

What should I know about being an Herbalife Nutrition Distributor?

How can I participate?

As an Herbalife Nutrition Distributor, you may:

- Buy Herbalife Nutrition products at a discount for your own or household use.
- Participate in the business opportunity by selling Herbalife Nutrition products to make a retail profit.
- Participate in the business opportunity by recruiting others who want to consume or sell Herbalife Nutrition products.

The majority of Distributors join only to receive a discount on Herbalife Nutrition products and do not participate in the business. In 2020, as a result, the typical Distributor did not receive earnings from Herbalife Nutrition.

What should I know about the business opportunity?

- There are no required purchases other than the initial Herbalife Nutrition Distributor Pack (ZAR 426.67).
- Distributors enjoy setting their own schedule and choosing how and when to work.
- Most people start their Herbalife Nutrition business by working part-time and selling to people they know or people they meet as a way to make a little extra money.
- There are no guarantees that you will earn money. Like all business people, some Distributors will succeed, while some will not.
- Building a successful Herbalife Nutrition business takes skill, hard work, and time.

How can I earn money?

You can earn money by selling Herbalife Nutrition products that you buy at a discount. Your initial discount is approximately 25%. The more you sell, the higher your discount, up to a maximum of 50%. For example, the initial discount on Formula 1, Herbalife Nutrition's best-selling product is shown on the right:



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| Suggested Retail Price | ZAR 452.82 |
| Distributor Price <i>(with initial discount before shipping and taxes)</i> | ZAR 346.70 |
| Potential profit | ZAR 106.13 |

- If you buy at this initial discount and sell 10 canisters at the Suggested Retail Price, passing along shipping and taxes, you would make ZAR 1,061.30 before expenses.
- You can also earn money from the sales of people you sponsor.
- You **cannot** earn money by only recruiting or only sponsoring someone.

In addition to retail earnings, how much could I earn from sales by Distributors I sponsor?

In 2020, there were 82,206 Distributors who had been Distributors for at least 1 (one) full year. In addition to any retail profit, 20% or 16,138 of them earned commissions or bonuses from the sales of Distributors that they sponsored. Here is what they earned, before expenses:

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| Distributors 1 Year + (16,138) |
| 50% (about 8,069) earned more than ZAR 1,787 |
| Top 10% (about 1,614) earned more than ZAR 28,710 |
| Top 1% (about 161) earned more than ZAR 441,726 |

In 2020, the tenure of the top 1% Distributors ranged from 2 to 28 years.

What if it doesn't work for me?

- You can cancel your Distributorship at any time. If you are within the first 90 days, you can cancel and receive a full refund of your Herbalife Nutrition Distributor Pack.
- If you cancel your Distributorship, you can return unopened products you purchased within the last year for a full refund. We even pay for shipping.

Please contact 011 554 1000 for more information.

SOUTH AFRICA STATEMENT OF AVERAGE GROSS COMPENSATION 2020