

## BUSINESS TOOLS AND OTHER OPTIONAL EXPENSES

One of the great things about being an Herbalife Independent Member is that you can choose for yourself how to pursue the Herbalife opportunity. The only thing you need to buy is an Herbalife Member Pack (HMP), and all other purchases are completely optional. Before you make any additional expenditure, please ask yourself questions such as these:

### **Debt**

#### ***Should I take on debt to pursue the Herbalife opportunity?***

Because there are no minimum purchases required and start-up costs are low, you do not need to borrow money or take out loans for your Herbalife business. We strongly discourage taking on debt in connection with your Herbalife business.

### **Business Tools**

#### ***Should I buy services, products, software or systems that might help me run my Herbalife business?***

“Business Tools” are third party services or products that may help you promote, grow, and/or manage your direct sales business. They can be geared toward getting customers, recruiting other Members, communicating with customers or Members, or financial management, among other things.

Whatever the purpose, Business Tools are not required to start progress or succeed as a Member or to receive training and support from your Sponsor and upline. No one should tell you that Business Tools are required or pressure you to buy them. Retailing Herbalife products to customers is the core of a successful Herbalife business, and Business Tools might distract you from this focus.

Herbalife offers comprehensive business management tools for free or at a nominal cost. Our tools are designed to meet your needs and help you run a successful and compliant Herbalife business.

We strongly advise that you only buy Business Tools if you decide, after a reasonable amount of time as a Member, that their cost is justified by their expected benefit to your business, in light of your actual earnings from Herbalife.

Please also keep in mind that if you buy Business Tools, you will be responsible for how you use them and for their compliance with Herbalife’s Rules of Conduct and the law. In addition, because they are not produced or endorsed by Herbalife, we take no responsibility for them.

However, if you have a dispute over Business Tools you have purchased with a seller who is a Member, please contact Member Services toll free at +961-1-426-801 (indicate to the operator on the line you wish to be transferred 877-398-0188) and we will attempt to assist.

### **Product Inventories**

#### ***Should I buy a large product inventory?***

Our advice is not to purchase product beyond your own needs and, after you are confident you wish to begin to resell Herbalife products, those amounts you are confident you can resell within a reasonable amount of time.

However, if you choose to keep a limited product inventory to sell to customers or serve in your Nutrition Club, please make sure you only purchase what you know you can resell within a reasonable amount of time.

### **Offices and Nutrition Clubs**

#### ***Should I sign a lease and buy the fixtures and other things needed to open a Nutrition Club or an Herbalife Office?***

Prior to opening a Nutrition Club we strongly advise that you obtain proper training and experience about the Herbalife products and the Herbalife opportunity. Allow yourself the time necessary to experience the products and learn about their directions for use, become knowledgeable enough to properly explain the potential benefits that can be achieved through good nutrition and a healthy active lifestyle, and gain significant experience in operating your business. We further advise that you observe and study how Nutrition Clubs or offices operate and carefully consider whether to engage in a large expenditure or enter into what could be a substantial obligation in the form of a lease, before you do so.

No aspect of the Herbalife opportunity is or may be considered a franchise and you should therefore never be asked for payment to buy the “right” to open or operate your own Nutrition Club or office. Similarly, you should not pay anyone to set-up a Nutrition Club or an office for you. However, if you work out of another Member’s Club or office, it is normal to pay a reasonable rental fee for space or a workstation or to pay a reasonable percentage of the Club’s or office’s operating expenses.