

# POLICIES & PROCEDURES UNITED STATES

**2023**

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# **Chapter 1 Your Brand Affiliate Account**

## **1 BECOMING A BRAND AFFILIATE**

### **1.1 APPLYING TO BECOME A BRAND AFFILIATE**

You may apply to become a Brand Affiliate online at [www.nuskin.com](http://www.nuskin.com) by submitting an Application and agreeing to be bound by the terms and conditions of the Brand Affiliate Agreement. Alternatively, with permission from Nu Skin, you may complete, sign, and return a hard copy Application and Brand Affiliate Agreement to Nu Skin. You are not required to purchase any Nu Skin Products, NSI Local Affiliate Products, or materials to become a Brand Affiliate. By agreeing to the Brand Affiliate Agreement, you are agreeing to the terms of the Brand Affiliate Agreement and the Contract incorporated by reference into the Brand Affiliate Agreement.

### **1.2 INDIVIDUAL BRAND AFFILIATE ACCOUNT**

Only one individual may apply for an Individual Brand Affiliate Account to be created in the Nu Skin systems in the name of and owned by that individual applicant. Another individual may apply to participate in the Individual Brand Affiliate Account of a Spouse as a Participant by submitting an Application and agreeing to a Brand Affiliate Agreement in connection with participating in such account. An individual that is a Participant in an Individual Brand Affiliate Account owned by a Spouse is not an owner of that Individual Brand Affiliate Account. The owner of an Individual Brand Affiliate Account, as identified in the Nu Skin systems, may change the Participants in the Individual Brand Affiliate Account (whether to add or remove a Spouse) by submitting a request to Nu Skin through the electronic or other means provided by Nu Skin in accordance with these Policies and Procedures. Nu Skin shall not be liable for any failure to receive such requests or for any delay in acting upon such requests. The owner and any Participant in an Individual Brand Affiliate Account are Brand Affiliates, and the owner may be referred to as a Brand Affiliate owner and a Participant may be referred to as a Brand Affiliate Participant. The actions and decisions of the owner of an Individual Brand Affiliate Account as communicated to Nu Skin are binding on the owner, Individual Brand Affiliate Account, and any Spouse Participant. Except for the addition of a Spouse to an

Individual Brand Affiliate Account, if more than one Person wants to participate in a Brand Affiliate Account, then the Persons must apply for a Business Entity Brand Affiliate Account as set forth in Section 1.3 of this Chapter 1 or convert their Individual Brand Affiliate Account into a Business Entity Brand Affiliate Account as provided in Section 1.11 of this Chapter 1. In addition, the following requirements apply to Individual Brand Affiliate Accounts:

(a.) Bonuses and any special incentives will be issued in the name of the owner of the Individual Brand Affiliate Account. Nu Skin will not have any liability to any Participant in an Individual Brand Affiliate Account if the owner of the Individual Brand Affiliate Account fails to allocate and pay any portion of the Bonuses or special incentives received by the owner to any Participant in the Individual Brand Affiliate Account, or for any incorrect allocation and payment; and

(b.) The owner of and any Spouse Participant in an Individual Brand Affiliate Account shall have the same Sponsor.

### **1.3 BUSINESS ENTITY BRAND AFFILIATE ACCOUNT**

A Business Entity may submit an Application (including a signed Business Entity Form if applying offline, as permitted by Nu Skin) and agree to be bound by the terms and conditions of the Brand Affiliate Agreement to apply for a Business Entity Brand Affiliate Account to be created in the Nu Skin systems in the name of and owned by that Business Entity. The individual submitting the Application and agreeing to the Brand Affiliate Agreement on behalf of the Business Entity as its authorized agent (i) is deemed to be applying to participate in the Business Entity Brand Affiliate Account as a Participant and (ii) is deemed to be the Primary Participant unless another individual is identified to Nu Skin as the Primary Participant and is accepted by Nu Skin as a Participant in the Business Entity Brand Affiliate Account. Each Person who will have a Beneficial Interest in the Business Entity, will conduct Business Activity on behalf of a Business Entity Brand Affiliate Account (e.g., members, partners, shareholders, employees, consultants, independent contractors, etc.) or will have a Beneficial Interest in the Business Entity Brand Affiliate Account must submit an Application and agree to be bound by the terms and conditions of a Brand Affiliate Agreement in connection with participating in such account. The Primary Participant of a Business Entity Brand Affiliate Account, as identified in the Nu Skin systems, may change the Primary Participant and may change the Participants (whether to add or remove Participants) by submitting a request to Nu Skin through the electronic or other means provided by Nu Skin in accordance with these Policies and Procedures. Nu Skin shall not be liable for any failure to receive such requests or for any delays in acting upon such requests. The Business Entity is the sole owner of the Business Entity Brand Affiliate Account and none of the Participants is an owner of the Business Entity Brand Affiliate Account in which they are a Participant. The Business Entity and each Participant in a Business Entity Brand Affiliate Account are Brand Affiliates. The Business Entity may be referred to as a Brand Affiliate owner and a Participant may be referred to as a Brand Affiliate Participant. The actions and decisions of the Primary Participant of a Business Entity Brand Affiliate Account as communicated to Nu Skin are binding on the Business Entity, the Business Entity Brand Affiliate Account and each of its Participants. In addition, the following requirements apply to Business Entity Brand Affiliate Accounts:

(a.) Bonuses and any special incentives will be issued in the name of the Business Entity, as owner of the Business Entity Brand Affiliate Account. Nu Skin will not have any liability to any Participant in a Business Entity Brand Affiliate Account if the Business Entity, the Primary Participant, any other Participant in the Business Entity Brand Affiliate Account, or any other participant in the Business Entity fails to allocate and pay any portion of the Bonuses or special incentives received by the Business Entity among the multiple Participants in the Business Entity Brand Affiliate Account, or for any incorrect allocation and payment;

(b.) The owner of and each Participant in a Business Entity Brand Affiliate Account shall have the same Sponsor; and

(c.) At all times one Participant in the Business Entity Brand Affiliate Account must be designated by the Business Entity Brand Affiliate Account as the Primary Participant of the Business Entity Brand Affiliate Account. If at any time Nu Skin's systems do not identify a Primary Participant of a Business Entity Brand Affiliate Account and the Business Entity Brand Affiliate Account fails to designate a Primary Participant within a reasonable period of time of notice from Nu Skin to do so, Nu Skin may, at its election, designate one of the Participants as the Primary Participant of such account or terminate the Business Entity Brand Affiliate Account, which will terminate the Brand Affiliate Agreements and all rights of the Business Entity and all Participants in such Business Entity Brand Affiliate Account.

### **1.4 AGE REQUIREMENTS**

You must be at least 18 years old to become a Brand Affiliate unless you qualify for the limited exception set forth in Section 1.5 below for certain minors.

## **1.5 MINORS**

If you are a minor who is at least 16 years old, you may become a Brand Affiliate if you submit a hard copy Brand Affiliate Agreement signed by you and by your parent or legal guardian. Your parent or legal guardian will be required to supervise your activities.

(a) If your parent or legal guardian owns an Individual Brand Affiliate Account, then:

- (i) you may own an Individual Brand Affiliate Account that is considered a second account separate from the Individual Brand Affiliate Account owned by your parent or legal guardian;
- (ii) your parent or legal guardian must be your Sponsor; and
- (iii) your parent or legal guardian cannot have any Beneficial Interest in your Brand Affiliate Account.

(b) If your parent or legal guardian is a Participant in a Business Entity Brand Affiliate Account, then:

- (i) the Sponsor of the Business Entity Brand Affiliate Account in which your parent or legal guardian is a Participant must be your Sponsor; and
- (ii) you may be a Participant in the Business Entity Brand Affiliate Account in which your parent or legal guardian is a Participant.

## **1.6 LEGAL RESIDENCY**

Your Brand Affiliate Agreement must be filed and maintained in the Authorized Country where you are a legal resident or citizen and where you have a legal right to do the business. If any Brand Affiliate (including without limitation the owner of an Individual Brand Affiliate Account, the Business Entity owner of a Business Entity Brand Affiliate Account, a Spouse acting as a Participant in an Individual Brand Affiliate Account, or a Participant in a Business Entity Brand Affiliate Account) is unable to prove legal residency, citizenship, or legal right to do business in the Authorized Country where the Brand Affiliate Agreement for such Brand Affiliate Account has been filed, Nu Skin may, at its election, terminate such Brand Affiliate Account and declare the Brand Affiliate Agreements of the owner and Participants in the Brand Affiliate Account void from their inception. You may only file to be a Brand Affiliate in an Authorized Country.

## **1.7 FORMER BRAND AFFILIATES**

If you have previously been a Brand Affiliate, you may only apply to become a new Brand Affiliate in the same position in your previous line of sponsorship unless you meet the criteria in Section 3.4 of this Chapter 1 for signing up under a new Sponsor.

## **1.8 SPOUSES**

If the Spouse of a Brand Affiliate wants to become a Brand Affiliate, the Spouse must be added as a Participant to the Brand Affiliate Account formed by the other Spouse. If the Spouse of a former Brand Affiliate wants to become a Brand Affiliate, then the Spouse must apply to become a Brand Affiliate under the same position in the line of sponsorship as the other Spouse's former Brand Affiliate Account unless the applicable inactive period regarding Business Activity of the other Spouse's former Brand Affiliate Account has lapsed as set forth in Section 3.4 of this Chapter 1.

## **1.9 ACCEPTANCE OF YOUR BRAND AFFILIATE AGREEMENT**

Nu Skin reserves the right to reject any application for a Brand Affiliate Account or to be added as a Participant in a Brand Affiliate Account at its own discretion. Once you have submitted a completed Application and agreed to the terms of the Contract, either in writing or electronically, your application to become a Brand Affiliate is deemed accepted by Nu Skin when a Brand Affiliate Account is created for you on Nu Skin's systems based on the Application or you are identified on Nu Skin's systems as a Participant in a Brand Affiliate Account based on the Application. In the event Nu Skin gets more than one Brand Affiliate Agreement from an applicant, the first Brand Affiliate Agreement received at the corporate office is the one that determines your Sponsor.

