

<b>HERBALIFE</b>	Date Issued: 23/03/2017	Page #: 1 of 4
<b>Policies &amp; Guidelines</b>  <b>CORPORATE SOCIAL RESPONSIBILITY- INDIA</b>	Supersedes: Version 1	Reference #: V2
	Approved By: Board of Directors Department: Corporate Communications Applies To: Herbalife International India Private Limited	

## 1. PURPOSE:

To establish a Corporate Social Responsibility Policy, a statutory requirement. The Companies Act, 2013 provides for the Corporate Social Responsibility (CSR) in Chapter IX “**Accounts of Companies**” under Section 135, as per the notification dated 27th February 2014 under Section 135 and 469 of the Companies Act, 2013 issued by the Ministry of Corporate Affairs and has called the same as **Companies (Corporate Social Responsibility Policy) Rules, 2014** and the same has come into effect from 1st April 2014.

## 2. SCOPE:

This CSR policy applies to **Herbalife International India Private Limited (Herbalife)**.

## 3. CSR Committee:

As per the compliance under the Act, Herbalife is creating a CSR Committee which will consist of three or more directors. The following Directors of the Board are appointed as the members of CSR committee:

Mr. Richard Goudis  
Mr. Robert Levy  
Mr. Ajay Khanna

## 4. Role of the CSR Committee:

- To formulate and recommend to the Board a CSR policy indicating the CSR activities to be undertaken
- To estimate and recommend the amount of expenditure to be incurred on the approved activities
- To design CSR activity in conjunction with any other company, if required.
- To report on the implementation of approved activities on a yearly basis to the board.
- **Herbalife International India Private Limited** must budget and spend 2% of its average post-tax profits of the previous three financial years annually.
- To monitor CSR policy and revise the plans in accordance with any amendments as per the purview of Schedule VII of the Companies Act 2013

## 5. Applicability:

### 5.1 CSR Expenditure Requirements

CSR Expenditures shall include contributions for CSR projects or programs as approved by the Board. The CSR expenditure should be in conformity with the purview of Schedule VII of the Act.

### 5.2 Items which shall not be considered CSR activities:

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- The activities undertaken in pursuance of normal course of business do not include CSR activity.
- Projects and/or activities that benefit only employees or their family members
- All **HFF** activities (**Herbalife Family Foundation**) are not considered to be under the purview of Schedule VII of the (**Corporate Social Responsibility Policy**) **Rules, 2014**
- Contribution of any amount directly or indirectly to any political party under section 182 of the Act
- CSR activities undertaken outside India
- Any other activity which is outside the purview of Schedule VII of the Companies Act 2013

**6. The company can implement its CSR activities through the following methods:**

- Directly on its own
- Through its own non-profit foundation set- up so as to facilitate this initiative
- Through independently registered non-profit organizations that have a record of at least three years in similar such related activities
- Collaborating or pooling their resources with other companies

**7. Allowed CSR Activities**

- Activities which may be included by companies as allowed in Schedule VII of the Law in their Corporate Social Responsibility Policies include:
- eradicating hunger, poverty, and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
- promotion of education, including special education and employment enhancing vocational skills especially among children, women, elderly and the differently disabled and livelihood enhancement projects;
- promoting gender equality and empowering women, setting up homes and hostels for women and orphans, old age homes, day care centers and such other facilities for senior citizens and measure for reducing inequalities faced by socially and economically backward groups.
- ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water;

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- contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art, setting up of public libraries, promotion and development of traditional arts and handicrafts;
- measures for the benefit of armed forces veterans, war widows and their dependents;
- training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;
- contribution or funds provided to technology incubators within academic institutions which are approved by the Central Government;
- Rural development projects.

#### 8. Budgeting

- Annual budgeting exercise to include appropriate provision for CSR

#### 9. Approvals

- **All CSR programs/activities with expenditures up to \$200,000** require approval of the **Country Head/Vice President India** and approval of **Senior Vice President, Managing Director EMEA & India**.
- All CSR programs/activity **above \$200,000** require a second approval by another CSR committee member.

#### 10. Reporting:

- Herbalife's Directors Report shall contain information on CSR activity on an annual basis in the prescribed format.
- Display CSR Activities on the Herbalife India Web site:
- The Board of Directors of the Company shall disclose the policy in the Board of Directors report and the same shall be displayed on the Herbalife India website as per the particulars specified in the Annexure.

#### 11. FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT

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1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs
2. The Composition of the CSR Committee.
3. Average net profit of the company for last three financial years
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)
5. Details of CSR spent during the financial year.
  - a. Total amount to be spent for the financial year;
  - b. Amount unspent, if any;
  - c. Manner in which the amount spent during the financial year in detail.
6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, provide the reasons for not spending the amount required.
7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No	CSR Project or activity identified	Sector in which the project is covered	Project or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget)project or programs wise	Amount spent on the project or programs <b>Sub. Heads:</b> (1) Direct expenditure on Projects or programs (2) Overheads	Cumulative expenditure up to to the reporting period	Amount spent: Direct or through implementing agency
	TOTAL						