

**Questions and Answers*****Q1: What are the changes to Distributor Services?***

A1: Herbalife is constantly working to enhance the service and support to our Herbalife Independent Distributors. Distributor Services will be provided by Herbalife Greece, effective September 3<sup>rd</sup>, 2011. An Arabic-speaking representative will be available to support you. Toll-Free Line in Lebanon is: 01-426-801. *(Please indicate to the operator on the phone that you want to get transferred to 877-398-0188.)*

All Distributor-related documents should be sent to the Herbalife office in Beirut.

***Q2: I am an existing Herbalife Distributors who is living in another Herbalife country, but would like to move to Lebanon. What should I do?***

A2: Any existing Herbalife Independent Distributor wishing to change his/her address to Lebanon are required to proceed with the Change of Residency Procedure:

- Full completion of the Change of Residency Form, along with a notarized copy of the National Lebanese ID Card or Passport (for residents) or foreign passport with temporary Lebanese registration or permanent resident permit (for non-residents)

***Q3: I am an Herbalife Independent Distributor in Lebanon. Can I have my orders shipped to my address? If yes, what are the options and costs?***

A3: Herbalife Independent Distributors in Lebanon can pick up the orders they placed at the Walk-In Sales Center. For other options, please contact your local Distributor Services department.

***Q4: Herbalife Independent Distributors in Lebanon are able to purchase a reasonable amount of products for personal use in Lebanon. What does this mean?***

A4: A reasonable amount of product would be considered products being purchased monthly for your own use and the use of your immediate family. If you have NOT submitted an Individual Entrepreneur Registration Certificate and Tax Number Assignment Certificate, you are subject to a personal volume consumption limit of purchases in Lebanon (7,500 Personally Purchased Volume).

Once the limit is reached, you will not be able to place further orders for products, and you will be able to place orders for literature only, which includes IBPs. The Volume for the personal consumption threshold is accumulated for the calendar year. On January 1 of every year, the count would be reset to zero.

***Q5: I reached the annual purchasing limit. How can I become eligible to buy more Herbalife® products?***

A5: Once you reach the annual purchasing limit of 7,500 Personally Purchased Volume (PPV), you will need to provide Herbalife with a copy of a valid business license (Individual Entrepreneur Registration Certificate) with Taxpayer Number Assignment Certificate in order to avoid any interruption to future purchases.

**Q6: Can I pay for my order via wire transfer? If yes, what are the bank details?**

A6: Yes, you can. Bank details are the following:

Bank Name:	<b>Bank Audi Sal</b>
Account Name:	<b>STE.WELLNESS SARL</b>
Account Number:	<b>604562 461 002 046 03</b>
IBAN:	<b>LB84 0056 0006 0456 2461 0020 4603</b>
Bank Account Currency:	<b>USD</b>

**Q7: Who can resell Herbalife® products in Lebanon?**

A7: In order to resell Herbalife® products, it is necessary to be registered as Individual Entrepreneur. However, you can still purchase products for personal use and promote Herbalife® products and the business opportunity.

**Q8: Can I retail and ship products to customers who are living in another country?**

A8: It is important to remember that products cannot be shipped for customers from one country to another. You will need to contact the Distribution Center/Distributor Services team for the country where the customer is residing to order products specific for that country, ensuring local rules and regulations are considered. Below are some additional points to remember:

- Distributors conducting or seeking to conduct business in international markets via their own or other websites must comply with Herbalife Rules of Conduct and Distributor Policies.
- Distributors must also comply with any other Herbalife rules, as well as the laws and regulations of each country which has jurisdiction over their commercial and Internet activities which includes rules, laws and regulations pertaining to the confidentiality of consumer data, privacy rights, restrictions on telemarketing and restrictions on marketing over the Internet.
- Product references may include only those products that are for sale in the particular country to which such communications are directed.

**Q9: Are there any restrictions for advertising Herbalife Business Opportunities in Lebanon?**

A9: There will be a prohibition on all recruitment advertising by Lebanese or Foreign Distributors until further notice from Herbalife. This includes advertising activities conducted in Lebanon or conducted outside Lebanon for use or publication in Lebanon, in relation to:

- All recruitment advertisements in newspapers, magazines and *other* media, such as, but not limited to:
  - Internet content media, advertisements in social networks, groups and communities
  - E-mail advertisements (for example, spam messages)
  - Flyers, brochures and poster advertisements
  - Direct written appeals to job seekers or advertisements on job sites for business opportunities
- Although the prohibition does not directly apply to product advertising, it does restrict the usage of product advertising specifically for recruitment purposes
- Herbalife Opportunity Meetings (HOMs) are only allowed to be held after the opening date of September 3<sup>rd</sup>, 2011



**Q10: If I am an Herbalife Independent Distributor who is registered as an Individual Entrepreneur, am I permitted to retail Herbalife® products or just the Business Opportunity?**

A10: Independent Distributors registered as Individual Entrepreneurs may retail Herbalife® products.

**Q11: Is the Individual Entrepreneur registration fee something that Herbalife would pay or am I responsible for that?**

A11: As an Herbalife Independent Distributor, this is something for which you would be responsible.

**Q12: As a retired Lebanon citizen, do I need to provide anything additional to Herbalife?**

A12: No. We don't require any additional information.