## **1.10 TAXPAYER IDENTIFICATION NUMBERS**

The owner of and each Participant Spouse in an Individual Brand Affiliate Account and the Business Entity owner of and each Participant in a Business Entity Brand Affiliate Account are required to provide to Nu Skin their taxpayer identification numbers. The

taxpayer identification number of the owner of a Brand Affiliate Account must be provided to Nu Skin before the Brand Affiliate Account will be eligible to receive a Bonus. Nu Skin may place a sales order or Bonus hold on a Brand Affiliate Account owned by you or in which you are a Participant until taxpayer identification numbers for the owner of and the Participants in the Brand Affiliate Account have been provided to Nu Skin and have been verified.

### **1.11 CHANGING TO A BUSINESS ENTITY BRAND AFFILIATE ACCOUNT**

If you want to change the form of your Brand Affiliate Account from an Individual Brand Affiliate Account to a Business Entity Brand Affiliate Account, you may do so at any time. This change is subject to any applicable legal requirements and all requirements of these Policies and Procedures for the creation of a Business Entity Brand Affiliate Account, and requires the Business Entity and each intended Participant in the Business Entity Brand Affiliate Account to submit an Application (including a signed Business Entity Form if applying offline, as permitted by Nu Skin in its sole discretion) and agree to be bound by the terms and conditions of the Brand Affiliate Agreement and the Contract in accordance with these Policies and Procedures.

### **1.12 MANDATORY TRAINING**

When you first sign up to become a Brand Affiliate and in connection with certain Title advancements and other milestones in your Nu Skin business, Nu Skin may require you to complete specific training or educational courses regarding the Sales Compensation Plan, the Policies and Procedures, and/or other relevant contractual compliance topics. Such trainings and courses will be provided by Nu Skin at no cost to you and will not be unreasonable in length or content. If you fail to complete a training or course that Nu Skin has designated as mandatory, Nu Skin may elect to take action in accordance with Chapter 6 of these Policies and Procedures, including, without limitation, suspending the payment of any Bonuses until such time that the training is completed.

## **2 PERSONAL INFORMATION**

### **2.1 COLLECTION OF PERSONAL INFORMATION**

Nu Skin is aware of and responsive to your concerns regarding how information about you is collected, used, and shared as a result of you becoming a Brand Affiliate. Nu Skin respects your privacy and is committed to protecting the privacy of Brand Affiliates. Nu Skin collects from you and holds certain personal information about you in order to provide you with support, the benefits of being a Brand Affiliate, and communicating with you regarding (i) Nu Skin Products, NSI Local Affiliate Products, and promotional offers, (ii) the Brand Affiliate Account owned by you or in which you are a Participant and Your Team, (iii) Bonuses, and (iv) other relevant business issues. All information submitted by you will be held by Nu Skin at its corporate headquarters in the United States, its regional headquarters, and/or the offices of its local affiliated companies in your Resident Country. You have the right to access and verify your personal information held by Nu Skin by contacting the call center for your Resident Country or by contacting Nu Skin's Privacy Office at [privacy@nuskin.com](mailto:privacy@nuskin.com).

### **2.2 AUTHORIZATION TO TRANSFER, DISCLOSE, AND USE YOUR PERSONAL AND/OR CONFIDENTIAL INFORMATION**

In order for Nu Skin to provide support for your Brand Affiliate Account or the Brand Affiliate Account for which you are a Participant, and to provide support for the commercial activities and interests of one or more of the NSE Companies both related and unrelated to your Brand Affiliate Account or any Brand Affiliate Account for which you are a Participant, you authorize:

- a. Nu Skin to transfer and disclose personal and/or confidential information, which (a) you have provided to Nu Skin in connection with your Brand Affiliate Account (or the Brand Affiliate Account for which you are a Participant) or your Team, or (b) that has been developed as a result of your activity as a Brand Affiliate, to (i) the NSE Companies wherever located, (ii) service providers of the NSE Companies, (iii) your independent upline and downline Brand Affiliates when Nu Skin determines it is appropriate, and (iv) applicable government agencies or regulatory bodies if required by law;
- b. Nu Skin to use your personal information (including your image) for Brand Affiliate recognition, marketing materials, and Nu Skin Business Support Materials and Services unless you request in writing that Nu Skin stop doing so (note, it may take up to 30 days to process your request and will not affect publications already in circulation);
- c. Nu Skin to use your personal information to the extent relevant to any claims or defenses in any dispute (whether or not a Dispute as

defined in the Contract); and

d. The NSE Companies to use your personal information described above to provide support for the commercial activities and interests of one or more of the NSE Companies both related and unrelated to your Brand Affiliate Account or any Brand Affiliate Account for which you are a Participant.

You further understand and agree that any other use or disclosure of your personal information will be governed by Nu Skin's Privacy Notice, as it may be amended from time to time. The Privacy Notice may be viewed on Nu Skin's website at [www.nuskin.com](http://www.nuskin.com).

## 3 MAINTAINING YOUR BRAND AFFILIATE ACCOUNT

### 3.1 KEEPING YOUR BRAND AFFILIATE ACCOUNT AND RELATED INFORMATION CURRENT

As a Brand Affiliate, it is your duty to keep the information contained in your Application, Brand Affiliate Account profile, and any other applicable forms (including the Business Entity Form if one was submitted with a hard copy application) current and accurate. You must immediately inform Nu Skin through the electronic or other means provided by Nu Skin of any changes affecting the accuracy of information contained in these documents and forms, including without limitation the addition or removal of Participants in the Brand Affiliate Account or changes to the Primary Participant of a Business Entity Brand Affiliate Account. Nu Skin may terminate a Brand Affiliate Account or declare a Brand Affiliate Agreement void from its inception if Nu Skin determines that false or inaccurate information was provided in any Application to become a Brand Affiliate. If the owner of or the Participants in a Brand Affiliate Account fail to update their Application, Brand Affiliate Account profile, or any other applicable forms (including the Business Entity Form if one was submitted with a hard copy application), holds may be placed by Nu Skin on the Brand Affiliate Account (including the placement of orders and the payment of Bonuses and any special incentives) or other disciplinary action may be taken by Nu Skin, including termination of the Brand Affiliate Account and declaration that the Brand Affiliate Agreements of the owner and Participants in the Brand Affiliate Account are void from their inception. Nu Skin may charge a fee for processing changes to Brand Affiliate Account information. Nu Skin may refuse to accept any updates submitted for a Brand Affiliate Account, including without limitation the addition or removal of any Participant in such Brand Affiliate Account or any change to the Primary Participant of a Business Entity Brand Affiliate Account. Nu Skin may, in its discretion, require the owner or Participants of a Brand Affiliate Account to submit a new Application and re-agree to be bound by the terms and conditions of the Brand Affiliate Agreement, as it may be amended from time to time, in connection with any updates submitted for a Brand Affiliate Account.

### 3.2 ADDING A NEW PARTICIPANT TO A BRAND AFFILIATE ACCOUNT

The owner of an Individual Brand Affiliate Account may add a Spouse as a Participant in the account by submitting a request to Nu Skin and inviting such Spouse to submit an Application and agree to be bound by the terms and conditions of the Brand Affiliate Agreement in connection with such Individual Brand Affiliate Account. The Primary Participant in a Business Entity Brand Affiliate Account may add a new Participant to the account by submitting a request to Nu Skin and inviting such Participant to submit an Application and agree to be bound by the terms and conditions of the Brand Affiliate Agreement in connection with such Business Entity Brand Affiliate Account. The addition of a Spouse as a Participant to an Individual Brand Affiliate Account or the addition of a Participant to a Business Entity Brand Affiliate Account becomes effective upon Nu Skin's acceptance of such Participant's Application and Brand Affiliate Agreement and the addition of such Participant in the Nu Skin systems as a Participant in such Brand Affiliate Account. Nu Skin, in its sole discretion, may reject any request to add a Participant to a Brand Affiliate Account. If Nu Skin rejects any such request, the Person or Persons may not engage in any Business Activities on behalf of, or have a Beneficial Interest in, the Brand Affiliate Account. You may not allow any Person other than a Spouse identified by Nu Skin in its systems as a Participant to engage in any Business Activity for an Individual Brand Affiliate Account owned by you or to have a Beneficial Interest in such Individual Brand Affiliate Account. You may not allow any Person other than a Person identified by Nu Skin in its systems as a Participant to engage in any Business Activity for a Business Entity Brand Affiliate Account owned by you or to have a Beneficial Interest in such Business Entity Brand Affiliate Account. You may not allow any Person other than a Person identified by Nu Skin in its systems as a Participant in the Business Entity Brand Affiliate Account in which you are a Participant to engage in any Business Activity for the Business Entity Brand Affiliate Account in which you are a Participant or to have a Beneficial Interest in such Business Entity Brand Affiliate Account. No Person (whether referred to as an employee, assistant, agent, or otherwise) may engage in Business Activity for a Brand Affiliate

Account or have a Beneficial Interest in a Brand Affiliate Account unless that Person has submitted an Application and agreed to be bound by the terms and conditions of the Brand Affiliate Agreement and the Contract and such Application and Brand Affiliate Agreement has been accepted by Nu Skin and that Person is identified in Nu Skin's systems as an owner of or a Participant in such Brand Affiliate Account.

