

UK Tax Strategy

Herbalife Nutrition's UK Tax Strategy

Introduction

In compliance with section 161 and section 19(2) of schedule 19 Finance Act 2016, Herbalife (U.K.) Limited and Herbalife Europe Limited, as part of Herbalife Nutrition worldwide group are publishing their international tax strategy as it relates to the UK. This tax strategy is aligned with the Company's Core Values and is approved by its chief financial officer.

Approach to risk management and governance arrangements in relation to UK taxation

Herbalife Nutrition views the proper administration and payment of tax as an important responsibility of doing business in the UK. Accordingly, senior leadership has delegated the responsibility for tax management to the Vice President of International Tax to ensure compliance with UK tax laws and obligations. The Vice President of International Tax reports to senior leadership on a regular basis.

The Vice President of International Tax is responsible for identifying and managing tax risks in respect to Company operations. Systems, processes and controls are central to ensuring compliance and the Vice President of International Tax oversees regular system and control checks to ensure robust and appropriate tax accounting procedures. Any risks identified are discussed with senior leadership and, where appropriate, advice is sought from external advisors to ensure that risk is minimized.

In the UK we are subject to a range of taxes including corporation tax, stamp duties, employment and other taxes. We also collect and remit employee taxes and indirect taxes such as VAT and excise duties. We have governance and processes in place to ensure that we always meet our UK tax compliance obligations.

Our attitude towards tax planning

When considering the structure of the Company's commercial activities in the countries in which we operate, we undertake to ensure that our approach to tax supports our commercial objectives in an efficient manner, while always remaining compliant with tax legislation.

The tax function is consulted as part of our commercial decision-making process to ensure that tax outcomes of any commercial decision are understood. The level of professional advice which is sought from external advisors is determined based upon the complexity of each transaction.

We utilize available tax reliefs and incentives provided for in tax legislation in a way which is consistent with government policy.

The level of risk in relation to UK taxation that we are prepared to accept

We understand that tax involves judgments on areas of uncertainty and risk. The Company has a low tolerance for tax risk in the UK.

We minimize the level of risk in relation to UK taxation by employing a skilled tax function, supported by professional tax advisors when needed and when making decisions, we take into consideration tax laws, rulings and relevant court cases.

Approach of the business towards its dealings with HMRC

We aim to have open, professional and constructive communication with HMRC and policy makers. This includes, where appropriate, making HMRC aware of changes and developments in relation to our UK business operations. We value working openly with the tax authorities to answer any queries they may have in a timely manner.

Our interactions with HMRC are commensurate with our limited UK operations, and largely relate to our UK tax compliance obligations. If we are unclear as to how tax law should be applied, we may engage with HMRC in advance of undertaking transactions to confirm the correct application of tax law. We seek to maintain open, honest and collaborative dealings with the HMRC and be seen as a low-risk taxpayer from the HMRC's perspective.

We always file our UK tax returns by the filing deadlines, and always pay any tax due on time.



Mark Storey

Vice-President of International Tax