**Q13: How will Herbalife Independent Distributors in Lebanon receive their earnings?**

A13: Payments may be made into a local bank via wire transfer in USD currency for those Distributors who have completed and submitted their Change of Residence documents or by check on USD (for non-resident).

For wire transfer, a completion of a Lebanon Bank Details Form is required from Distributors and a minimum payment is equal to US\$50 at the exchange rate of the National Bank as of a relevant date. Earnings from France, Czech Republic and Slovak Republic will be paid in Euros and sent to the relevant Lebanese mailing address; minimum payment is equal to 50EURO.

**Q14: Is it possible to receive my earnings as a check or in any other way?**

A14: All earnings (except for France, Czech Republic and Slovak Republic) will be paid as bank wire transfer to local bank accounts in USD or local currency. A Euro check can be transferred by wire from Herbalife France if a Distributor completes a French Bank Details Form. However, please note that your bank may charge additional fees to receive payments.

**Q15: What is a Lebanon Bank Details Form/French Bank Details Form and where can I obtain it?**

A15: These forms are to authorize Herbalife to wire/bank transfer to your bank account your net earnings or any other sums due to you. This authorization remains effective until revoked. You may obtain this form from your local Distributor Relations team.

**Q16: I am an Herbalife Independent Distributor in Lebanon and have received notification that I have earnings, but I have not received them.**

A16: In order to receive your worldwide earnings, you need to provide Herbalife a Bank Detail form.

In addition, any earnings below US\$50 (equivalent to local currency) will not be released until you reach this amount or above.

Don't forget that Royalty Overrides and Production Bonus earnings are subject to the 10 Retail Customers/70% Rule, in addition to the TAB Team application form, which is required for eligible Production Bonus earners. Please see *Rules of Conduct and Distributor Policies* for details.

***Q17: What happens when my earnings are withheld?***

A17: We regret that Herbalife can only release your earnings once all the required registration documents are received.

***Q18: I am an Herbalife Independent Distributor in Lebanon who is now eligible for earnings, but I don't have a bank account. Can I provide Herbalife with the bank account details of someone else?***

A18: No. Unfortunately, if you receive earnings, these will need to be paid into your account with your own account number and account holder name should match with the Distributorship.

***Q19: The Distributorship is under my wife's name, can I (husband) have our earnings paid into my bank account?***

A19: No. Unfortunately, if you receive earnings, these will need to be paid into your account with your own account number and account holder name should match with the Distributorship. Please note that bank account should be opened either in **Bank Audi Sal** or any other Bank located in Lebanon.

***Q20: I am an Herbalife Independent Distributor in Lebanon. Is it possible to provide Herbalife with a bank account outside of Lebanon?***

A20: No. Unfortunately, as a Distributor in Lebanon, earnings would be paid into a Lebanon bank account. Please note that bank account should be opened either in **Bank Audi Sal** or any other Lebanese Bank.

***Q21: Will Herbalife withhold tax from my earnings?***

A21: Herbalife has no withholding obligations in terms of income paid directly to Distributors – Individual Entrepreneurs. Income tax laws in Lebanon require that individuals with income from businesses report such income. Herbalife Independent Distributors are solely responsible for the proper reporting of their income and payment of their taxes. Herbalife will provide the Distributor with a document indicating the income paid to them.

***Q22: I am not too familiar with registrations and taxes, and what exactly would I need to do based on my personal circumstances. Can you assist me?***

A22: Unfortunately, we are not able to provide any advice on these matters. We strongly recommend that you consult with a tax expert or local authority to obtain this information. They will be able to provide the best support for you.

***Q23: Can I run a Nutrition Club in Lebanon? Should I be aware of any other important things?***

A23: Herbalife Nutrition Clubs can be operated in Lebanon. Nutrition Clubs are a place intended for social gatherings, bringing people together with a focus on good nutrition and general wellbeing. Herbalife Independent Distributors hosting Club events will be responsible for ensuring that the premises where the meetings of the Nutrition Club take place comply with the hygiene and food safety requirements laid down in the local Lebanon legislation and all Herbalife rules for this method of doing business.

***Q24: What do I do if a retail customer (non-Distributor) asks me to take back the Herbalife® products?***

A24: Herbalife offers an exchange or full refund on all its products. If for any reason a retail customer is not completely satisfied with any Herbalife® product purchased from an Herbalife Independent Distributor, the customer may request a refund from the Distributor within thirty (30) days from the date the customer receives the products. The Distributor must offer the customer a full credit toward the purchase of other Herbalife® products or a full refund of the purchase price. The Distributor must honor the customer's choice. After the Distributor refunds the customer, the Distributor will apply to Herbalife, and Herbalife will exchange the returned product with identical replacement product to the Distributor as soon as the product and all documentation have been received from Distributor.

The Herbalife money-back guarantee does not apply to products purchased by Distributors, whether or not consumed by them, and this fact must be presented to individuals who become Distributors. The company maintains a Distributor re-purchase policy, according to the guidelines of World Federation of Direct Selling Associations, which under certain circumstances may provide for re-purchase of some products.

*See the Rules of Conduct or contact Herbalife Distributor Services for more information.*