### **3.3 REMOVING AN EXISTING PARTICIPANT FROM A BRAND AFFILIATE ACCOUNT**

The owner of an Individual Brand Affiliate Account may remove a Spouse as a Participant in the account by submitting a request to Nu Skin through the electronic or other means provided by Nu Skin in accordance with these Policies and Procedures. The Primary Participant in a Business Entity Brand Affiliate Account may remove an existing Participant in the Business Entity Brand Affiliate Account by submitting a request to Nu Skin through the electronic or other means provided by Nu Skin in accordance with these Policies and Procedures. Nu Skin is not required to receive any notice of or relinquishment of rights or interests in the Individual Brand Affiliate Account from the Spouse being removed as a Participant in such account, and Nu Skin is not required to receive any notice of or relinquishment of rights or interests in a Business Entity Brand Affiliate Account from any Participants being removed as Participants in such account. The removal of a Spouse as a Participant in an Individual Brand Affiliate Account or the removal of a Participant in a Business Entity Brand Affiliate Account becomes effective upon Nu Skin's acceptance of such request and removal of such Participant from the Nu Skin systems as a Participant in such Brand Affiliate Account, provided, however, if the owner of an Individual Brand Affiliate Account or the Primary Participant of a Business Entity Brand Affiliate Account purports to remove a Participant in the Brand Affiliate Account thereby terminating the Participant's rights and interests as a Brand Affiliate but the Participant continues to retain a Beneficial Interest in such account, such Person removed as a Participant remains subject to the terms and conditions of the Contract as a Brand Affiliate and Nu Skin may exercise its rights and remedies under the Contract against such Person and the Brand Affiliate Account and all owners of and Participants in the Brand Affiliate Account for breach of the Contract. However, although deemed a Brand Affiliate for purposes of Contract enforcement until such Person has terminated their Beneficial Interest in the Brand Affiliate Account, such Person shall not be an authorized Participant in the Brand Affiliate Account, shall not be entitled to conduct Business Activities for the Brand Affiliate Account, and shall not be entitled to have a Beneficial Interest in the Brand Affiliate Account. Nu Skin, in its sole discretion, may reject any request to remove Participants from Brand Affiliate Accounts. If Nu Skin rejects any such request, the Person or Persons shall remain in Nu Skin's systems as Participants in the Brand Affiliate Account. Each owner of and Participant in a Brand Affiliate Account that removes Participants in the Brand Affiliate Account through the submission of a request to Nu Skin and acceptance by Nu Skin of such request agrees to the fullest extent permitted by law to indemnify, defend, and hold harmless each of the NSE Companies and each of their respective past and present affiliated companies, owners, officers, directors, employees, and agents from and against any claim, demand, liability, loss, action, causes of action, cost, or expense (including, but not limited to, reasonable attorney's fees and litigation costs) of any kind, resulting or arising from, directly or indirectly, the removal of a Participant from a Brand Affiliate Account based upon Nu Skin's reliance on such request submitted by the owner of an Individual Brand Affiliate Account or the Primary Participant in a Business Entity Brand Affiliate Account. You understand and agree that each indemnified party reserves the right, at the expense of the indemnifying parties, to assume the exclusive defense and control of any claims for which the indemnifying parties are required to indemnify the indemnified party, and you agree to cooperate in such defense if you are an indemnifying party. You agree that you will not in any event settle any claim made against an indemnified party for which you are required to indemnify the indemnified party without the written consent of the indemnified party. Each of the NSE Companies not a party to the Contract, and each of their respective past and present affiliated companies, owners, officers, directors, employees, and agents, are third-party beneficiaries of this agreement to indemnify, defend, and hold harmless.

### **3.4 STARTING A BRAND AFFILIATE ACCOUNT UNDER A NEW SPONSOR**

If you are a former Brand Affiliate, you may establish a new Brand Affiliate Account under a new Sponsor only if you have not engaged in any Business Activity (whether for a Brand Affiliate Account owned by you or a Brand Affiliate Account owned by another Person and in which you were a Participant) for the indicated inactive period:

<b>Account type during the 24 months preceding the most recent Business Activity</b>	<b>Inactive Period</b>
--	------------------------



If you ever achieved Brand Representative (sometimes referred to as Executive) or higher	12 months
Brand Affiliate (sometimes referred to as Distributor) only	6 months

When Nu Skin concludes that an inappropriate Sponsor change has occurred or has been solicited, (i) the Brand Affiliate Account's second-in-time line of sponsorship may be changed to the original, first-in-time line of sponsorship, and (ii) the second-in-time Brand Affiliate Account, together with its entire downline organization, may be returned to and/or merged with the first-in-time Brand Affiliate Account. In addition, or alternatively, Nu Skin may pursue other remedies listed in Chapter 6.

### **3.5 A BENEFICIAL INTEREST IN ONE BRAND AFFILIATE ACCOUNT PER INDIVIDUAL**

You are not allowed to have a concurrent Beneficial Interest in more than one Brand Affiliate Account except as follows: (i) marriage of two Brand Affiliates who each had a Beneficial Interest in a different Brand Affiliate Account prior to the marriage, (ii) inheritance of the ownership of or a Beneficial Interest in a Brand Affiliate Account by an existing Brand Affiliate who has a Beneficial Interest in a different Brand Affiliate Account, or (iii) as otherwise approved in writing by Nu Skin.

### **3.6 ACQUISITION OF BENEFICIAL INTEREST IN AND MERGER OF BRAND AFFILIATE ACCOUNTS**

(a) Nu Skin Overview. Occasionally, a Brand Affiliate owner of an Individual Brand Affiliate Account wishes to form a partnership or joint venture with another existing Brand Affiliate owner of an Individual Brand Affiliate Account and merge the two Individual Brand Affiliate Accounts, or the owners of two separate Business Entity Brand Affiliate Accounts desire to form a partnership or joint venture or merge the two Business Entity Brand Affiliate Accounts, or a Brand Affiliate who has conducted Business Activity for a Brand Affiliate Account desires to acquire a Beneficial Interest in a Brand Affiliate Account under a different Sponsor. Except as provided in this Section 3.6, the formation of a partnership between existing Brand Affiliates, the merger of Brand Affiliate Accounts, or the acquisition of a Beneficial Interest in a Brand Affiliate Account under a different Sponsor by a Brand Affiliate who has engaged in any Business Activity for a different Brand Affiliate Account, is prohibited.

(b) Acquisition of Beneficial Interest in Brand Affiliate Account With a Different Sponsor. Except for those circumstances that may be approved by Nu Skin in its sole discretion, if you have engaged in any Business Activity, whether as the owner of or a Participant in a Brand Affiliate Account, you may not, at any time, acquire a Beneficial Interest in a pre-existing Brand Affiliate Account under a different Sponsor (whether by purchase, merger, partnership, or otherwise) unless (i) you have terminated your Beneficial Interest in the Brand Affiliate Account in which you had engaged in Business Activity by terminating the Brand Affiliate Account, if owned by you, or by relinquishing your rights as a Brand Affiliate Participant and your Beneficial Interest in the Brand Affiliate Account, if you were a Participant in the Brand Affiliate Account, and you have not engaged in Business Activity for the applicable inactive period described in Section 3.4 of this Chapter 1, and (ii) the Brand Affiliate Account in which you want to acquire a Beneficial Interest was initially created in Nu Skin's systems after the applicable inactive period for your Business Activity as described in (i) above. The prohibitions of this Subsection (b) supersede the provisions of subsection (c) of this Section 3.6.

(c) Merger. Nu Skin may, in its sole discretion, consider mergers of Brand Affiliate Accounts in the following limited cases: (a) vertical mergers between (i) a Brand Affiliate Account and the Brand Affiliate Account of its immediate upline Sponsor, or (ii) a Brand Affiliate Account and another Brand Affiliate Account that is on its first level; (b) horizontal mergers with another Brand Affiliate Account, provided that (i) only one of the Brand Affiliate Accounts is a Brand Representative or above, and the other Brand Affiliate Account is not a Qualifying Brand Representative or Brand Representative (as defined in the Sales Compensation Plan) and (ii) both Brand Affiliate Accounts have the same upline Sponsor; and (c) any other merger as may be approved by the Nu Skin in its sole discretion.

(d) Review and Additional Requirements. In any case involving the proposed formation of a partnership, mergers, or acquisitions of a Beneficial Interest, Nu Skin will, in its sole discretion, decide whether to approve a requested exception to these Policies and Procedures. During its review, Nu Skin may impose additional requirements that it deems necessary, including upline notifications and/or approvals.



# 4 TRANSFERRING AND TERMINATING A BRAND AFFILIATE ACCOUNT

## 4.1 TRANSFERRING BRAND AFFILIATE ACCOUNTS

Only the owner of an Individual Brand Affiliate Account and only the Business Entity owner and the Primary Participant of a Business Entity Brand Affiliate Account may transfer the ownership of the Brand Affiliate Account or any other rights or interests in the Brand Affiliate Account, and then only with the prior written consent of Nu Skin, which will not be unreasonably withheld. With the exception of granting an individual the right to be a Participant in a Brand Affiliate Account upon Nu Skin's acceptance of any request by the owner of an Individual Brand Affiliate Account or the Primary Participant of a Business Entity Brand Affiliate Account as provided in Section 3.2 of this Chapter 1, any transfer of the ownership or any other right or interest in a Brand Affiliate Account must be in a written transfer agreement signed by each transferor and each transferee that describes the terms and conditions (including the consideration) of the transfer ("Transfer Agreement"). In addition, the transfer by any Participant of its Beneficial Interest in a Brand Affiliate Account shall require the written consent of Nu Skin and such transfer must also be made pursuant to a Transfer Agreement. Nu Skin's written consent to a Transfer Agreement in the form of a Consent to Transfer Agreement between Nu Skin, the transferors, and the transferees is required before the transfer described in the Transfer Agreement will be recognized by Nu Skin, before Nu Skin will recognize the transferee as having the ownership of or any other rights or interests in the Brand Affiliate Account described in the Transfer Agreement, and before Nu Skin will make changes in Nu Skin's systems based on the Transfer Agreement. Nu Skin may set forth in the Consent to Transfer Agreement any terms or conditions reasonably required by Nu Skin to consent to the transfer described in the Transfer Agreement. Nu Skin will not consent to any proposed transfer if it determines that the proposed transfer is not substantive and is being done to avoid the requirements of the Contract. Any exceptions or waivers Nu Skin has made to the Contract for the benefit of a Brand Affiliate Account will terminate upon the transfer of ownership or other rights or interests in the Brand Affiliate Account unless otherwise provided in the Consent to Transfer Agreement.

