distributor?

An applicant must be at least 18 years of age to become an Herbalife Distributor and to conduct business in Latvia. Please contact Distributor Relations for more information.

May my spouse and I have separate Distributorships?

Married couples may have only one Distributorship. Married couples wishing to become Distributors together, must complete and sign a single Distributor Application, thereby having only one Sponsor. It is very important for new Distributors to note that an individual may have only one Herbalife Distributorship, and should never sign more than one Distributor Application. Please see Rule No.'s 4 and 5 in the "Rules of Conduct & Distributor Policies" section of your Herbalife International Business Opportunity Manual/IBO (Guide Book) for complete information.

May I submit my Distributor Application in the name of a Corporation or Partnership?

The long-term success of Herbalife's Sales and Marketing Plan has been based on the entrepreneurial spirit of individuals. In order to help protect the integrity of the Sales and Marketing Plan, Herbalife only accepts Distributor Applications in the name of individuals. Please see Rule No. 6 in the "Rules of Conduct & Distributor Policies" section of your Herbalife International Business Opportunity Manual/IBO (Guide Book) for complete information.

What is the relationship with my Sponsor?

The relationship between a Distributor and his/her sponsor is the foundation of the Herbalife Sales and Marketing Plan. Many Sponsors spend a significant amount of time recruiting new Distributors, training and working with them over a period of time. Please refer to Rule No. 10 in the "Rules of Conduct & Distributor Policies" section of your Herbalife International Business Opportunity Manual/IBO (Guide Book) for details regarding responsibilities of Sponsors.

May I sell Herbalife products anywhere in the world?

As an Independent Herbalife Distributor you may sponsor Distributors, train and build your downline business in any of the

countries where Herbalife is officially open. However, Distributors may only sell products approved for a specific country within that country. They may not bring products from one Herbalife country to another unless those products are approved for sale in each respective country. Permissible Herbalife business activities vary in each country, depending on local laws. Please contact our Distributor Relations Department for detailed information on a specific country's rules. Officially opening a country is an involved and complicated process. All countries have rules and regulations regarding the manufacture, labeling and sale of our products and other regulations with which we must comply. Therefore, we cannot allow the sale of our products into a country in which we are not yet officially open. Additionally, country openings on which we are working will be delayed if government officials find that our products are being improperly imported into that country. For these reasons, we consider violations of our Export Policies to be extremely serious. Such violations could result in the immediate termination of a Distributorship. Please see Rule No. 8 in the "Rules of Conduct & Distributor Policies" section of your Herbalife International Business Opportunity Manual/IBO (Guide Book) for complete information.

Does Herbalife have specific policies and rules regarding advertising and promotion?

The integrity of Herbalife's Sales and Marketing Plan, and legalities make it necessary for us to enforce important rules and policies regarding advertising and promotion. We are confident that you will find these rules and policies protect you and your business as much as they protect Herbalife.

For your reference we have prepared a document entitled Advertising Guidelines for Latvia. Please contact our Distributor Relations Department in Russia to obtain a copy. Distributors may produce their own ads/flyers, provided they follow all of Herbalife's rules of conduct for advertising. It is the Distributors responsibility to ensure they are meeting these rules. If you have any questions regarding our advertising guidelines, please contact our Distributor Relations Department. Additionally, please refer to Rule No.'s 22, 23, 24, 25 and 26 in the "Rules of Conduct & Distributor Policies" section of your Herbalife International Business Opportunity/IBO/Guide Book for full details.