



## BUSINESS TOOLS AND OTHER OPTIONAL EXPENSES

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

### **Debt**

#### ***Should I take on debt to pursue the Herbalife business 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 Distributors, communicating with customers or Distributors, or financial management, among other things.

Whatever the purpose, Business Tools are not required to start, progress or succeed as a Distributor 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 Distributor, 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 Rules of the Road 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 Distributor, please contact Herbalife at 855-757-4747 and we will attempt to assist.

Please see Rules No Forced Purchases or Debt, Sale of Business Tools Not for Profit and Training for more information.

### **Product Inventories**

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

Buying a large product inventory is not required.

Through MyHerbalife.com, Distributors can have products shipped directly to their customers, and GoHerbalife.com allows customers to order products themselves. This means that you don't need to hold a large product inventory to meet your customers' needs.



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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. Please also keep in mind that in order to qualify or earn on sales from inventory, you must designate your purchase as a Retail Inventory Order and document all profitable product sales by submitting an Herbalife Retail Receipt to the Company. See Rules No Forced Purchases or Debt, Proper Purchasing and Receipt Submission for more information.

### **Offices and Commercial Nutrition Clubs**

***Should I sign a lease and make other purchases to open a private office for my Herbalife Nutrition business or Commercial Nutrition Club?***

Most Distributors find that a home-based business provides the convenience, ease, and flexibility they want from the Herbalife business opportunity. Having a business location outside of your home is a serious financial commitment. If you take your time to gain experience and learn from others, you will be in a better position to make the decision that is right for you.

This is why Herbalife requires all Distributors to undergo a one year waiting period, complete a training course, and prepare a written business plan before leasing or purchasing a private office for their Herbalife business or Commercial Nutrition Club, which they must maintain as part of their business records.

Please see Rule Leased or Purchased Business Locations for more information.