## 4.2 TRANSFERS UPON DEATH

(a) Individual Brand Affiliate Accounts. If you are the owner of an Individual Brand Affiliate Account, upon your death, your Brand Affiliate Account may be passed on to your heirs or other beneficiaries qualified under these Policies and Procedures to be a Brand Affiliate, whether by will, intestate succession, or otherwise. The transfer will be recognized by Nu Skin when a court order or proper legal document addressing the transfer to a qualified transferee is submitted to Nu Skin and the qualified transferee has delivered to Nu Skin an Application and agreed to the terms and conditions of the Brand Affiliate Agreement in proper form binding the transferee to the terms and conditions of the Contract. Nu Skin encourages you to make appropriate arrangements in consultation with an estate-planning attorney for the transfer of an Individual Brand Affiliate Account owned by you. Upon the death of a Spouse Participant in an Individual Brand Affiliate Account, the Brand Affiliate Agreement of the Spouse Participant and right to be a Participant in the Individual Brand Affiliate Account terminates. If a Spouse Participant in an Individual Brand Affiliate Account or that Spouse Participant's heirs were granted by a separate contract made with the Individual Brand Affiliate Account owner rights or interests in the Bonuses paid to the Individual Brand Affiliate Account by Nu Skin after the death of the Spouse Participant, the Individual Brand Affiliate Account owner may make a written request to Nu Skin to authorize the owner of the Individual Brand Affiliate Account to make payments as required by that contract subject to the condition that the proposed recipient of such payments has delivered to Nu Skin an Application and agreed to the terms and conditions of the Brand Affiliate Agreement in proper form binding the proposed recipient to the terms and conditions of the Contract, and provided further that such proposed recipient is qualified to hold a Beneficial Interest in a Brand Affiliate Account under these Policies and Procedures. In the event such person is not a Spouse, then the Individual Brand Affiliate Account must be converted to a Business Entity Brand Affiliate Account as set forth in Section 1.11 of this Chapter 1 within sixty (60) days.

(b) Business Entity Brand Affiliate Accounts. If you have a Beneficial Interest in a Business Entity that owns a Business Entity Brand Affiliate Account, and your Beneficial Interest arises from or is subject to the Business Entity's legal documents of formation, as amended (e.g. it arises from partnership, limited liability company or corporate formation documents and does not arise from a contract between the Business Entity and you), upon your death your interest in the Business Entity Brand Affiliate Account will be transferred according to the Business Entity's legal documents and applicable law governing the transfer, provided that all such

transferees are qualified to hold an interest in a Brand Affiliate Account under these Policies and Procedures. The transfer of your interest in the Business Entity will be recognized by Nu Skin when a court order or proper legal documents addressing the transfer to a qualified transferee are submitted to Nu Skin and the qualified transferee has executed and delivered to Nu Skin an Application and Brand Affiliate Agreement in proper form binding the transferee to the terms and conditions of the Contract. Upon the death of any Participant in a Business Entity Brand Affiliate Account without a Beneficial Interest in the Business Entity owner of the Business Entity Brand Affiliate Account that arises from or is subject to the Business Entity's legal documents of formation, as amended, the Brand Affiliate Agreement of that Participant and right to be a Participant, or have a Beneficial Interest, in the Business Entity Brand Affiliate Account terminates. If that Participant in a Business Entity Brand Affiliate Account or the heirs of that Participant were granted by a separate contract made with the Business Entity owner of the Business Entity Brand Affiliate Account rights or interests in the Bonuses and special incentives paid to the Business Entity Brand Affiliate Account by Nu Skin after the death of that Participant, the Primary Participant of the Business Entity Brand Affiliate Account may make a written request to Nu Skin to authorize the Business Entity owner of the Business Entity Brand Affiliate Account to make payments as required by that contract subject to the condition that the proposed recipient of such payments has delivered to Nu Skin an Application and agreed to the terms and conditions of the Brand Affiliate Agreement in proper form binding the proposed recipient to the terms and conditions of the Contract, and provided further that such proposed recipient is qualified to hold a Beneficial Interest in a Brand Affiliate Account under these Policies and Procedures.

(c) During any time that a Brand Affiliate Account may be temporarily without an owner, or a gap in ownership occurs due to probate or other court procedures, the upline Blue Diamond Director or above will be responsible for operating this Brand Affiliate Account. As payment for these services, the upline Blue Diamond Director or above will be entitled to a service fee. This fee will be a dollar amount equal to 15 percent of the Brand Affiliate Account's net Bonuses during the period that the Brand Affiliate Account was without an owner. Nu Skin will deduct the service fee from the Brand Affiliate Account's net Bonuses.

#### **4.3 DIVORCE**

In the event of a divorce, Nu Skin will neither determine the division of nor divide a Brand Affiliate Account or a Team. Generally, Nu Skin will not divide Bonuses or other rewards. Nu Skin may, however, in its sole discretion, on a case-by-case basis, divide Bonuses on a simple, fixed-percentage basis, pursuant to a court order or the written consent of both parties. IF NU SKIN AGREES TO DIVIDE BONUSES ON A SIMPLE, FIXED-PERCENTAGE BASIS, THE PARTIES TO THE BRAND AFFILIATE ACCOUNT AGREE TO HOLD NU SKIN HARMLESS FROM ANY AND ALL LIABILITIES, LOSSES, COSTS, DAMAGES, JUDGMENTS, OR EXPENSES, INCLUDING REASONABLE ATTORNEY'S FEES, RESULTING OR ARISING FROM, DIRECTLY OR INDIRECTLY, ANY ACTS OR OMISSIONS BY NU SKIN IN DIVIDING THE BONUSES. The Company has the right to withhold Bonuses in the event of a dispute among Spouses regarding a Brand Affiliate Account. Nu Skin may charge a fee to Brand Affiliates each month as payment for its services in dividing Bonus payments.

#### **4.4 RIGHT TO TERMINATE BRAND AFFILIATE ACCOUNT**

If you are the owner of an Individual Brand Affiliate Account, you may terminate your Brand Affiliate Account and Brand Affiliate Agreement at any time as provided in Section 5 of Chapter 6. If you are the Primary Participant in a Business Entity Brand Affiliate Account, you and the Business Entity owner of the Business Entity Brand Affiliate Account may terminate the Business Entity Brand Affiliate Account and your respective Brand Affiliate Agreements at any time as provided in Section 5 of Chapter 6. If you are a Spouse Participant in an Individual Brand Affiliate Account or a Participant in a Business Entity Brand Affiliate Account that is not being terminated, you may terminate your Brand Affiliate Agreement and right to be a Participant, or have a Beneficial Interest, in the Brand Affiliate Account at any time as provided in Section 5 of Chapter 6.

## **Chapter 2 Operating Your Business**

### **1 OBLIGATIONS AS A BRAND AFFILIATE - BUSINESS**

# ETHICS

## 1.1 DSA CODE OF ETHICS

Nu Skin is a member of the Direct Selling Association (DSA) in the United States and in many countries around the world and abides by the DSA Code of Ethics. Along with the ethical requirements of the Contract, you must comply with the DSA Code of Ethics in your business operations. The DSA Code of Ethics can be found at [www.dsa.org](http://www.dsa.org).

## 1.2 PURPOSE OF YOUR BUSINESS

The primary purpose of your business and Nu Skin is to sell high quality Nu Skin Products to retail customers. As part of this process, you may sponsor other Brand Affiliates in the business to build your sales organization. However, the recruitment of other Brand Affiliates is not your primary focus but rather an integral part of your fundamental obligation to sell Nu Skin Products and to increase the sales of Nu Skin Products and NSI Local Affiliate Products to retail customers by your Team.

## 1.3 BUSINESS ETHICS

As a Brand Affiliate of Nu Skin you must operate your Nu Skin business in an ethical, professional, and courteous manner.

## 1.4 COMPLIANCE WITH CONTRACT

You will operate as a Brand Affiliate in strict compliance with your Brand Affiliate Agreement and these Policies and Procedures, as they may be changed from time to time, which are incorporated by reference into your Brand Affiliate Agreement, and the remainder of the Contract, including marketing and sales guidelines applicable to Brand Affiliates published by Nu Skin from time to time and which are incorporated herein by reference and may be found at [www.nuskin.com/reputation](http://www.nuskin.com/reputation).

## 1.5 COMPLIANCE WITH CODE OF ETHICS

You agree that you will comply with the Code of Ethics applicable to Brand Affiliates, as it may be amended from time to time, which is incorporated herein by reference and may be found at [nuskin.com/reputation](http://nuskin.com/reputation).

## 1.6 NO FALSE OR MISLEADING CLAIMS

You agree not to make any statements that are false, deceptive, or misleading in connection with your Nu Skin business, including, without limitation, in connection with your marketing, selling, or recruiting activities.

## 1.7 COMPLIANCE WITH LAWS AND REGULATIONS

You agree to comply with all laws and regulations in connection with all of your activities as a Brand Affiliate. You are responsible for taking the necessary steps to understand the laws that are applicable to your Business Activities, including seeking independent legal counsel if necessary.

## 1.8 NO INVENTORY LOADING

You agree not to (i) purchase more Nu Skin Products than you can use or sell within a reasonable period of time and/ or (ii) purchase any Nu Skin Products for the purpose of qualifying for Bonuses or increasing your Bonus amount. Prior to placing an order for Nu Skin Products, you agree that you will have sold or consumed 80% of the Nu Skin Products from any previous orders.

## 1.9 COUNSELING SOUND BUSINESS PRACTICES

You agree you will not counsel, encourage, advise, or assist Brand Affiliates or prospective Brand Affiliates to (a) breach any of the terms or conditions of the Contract, including, without limitation, engaging in manipulation of the Sales Compensation Plan, acquiring and maintaining concurrent Beneficial Interests in more than one Brand Affiliate Account unless permitted under Section 3.5 of Chapter 1, or making any false or misleading claims about potential earnings under the Sales Compensation Plan or the benefits of Nu Skin Products and/or NSI Local Affiliate Products; (b) operate a Nu Skin business in a financially irresponsible way, including, but not limited to, buying more Nu Skin Products, NSI Local Affiliate Products, Nu Skin Business Support Materials and Services, or Blue Diamond Director Business Support Materials and Services than they can reasonably use or sell, or to maintain specific inventory requirements;

or (c) incur debt in order to participate in the Nu Skin business.

### **1.10 HARASSMENT AND SEXUAL MISCONDUCT**

As a Brand Affiliate of Nu Skin you must operate your Nu Skin business in a manner that is free of harassment, intimidation, threats, and abuse of any kind, whether physical, verbal, written, electronic, or otherwise, including, but not limited to, harassment, intimidation, threats, or abuse based on race, color, religion, national origin, disabilities, sex (including gender, pregnancy, gender identification, or sexual orientation), or age. As a Brand Affiliate of Nu Skin you must operate your Nu Skin business in a manner that is free of sexual harassment or misconduct of any kind including, without limitation, soliciting, encouraging, or consummating any inappropriate or unwelcome written, verbal, electronic, or physical relationships, sexual advances, requests for sexual favors, or other physical, verbal, or visual behavior of a sexual nature, with another Brand Affiliate, a prospective Brand Affiliate, a Nu Skin employee, or a Customer (“collectively, “Sexual Harassment”). Promising or providing benefits to a Brand Affiliate’s Nu Skin business in exchange for or because of a sexual or romantic relationship is considered Sexual Harassment under this policy. Threatening to negatively impact or negatively impacting a Brand Affiliate’s Nu Skin business, including, but not limited to, by excluding a Brand Affiliate from events or meetings, refusing to provide the same level of support you provide to other Brand Affiliates, or withholding earned benefits, in exchange for or because of a sexual or romantic relationship or refusal to commence or to continue a sexual or romantic relationship is also considered Sexual Harassment under this policy.

### **1.11 NO CONTACT OF VENDORS OR SCIENTIFIC ADVISORY BOARD MEMBERS**

You may not contact, either directly or indirectly, Nu Skin’s or the NSE Companies’ vendors, suppliers, scientific advisory board members, basic research partners (including, universities), or any other advisors or consultants of Nu Skin or the NSE Companies regarding (i) studies, reports, or other services provided or to be provided to Nu Skin or the NSE Companies or (ii) Nu Skin Products or NSI Local Affiliate Products, without the prior written consent of Nu Skin.

### **1.12 ANTI-CORRUPTION**

You must comply with all anti-corruption laws, including the Foreign Corrupt Practices Act, 15 U.S.C. Sections 78dd-1 et. seq. (“FCPA”), in the countries in which Nu Skin does business. The FCPA requires that you never directly or indirectly (i.e. through an agent) make a payment or gift with the purpose of influencing the acts or decisions of foreign officials. There are some limited exceptions to this rule. Because the rules and exceptions relating to anti-corruption are complex, you should consult with your own legal counsel regarding questions relating to compliance with the FCPA or anti-corruption laws. For additional information, please refer to Nu Skin’s [Code of Conduct](#) in the Corporate Governance section of the Investors page on the Nu Skin website at [www.nuskin.com](http://www.nuskin.com).

### **1.13 MAINTAINING THE COMPANY’S REPUTATION**

You must ensure that your actions and behavior, including your actions and behavior outside the scope of your Nu Skin business and/or Brand Affiliate Account, are consistent with Nu Skin’s high standards and do not have a negative impact on the reputation of Nu Skin or other Brand Affiliates. Nu Skin has the right to, in its sole discretion, determine what actions are not consistent with Nu Skin’s high standards and do reflect negatively on the reputation of Nu Skin and/or its Brand Affiliates, and take action against you and/or any Brand Affiliate Account owned by you or in which you are a Participant in accordance with Chapter 6. Acts involving moral turpitude, whether committed before becoming a Brand Affiliate or while a Brand Affiliate, are not consistent with Nu Skin’s high standards, do negatively impact Nu Skin’s reputation and the reputation of other Brand Affiliates, and will not be tolerated by Nu Skin. Acts involving moral turpitude include, but are not limited to, conviction of a crime or dismissal from employment or as an independent contractor where the elements of the crime or the basis for dismissal involved, in whole or in part: dishonesty or deception; fraud; illegal use of a credit card; knowingly issuing a worthless check; forgery; counterfeiting; blackmailing; perjury; theft; misappropriation of property; embezzlement; extortion; possession or transportation of stolen property; burglary; robbery; assault or attempted assault; battery or attempted battery; murder or attempted murder; rape or attempted rape; or sexual abuse, misconduct or harassment, or other acts of intimidation, stalking or harassment.

### **1.14 RECORDS REVIEW**

As a condition to participating as a Brand Affiliate, you grant Nu Skin the right to review any records related to your Nu Skin business and the Brand Affiliate Account in which you are an owner or Participant in order to investigate whether you or any owner of or

Participant in that Brand Affiliate Account have been operating their Nu Skin business or the Brand Affiliate Account in compliance with the Contract. Nu Skin may request to review your Nu Skin business records and/or the records of a Brand Affiliate Account in which you are an owner or Participant at any time and for any reason. You must comply with any request to review your Nu Skin business records and/or the records of a Brand Affiliate Account in which you are an owner or Participant by promptly and completely making the true records available for review by Nu Skin.

## 2 INDEPENDENT CONTRACTOR

### 2.1 BRAND AFFILIATES ARE INDEPENDENT CONTRACTORS

You acknowledge and agree that as a Brand Affiliate, you are an independent contractor of Nu Skin. As an independent contractor, you will:

- a. be self-employed and determine, in your sole discretion, when you work and the number of hours you work;
- b. be the owner of or a Participant in a Brand Affiliate Account that will earn compensation based on the sale of Nu Skin Products and NSI Local Affiliate Products and not on the number of hours that you work;
- c. be subject to entrepreneurial risk and be responsible for all losses that you incur as a Brand Affiliate;
- d. if required, obtain a federal employment identification number;
- e. be responsible for paying your own license fees and any insurance premiums;
- f. be responsible for all costs of business, including, but not limited to, travel, entertainment, office, clerical, legal, equipment, accounting, and general expenses, without advances, reimbursement, or guarantee from Nu Skin;
- g. not be treated as an employee for federal or state tax purposes, unemployment purposes, or any other purposes (and you agree that you will not claim that you are an employee of Nu Skin or make claims for unemployment or any other employee rights or benefits); and
- h. be responsible for paying any self-employment taxes required by federal, state, and local laws, statutes, and regulations.

You further acknowledge and agree that you are not an employee, agent, or legal representative of Nu Skin or any of the NSE Companies and, except as permitted by the Contract, you are not authorized to act on behalf of Nu Skin or any of the NSE Companies. Nothing in the Contract is intended to create, nor will be deemed to constitute, a partnership, agency, employer-employee, or a joint venture relationship between Nu Skin or any of the NSE Companies and you.

### 2.2 TAXES AND INDEMNIFICATION

If you are the owner of an Individual Brand Affiliate Account, you will receive from NSEUS an IRS Form 1099 reflecting relevant tax information related to payments made to you as owner of the Individual Brand Affiliate Account. If you are the Primary Participant of a Business Entity Brand Affiliate Account, you will receive from NSEUS an IRS Form 1099 reflecting relevant tax information related to payments made to the Business Entity owner of the Business Entity Brand Affiliate Account. The owner of an Individual Brand Affiliate Account and the owner and Primary Participant of a Business Entity Brand Affiliate Account are responsible for issuing to any Persons who are Participants in the Brand Affiliate Account any IRS Form 1099 or other tax forms required by applicable law due to payment to such Participants of any portion of the Bonuses or any special incentives received by the Brand Affiliate Account. You are personally liable and responsible for any self-employment taxes required by federal, state, and local laws, statutes, and regulations to be paid by you or on your behalf. The owner of and each Participant in a Brand Affiliate Account is responsible for the proper collection and payment of sales tax on retail sales if the Brand Affiliate Account claims an exemption from Nu Skin's pre-collected sales tax program. You agree to indemnify each of the NSE Companies for any withholding tax, unemployment payments, fees, penalties, assessments or any other expenses that any of the NSE Companies may incur as a result of any determination that you are an employee of Nu Skin or any of the NSE Companies.

### 2.3 NO AUTHORITY TO ACT ON BEHALF OF NU SKIN

You have no authority under the Contract to act on behalf of Nu Skin or any of the NSE Companies in any manner or represent that you

are authorized to act on behalf of Nu Skin or any of the NSE Companies. This includes, but is not limited to, any attempt to:

- a. register or reserve NSE Companies' names, trademarks, logos, or trade names (including, without limitation, any of the Nu Skin Brands) or Nu Skin Products or NSI Local Affiliate Products;
- b. register URLs or social media platforms using NSE Companies' names, trademarks, logos, or trade names (including, without limitation, any of the Nu Skin Brands);
- c. register or secure approval for Nu Skin Products or NSI Local Affiliate Products or business practices; or
- d. establish business or governmental contacts of any kind on behalf of Nu Skin or any of the NSE Companies.

You agree that to the fullest extent permitted by law, you will indemnify, defend, and hold harmless Nu Skin and each of the NSE Companies from and against all claims, liabilities, costs, and expenses (including reasonable attorneys' fees) caused by or incurred as a result of any improper acts taken on behalf of Nu Skin or any of the NSE Companies by you or the owner of or the Participants in any Brand Affiliate Account for which you are the owner or a Participant, including, but not limited to, the costs and expenses of any remedial actions taken by Nu Skin or any of the NSE Companies to rectify or mitigate the consequences of such improper acts. You agree to immediately assign and to cause the owner of and the Participants in any Brand Affiliate Account for which you are the owner or a Participant to immediately assign to Nu Skin any registration of NSE Companies' names, trademarks, logos, or trade names (including, without limitation, any of the Nu Skin Brands) or Nu Skin Products or NSI Local Affiliate Products, or URLs or social media platforms registered or reserved in violation of this Section without Nu Skin's reimbursement of any costs incurred by you or any owner of or Participant in any Brand Affiliate Account owned by you or in which you are a Participant.

#### **2.4 DESIGNATION AS EMPLOYER PROHIBITED**

You may not identify Nu Skin or any of the NSE Companies as your employer on loan applications, government forms, employment verification requests, applications for unemployment compensation or any other form or document.

## **3 ORDERING PRODUCTS OR SERVICES**

### **3.1 ORDERING**

You may order Nu Skin Products for personal consumption or resale directly from Nu Skin or its product centers. There is no minimum order; however, shipping and handling costs may vary depending on the amount of Nu Skin Products ordered. You may order NSI Local Affiliate Products for personal consumption and for demonstration (but not for resale) directly from the NSI Local Affiliate. Shipping and handling costs may vary depending on the amount of NSI Local Affiliate Products ordered.

### **3.2 TRANSFER OF TITLE**

Title to and risk of loss for any Nu Skin Products or NSI Local Affiliate Products you order transfers to you when the products are shipped.

### **3.3 INVENTORY AND THE 80 PERCENT RULE**

As a Brand Affiliate you have no specific inventory requirements. You must use your own judgment in determining inventory needs based upon reasonably projected retail sales and personal use. You are prohibited from ordering more than a reasonable amount of inventory. By placing an order, you certify that you have sold or consumed at least 80 percent of your total inventory from previous orders.

### **3.4 METHODS OF ORDERING**

Nu Skin does not accept orders on credit. Orders will not be shipped until they are paid in full. Payment must be made by cashier's check, money order, credit card, cash, direct debit or personal or business check, or such other method as may be accepted by Nu Skin.

### **3.5 ISSUING CREDITS**

Nu Skin credit may be issued in instances of overpayment, Nu Skin Product or NSI Local Affiliate Product exchanges, or in other



circumstances when an order cannot be completely filled. Personal Sales Volume and Group Sales Volume are generated when the Nu Skin credit is used.

### **3.6 PRICING CHANGES**

Nu Skin maintains the right to change Nu Skin Product prices without prior notice. NSI Local Affiliates reserve the right to change NSI Local Affiliate Product prices without prior notice.

### **3.7 SUBMITTING ORDERS IN THE NAME OF ANOTHER BRAND AFFILIATE**

You are prohibited from submitting orders in the name of another Brand Affiliate without the other Brand Affiliate's prior written approval. You must provide a copy of written approvals to Nu Skin upon request.

### **3.8 PAYMENTS WITHOUT SUFFICIENT FUNDS**

If any check is returned for insufficient funds or if any credit card payment is reversed, you must immediately make payment to Nu Skin for the full amount of the returned check or reversed credit card payment. If you fail to promptly make such payment you are in breach of the Contract.

### **3.9 USE OF ANOTHER INDIVIDUAL'S CREDIT CARD**

You may not use a credit card that is not in your name or the name of a business owned by you to order Nu Skin Products, NSI Local Affiliate Products, or Nu Skin Business Support Materials and Services without the card owner's prior written approval. You must provide a copy of written approval to Nu Skin upon request.

### **3.10 SUBSCRIPTION PROGRAM**

- a. If you have specified the type and quantity of select Nu Skin Products to be automatically shipped to you on a recurring basis under the NSEUS subscription program (the "Subscription Program"), these Nu Skin Products will be charged on a recurring basis in accordance with the delivery frequency you have selected for such products and to the method of payment you have provided. Such products will continue to be shipped at the frequency you have selected until such time that you notify NSEUS of any desired changes. You may cancel or modify the frequency of these shipments, update your payment information, or change your shipping address at any time by contacting Customer Service at 1-800-487-1000 or by logging in to your Brand Affiliate Account and accessing the subscription dashboard. You understand you must make any desired changes at least 3 business days prior to your designated subscription processing date.
- b. NSEUS may change the price of or discontinue the specific Nu Skin Products that you have chosen to receive under the Subscription Program. If the price of a product is increased, NSEUS will notify you at least 30 days prior to such increase and will continue to send you such product at the increased price unless you subsequently cancel your subscription. If a product is discontinued, NSEUS will notify you at least 5 business days prior to the discontinuation of such product and will continue to send you any remaining products you have on subscription that are not affected by such discontinuation.
- c. You understand that the recurring charges for the Nu Skin Products you have elected to receive under the Subscription Program shall include the purchase price of such products at the time each recurring order is processed, any applicable taxes and fees, and any applicable shipping charges in effect at the time each recurring order is processed. To pay for such recurring charges, you authorize the NSE Companies to charge the credit or debit card that you have provided. If you have selected a debit card as your method of payment, you further authorize the financial institution associated with such debit card to debit such amounts from your checking or savings account. Such authorization shall remain in effect until both Nu Skin and your financial institution have received written notice from you of your decision to terminate such authorization. You understand you must provide an appropriate period of time for Nu Skin and your financial institution to act upon such notice of termination. The NSE Companies and your financial institution will be fully protected in honoring such authorization. If any charge is dishonored, with or without cause and whether intentionally or inadvertently, then the NSE Companies and your financial institution will have no liability to any party. The NSE Companies will make no other charges to your preferred method of payment except those that you have authorized.
- d. You understand and agree that NSEUS may modify the Subscription Program, including any discounts or other benefits, at any time in its sole discretion. NSEUS will provide 30 days' prior notice of any material changes. Your continued participation in the Subscription

Program after any changes are made shall constitute your acceptance of such changes. If you disagree with any changes to the Subscription Program, you must cancel any subscriptions and stop participating in the Subscription Program.

e. You understand and agree that NSEUS may terminate the Subscription Program upon 30 days' prior notice in its sole discretion. NSEUS may also immediately terminate your right to participate in the Subscription Program if (i) the credit or debit card you have provided is invalid, expires, or is cancelled or otherwise terminated, (ii) you violate the terms and conditions of the Subscription Program; or (iii) you violate the terms and conditions of the Contract.

f. You understand and agree that the provisions of the Subscription Program outlined in this Section 3.10 of this Chapter 2 represent a high-level overview of the full Subscription Program Terms and Conditions, which are available at [www.nuskin.com](http://www.nuskin.com) and which are incorporated herein by reference. In the event of any inconsistency between this Section 3.10 of this Chapter 2 and the Subscription Program Terms and Conditions, the Subscription Program Terms and Conditions, as such may be amended from time to time, shall prevail.

### **3.11 RETAILING OF PRODUCTS**

(a) You may only resell Nu Skin Products in the United States. The Nu Skin Products you resell must also be purchased from NSEUS, and you may not resell Nu Skin Products in any other market.

(b) When you execute your Brand Affiliate Agreement, you are granted the right to purchase NSI Local Affiliate Products in a Non-Resident Country. You may only purchase NSI Local Affiliate Products in a Non-Resident Country for personal use or to demonstrate the NSI Local Affiliate Products for potential new Brand Affiliates. You cannot resell NSI Local Affiliate Products in any market. You may be subject to additional requirements for a specific market.

## **4 PRODUCT REFUNDS AND EXCHANGES**

### **4.1 REFUND POLICY**

a. Subject to the terms of NSEUS's Product Refund Policy, which may be amended from time to time and which is incorporated herein by reference, all unopened, resalable Nu Skin Products are eligible for a 100% refund if returned within 30 days of the order date, and a 90% refund if returned within twelve months of the order date, less applicable Bonuses or rebates paid on such product purchases. Please view the most current Nu Skin Refund Policy online at [www.nuskin.com](http://www.nuskin.com). You may only return the Nu Skin Products or Nu Skin Business Support Materials you personally purchased from Nu Skin. You are not entitled to a refund of original shipping costs on Nu Skin Products that you return. In order for Nu Skin to correctly back out the applicable Bonuses on returned Nu Skin Products, you must keep the sales order number from the invoice. You must provide the sales order number at the time you request a refund. You may also return individual Nu Skin Products that are purchased as part of a kit or package. The form of the refund will be based on the original form of payment, such as a bank transfer or credit card charge. Instead of a refund, Nu Skin may choose other alternatives, such as a Nu Skin Product credit. The return of Nu Skin Products may affect your eligibility to receive Bonuses and your Title, and if Bonuses have already been paid on the returned Nu Skin Products, then Nu Skin will recoup your Bonuses as set forth below in Section 6.9 of this Chapter 2. Nu Skin does not provide refunds for Nu Skin Products, Nu Skin Business Support Materials and Services, or Blue Diamond Director Business Support Materials and Services purchased from another Brand Affiliate. You must seek a refund directly from the Brand Affiliate who sold you such Nu Skin Products or such support materials or services. Any return or exchange of NSI Local Affiliate Products purchased by you from an NSI Local Affiliate is subject to the Refund Policy of such NSI Local Affiliate.

b. Subscription Services. Generally, subscription services that are billed on a month-to-month basis may be cancelled at any time unless the terms of the contract provide otherwise. Subscription services that are cancelled within one week of the last billing date will receive a 100% refund or credit for the month that has been paid for and cancelled. Subscription services that are cancelled more than one week after the last billing date will not be eligible for a refund. Annual subscription services may be cancelled at any time unless the terms of the contract provide otherwise. Refunds will be prorated based on the number of full months remaining on the annual subscription.

### **4.2 EXCHANGE POLICY FOR PRODUCTS PURCHASED DIRECTLY FROM NU SKIN**



Unless otherwise required by applicable law, NSEUS will exchange Nu Skin Products purchased directly from NSEUS that were incorrectly sent or are defective if you notify Nu Skin within 30 days of the date of purchase. If an exchange is not feasible, NSEUS may issue (i) a credit for the amount of the exchanged Nu Skin Products, which may be used to purchase other Nu Skin Products, or (ii) a full refund of the purchase price.

#### **4.3 PROCEDURES FOR OBTAINING A REFUND OR EXCHANGE**

You must comply with the following procedures to obtain a refund or exchange:

- (a) You must receive approval for the return in the form of a Return Merchandise Authorization (“RMA”) number before you ship the return to Nu Skin. This approval must be obtained either by telephone or in writing, and the actual return shipment must be accompanied by the RMA number (Shipping Inquiries at 1-800-487-1000);
- (b) Nu Skin will provide you with the correct procedures and location for returning the Nu Skin Products. You will not receive a refund of the original shipping costs on Nu Skin Products that you return. All return shipping costs must be paid by you;
- (c) Nu Skin Products sent without an RMA number will not qualify for a refund or exchange and will be returned to you at your expense; and
- (d) Procedures may vary in jurisdictions where different requirements are imposed by law.

## **5 RETAIL SALES AND CUSTOMER RETURNS**

### **5.1 RETAIL SALES**

Nu Skin Products purchased by you from NSEUS may only be sold to Direct Retail Customers, used for product demonstrations, or for your own personal use. You are authorized to resell Nu Skin Products you purchase from NSEUS to Direct Retail Customers. You may establish your own retail prices for Nu Skin Products you sell to Direct Retail Customers, and you may keep all of the profits you earn from retailing the Nu Skin Products to Direct Retail Customers.

### **5.2 NO WHOLESALING OF NU SKIN PRODUCTS**

You may not sell or distribute Nu Skin Products to Persons who intend to resell the Nu Skin Products or have resold Nu Skin Products in the past. You are prohibited from selling to Persons, either directly or indirectly, who ultimately (i) resell the Nu Skin Products through a retail store, (ii) resell the Nu Skin Products over the Internet, regardless of the form of Internet distribution channel, unless it has been approved by Nu Skin in writing, (iii) import the Nu Skin Products into an Unopened Country, or (iv) use any other method of distribution that violates the primary purpose of your direct selling business and that of Nu Skin. You must take reasonable steps to ensure that Persons who purchase Nu Skin Products from you do not intend to resell the Nu Skin Products.

### **5.3 RETAIL SALES RECEIPTS**

You must provide Retail Sales Receipts (templates of which can be obtained from the My Office website) to your Direct Retail Customers in accordance with the following requirements:

- (a) You must provide the Direct Retail Customer with two copies of the completed Retail Sales Receipt at the time of the sale. All blanks in the section referring to the refund policy on the back of the receipt must be completed. The Retail Sales Receipt should be completed and include the items ordered, the amount of the sale, and the Customer’s name, address, telephone number, the date of the sale, the date of the third business day after sale, your name, business address, and business telephone number.
- (b) You must keep a copy of the Retail Sales Receipt for your records. You must keep copies of all Retail Sales Receipts on file for at least four years. The amount of sales tax collected must be recorded on the Retail Sales Receipt if you claim an exemption from Nu Skin’s pre-collected sales tax program.

### **5.4 MONEY-BACK GUARANTEES, CUSTOMER REFUNDS, AND EXCHANGES FOR YOUR RETAIL CUSTOMERS**

- (a) By law you must offer a Direct Retail Customer a three-day money-back guarantee. This means that you must, for any reason and

upon request, give a full refund of the purchase price to the Direct Retail Customer. The only requirement is that the Direct Retail Customer must request the refund within three business days of purchase and return the unused portion of the Nu Skin Product. You must make the above-described refund for returned Nu Skin Products within 10 days of the Direct Retail Customer's request. You are responsible for, and must provide the Direct Retail Customer with, a refund without any reimbursement from Nu Skin. Nu Skin encourages you to honor your Direct Retail Customers' requests for refunds even if made more than three business days after the date of sale.

(b) If your Customer purchases a Nu Skin Product or an NSI Local Affiliate Product directly from NSEUS or an NSI Local Affiliate, then NSEUS or the NSI Local Affiliate will provide a refund in accordance with NSEUS' or the NSI Local Affiliate's Refund Policy, as applicable. NSEUS' Refund Policy for purchases made directly from NSEUS can be found on Nu Skin's website at [www.nuskin.com](http://www.nuskin.com).

(c) If your Direct Retail Customer returns the Nu Skin Product to you for a Nu Skin Product exchange, then you are responsible for the Nu Skin Product exchange, and Nu Skin will only replace the exchanged Nu Skin Product if returned within 30 days from the date of the retail sale and the Nu Skin Product is defective.

## 6 SALES COMPENSATION PLAN

### 6.1 SALES COMPENSATION PLAN

A complete copy of the Sales Compensation Plan has been provided to you. The Sales Compensation Plan is a part of the Contract, and you are bound to its terms. The Sales Compensation Plan may be changed by Nu Skin at any time with 30 days' notice. A copy of the current Sales Compensation Plan may be found at [https://www.nuskin.com/content/dam/office/n\\_america/shared/en/business\\_materials/sales-performance-plan-us.pdf](https://www.nuskin.com/content/dam/office/n_america/shared/en/business_materials/sales-performance-plan-us.pdf).

### 6.2 EXCEPTIONS TO SALES COMPENSATION PLAN

Nu Skin, in its sole discretion, has the right to hold, maintain, or promote a Brand Affiliate Account to any Title in the Sales Compensation Plan without regard to fulfillment of Title requirements, to grandfather a Brand Affiliate Account from the application of one or more provisions of a new or modified compensation plan, to allow a Brand Affiliate Account to remain on one or more provisions of a Sales Compensation Plan after the Sales Compensation Plan is changed by Nu Skin, or waive any other obligation or requirement of the current Sales Compensation Plan for a Brand Affiliate Account. Unless otherwise agreed in writing by Nu Skin, Nu Skin may terminate any exception to the current Sales Compensation Plan granted for a Brand Affiliate or Brand Affiliate Account, or terminate any waiver of any obligation or requirement of the current Sales Compensation Plan granted to any Brand Affiliate or Brand Affiliate Account at any time and for any reason, whether granted pursuant to this Section 6.2 of this Chapter 2 or otherwise.

### 6.3 NO COMPENSATION FOR SPONSORING

Brand Affiliate Accounts do not receive any compensation for sponsoring Brand Affiliates. The level of compensation paid to the Brand Affiliate Account owned by you or in which you are a Participant will be based on the hard work of the owner of and the Participants in (including you) that Brand Affiliate Account, the sale of Nu Skin Products by such owner and Participants, and the sales of Nu Skin Products and NSI Local Affiliate Products by Your Team.

### 6.4 NO GUARANTEED INCOME

You are neither guaranteed a specific income nor assured any level of profit or success. Generating meaningful compensation as a Brand Affiliate requires considerable time, effort, and commitment to the business. You should operate your Nu Skin business and, if you are the owner of an Individual Brand Affiliate Account or the Primary Participant in a Business Entity Brand Affiliate Account, your Brand Affiliate Account or the Brand Affiliate Account for which you are the Primary Participant, in a financially responsible and businesslike manner. You should not (i) incur debt to purchase Nu Skin Products, NSI Local Affiliate Products, Nu Skin Business Support Materials and Services, or Blue Diamond Director Business Support Materials and Services, (ii) quit your current employment unless you are confident that you can afford to do so, or (iii) incur expenses that exceed the amount of your portion of Bonuses paid to the Brand Affiliate Account owned by you or in which you are a Participant. This is not a "get rich quick" program. Your profit comes only through the successful sale of Nu Skin Products by you and the owner of and the Participants in the Brand Affiliate Account owned

by you or in which you are a Participant and the sales of other Brand Affiliates within your Team of Nu Skin Products and NSI Local Affiliate Products. Average Brand Affiliate earnings at each level within the Sales Compensation can be found at [https://www.nuskin.com/content/nuskin/en\\_US/corporate/compliance-corner/compensation.html](https://www.nuskin.com/content/nuskin/en_US/corporate/compliance-corner/compensation.html).

## **6.5 MANIPULATION OF SALES COMPENSATION PLAN**

Maintaining the integrity of the Sales Compensation Plan is of vital importance to Nu Skin. You must abide by the terms and conditions of the Sales Compensation Plan and you may not, in any form, use false identification numbers, false names, or false Brand Affiliate Accounts, buy additional Nu Skin Products or NSI Local Affiliate Products to maintain a Title, warehouse Nu Skin Products or NSI Local Affiliate Products, or use any other form of manipulation that violates the terms and conditions of the Sales Compensation Plan or its spirit and intent.

## **6.6 BONUSES**

In addition to the retail profits you can earn from your resale of Nu Skin Products to Direct Retail Customers, the Brand Affiliate Account owned by you or in which you are a Participant can also receive a Bonus under the Sales Compensation Plan, subject to the following:

- a. the Brand Affiliate Account owned by you or in which you are a Participant may not receive any Bonuses if any owner of or Participant in the Brand Affiliate Account (including you) is in violation of the Contract;
- b. The requirements for receiving a Bonus and the terms for determining the amount of the Bonus may be changed by Nu Skin at any time upon 30 days' notice;
- c. Bonuses may be paid by wire transfer, check, or any other method chosen by Nu Skin;
- d. Unless otherwise required by local law, Nu Skin will only pay Bonuses to a bank account that has been established within the Resident Country of the owner and Participants of a Brand Affiliate Account;
- e. No interest accrues on Bonuses when the payment of Bonuses has been delayed by Nu Skin for any reason; and
- f. Nu Skin will pay no Bonuses until the aggregate accrued monthly Bonuses are equal to ten dollars (\$10.00). If the Brand Affiliate Account owned by you or in which you are a Participant is terminated, any unpaid accrued Bonuses under the ten dollar (\$10.00) minimum will be forfeited.

## **6.7 REQUIRED RETAIL SALES; RETAIL SALES VERIFICATION**

The Brand Affiliate Account owned by you or in which you are a Participant is not eligible to receive a Bonus in any month in which the owner and Participants in that Brand Affiliate Account did not have five retail sales as required by the Sales Compensation Plan. You and the owner and/or Participants (as applicable) in the Brand Affiliate Account owned by you or in which you are a Participant must retain documentation of retail sales for at least four years to verify that the Brand Affiliate Account met these retail sales requirements. The owner of an Individual Brand Affiliate Account and the Primary Participant of a Business Entity Brand Affiliate Account must make this documentation available to Nu Skin at Nu Skin's request. If the owner of an Individual Brand Affiliate Account or the Primary Participant of a Business Entity Brand Affiliate Account owned by you or in which you are a Participant cannot document the required retail sales, you and any owner of or Participant in that Brand Affiliate Account are in breach of the Contract. Nu Skin may recover from a Brand Affiliate Account and each of its owner and Participants all Bonuses paid for orders in any month for which the owner (in the case of an Individual Brand Affiliate Account) or the Primary Participant (in the case of a Business Entity Brand Affiliate Account) cannot provide the required retail sales documentation. Nu Skin regularly audits Brand Affiliate compliance with this Section.

## **6.8 TIMING**

An order for Nu Skin Products is included in the Bonus and Brand Representative qualification computations for a given period only if received by Nu Skin on or before the last business day of that period. If Nu Skin places Nu Skin Products on backorder, Personal Sales Volume for those Nu Skin Products will only be included in the Bonus and Brand Representative qualification computations in the period the Nu Skin Products are shipped.

## **6.9 BONUS RECOVERY**

a. In addition to any other recovery rights provided in these Policies and Procedures, Nu Skin has the right to require the owner of and each of the Participants in a Brand Affiliate Account to repay any Bonuses paid to the Brand Affiliate Account:

- i. on Nu Skin Products or NSI Local Affiliate Products returned under Nu Skin's applicable refund policy;
- ii. on Nu Skin Products or NSI Local Affiliate Products returned in relation to any incident of Brand Affiliate misconduct;
- iii. that were mistakenly paid by Nu Skin; or
- iv. on account of violations of Section 6.5 of this Chapter 2. In the event any owner of or Participant in the Brand Affiliate Account owned by you or in which you are a Participant violates the provisions of Section 6.5 of this Chapter 2, in addition to any other remedies available to Nu Skin, Nu Skin shall have the right to adjust the Title of the Brand Affiliate Account and recalculate the Bonuses paid to the Brand Affiliate Account for the period in which such activities occurred by disregarding the volume from Nu Skin Products and/or NSI Local Affiliate Products that were returned, that were purchased in order to maintain Brand Representative Title, or any other activity that violates Section 6.5 of this Chapter 2. The owner and Participants in the Brand Affiliate Account must repay any Bonuses that were paid to the Brand Affiliate Account in excess of the adjusted Bonus that is calculated by Nu Skin as set forth above.

b. If the owner of or Participants (including you) in the Brand Affiliate Account owned by you or in which you are a Participant are obligated to repay to Nu Skin any Bonuses paid to the Brand Affiliate Account, Nu Skin will have the right to recover such amount by (i) requiring a direct payment of the amount from you and/or each of the owner of and Participants in the Brand Affiliate Account, or (ii) withholding the amount from present or future Bonus payments to the Brand Affiliate Account.

c. Extension of Nu Skin's refund policy, whether required by applicable law, or instances in which Brand Affiliate misconduct, misrepresentation, or other extenuating circumstances necessitates a Nu Skin refund in excess of its stated refund policy, will be considered on a case-by-case basis. In the event Nu Skin is required to make a refund that exceeds the terms of its refund policy, Nu Skin may recoup Bonuses paid to the Brand Affiliate Account owned by you or in which you are a Participant on those Nu Skin Products and/or NSI Brand Affiliate Products as well.

#### **6.10 PAYMENT CORRECTIONS**

It is the duty of the owner of an Individual Brand Affiliate Account and the owner and Primary Participant of a Business Entity Brand Affiliate Account to make sure that the Bonuses paid to the Brand Affiliate Account are correct. If an error is discovered in the payment of a Bonus to the Brand Affiliate Account, the owner of an Individual Brand Affiliate Account and the owner and Primary Participant of a Business Entity Brand Affiliate Account must notify Nu Skin within 90 days after the receipt of the incorrect Bonus. If Nu Skin is not notified of any errors or disputes with respect to a Bonus payment to a Brand Affiliate Account within this 90-day period, you and each owner of and Participant in the Brand Affiliate Account (i) will be deemed to have accepted the payment as full and complete payment of any Bonuses earned by the Brand Affiliate Account during such Bonus period, and (ii) will have no further right to dispute the Bonus payment or seek payment of any additional Bonus.

## **7 PRODUCT LIABILITY CLAIMS AND INDEMNIFICATION**

### **7.1 INDEMNIFICATION**

In the event of a product liability claim brought against you by a third party for a defective Nu Skin Product or NSI Local Affiliate Product or for injury from use of a Nu Skin Product or an NSI Local Affiliate Product, Nu Skin will indemnify and defend you from such claims, subject to the limitations described in Section 7.2 of this Chapter 2.

### **7.2 REQUIREMENTS FOR INDEMNIFICATION**

In order to be indemnified, you must notify Nu Skin of the claim in writing within 10 days of your receiving notice of the claim. Nu Skin has no obligation to indemnify you if you have (a) violated the Contract; (b) repackaged, altered, or misused the Nu Skin Product or the NSI Local Affiliate Product, or made claims or given instructions about the safety, uses, or benefits of the Nu Skin Product or the NSI Local Affiliate Product which are not included in Nu Skin's or the NSI Local Affiliate's current approved literature, warnings, or product

labels; or (c) settled or attempted to settle a claim without Nu Skin's written approval. In addition, indemnification is conditioned upon you allowing Nu Skin or the NSI Local Affiliate to assume the sole defense of the claim.

### **7.3 INDEMNIFICATION BY YOU**

You agree to indemnify Nu Skin from any claim by a third party that arises directly or indirectly because you have (a) violated the Contract; or (b) repackaged, altered, or misused Nu Skin Products or NSI Local Affiliate Products, or made claims or given instructions about the safety, uses, or benefits of Nu Skin Products or NSI Local Affiliate Products which are not included in Nu Skin's or the NSI Local Affiliate's current approved literature, warnings, or product labels.

## **8 SALES TAX**

### **8.1 NU SKIN COLLECTION OF STATE SALES TAX**

Nu Skin provides the service of collecting state sales tax at the time of your purchase of Nu Skin Products and remitting it to your state. The amount of sales tax is based upon the suggested retail price of a Nu Skin Product, calculated at your local tax rate. You can recover the prepaid sales tax when you make a retail sale.

### **8.2 EXEMPTION FROM NU SKIN COLLECTION OF STATE SALES TAX**

If allowed by law in your home state and approved by Nu Skin, you may collect, document, report, and pay your own sales tax to your state. You may do so by obtaining a Resale Tax Number from your state department of revenue or tax and sending Nu Skin a proper sales tax exemption form. Nu Skin cannot exempt any of your orders from pre-collected state sales tax until all proper documentation is on file with the Sales Tax Department of Nu Skin.

## **9 ASSOCIATING OTHER ORGANIZATIONS WITH NU SKIN**

Nu Skin's business opportunity is not based on race, gender, beliefs, or political affiliations. When you are training your Team, selling Nu Skin Products, or promoting NSI Local Affiliate Products or the business opportunity, you may not promote, advocate, sell, or include literature, books, or other material that promotes any other organization or individual, whether religious, political, business, or social, or that implies any association between Nu Skin or a NSI Local Affiliate and any other organization. Nu Skin and Brand Affiliate meetings, calls, or any other functions may not be used as a forum to promote or express personal beliefs, or to promote other organizations, companies, events, or individuals.

## **Chapter 3 Advertising**

### **1 BUSINESS SUPPORT MATERIALS AND TRADEMARK USE**

#### **1.1 USE OF BUSINESS SUPPORT MATERIALS**

Subject to the exception in Section 4 of this Chapter regarding Blue Diamond Director Business Support Materials, you may only use Nu Skin Business Support Materials, which have been produced and distributed by Nu Skin for presenting the Nu Skin business, Nu Skin Products, NSI Local Affiliate Products, and the Sales Compensation Plan, and you may not prepare or use your own such materials. In addition, because laws and regulations differ from market to market, you may only use Nu Skin Business Support Materials or Blue

Diamond Director Business Support Materials that have been specifically approved for use in that Authorized Country.

## **1.2 USE OF ADVERTISING MATERIALS**

You may use Advertising Materials that you produce for your personal use to promote Nu Skin Products, NSI Local Affiliate Products, and the Nu Skin business, subject to the constraints in this Chapter 3.

## **1.3 USE OF TRADEMARKS AND COPYRIGHTS**

(a) Use of Nu Skin Trademarks and Copyrights. Nu Skin's trademarks and copyrights (including, without limitation, the Nu Skin Brands) are valuable assets of Nu Skin and NSE Products, Inc., and Nu Skin and NSE Products, Inc. strictly regulate the use of these trademarks and copyrights to ensure that they do not lose their value to Nu Skin or its Brand Affiliates. You may not use Nu Skin's trademarks, copyrights, and other intellectual property rights (including, without limitation, the Nu Skin Brands), registered or otherwise, in any form except as specifically authorized by these Policies and Procedures or as otherwise approved in writing by Nu Skin. Nu Skin may prohibit the use of Nu Skin's trademarks or copyrights (including, without limitation, the Nu Skin Brands), including any variations thereof, in any Blue Diamond Director Business Support Materials, Advertising Materials, or other medium.

(b) Damages. You are liable to Nu Skin for any damages arising out of your misuse of Nu Skin's trade names, trademarks, copyrights, logos, and other intellectual property rights (including, without limitation, the Nu Skin Brands), in any form except as specifically authorized by these Policies and Procedures or as otherwise approved in writing by Nu Skin.

## **1.4 LOTTERIES, SWEEPSTAKES, AND CONTESTS**

Online promotions are potentially subject not only to the laws of all 50 states but also to the laws of every market in which the promoter's website appears, including markets that prohibit sweepstakes altogether or that require registration and payment of fees. Therefore, you are strictly prohibited from using any form of lottery, sweepstakes, raffle, or contest to promote Nu Skin, Nu Skin Products, NSI Local Affiliate Products, or the Nu Skin business opportunity. For more information, you may review the Social Sharing Guidelines on the applicable Authorized Country's website at [www.nuskin.com](http://www.nuskin.com). The Social Sharing Guidelines for the U.S. can be found [here](#).

# **2 PRODUCT CLAIMS**

## **2.1 GENERAL LIMITATION**

You may only make claims or representations related to Nu Skin Products or NSI Local Affiliate Products that have been approved by Nu Skin for use in Advertising Materials and Blue Diamond Director Business Support Materials in the Authorized Country where you are making the claims or representations. Nu Skin approved claims or representations for a particular market may be found on the applicable Authorized Country's website at [nuskin.com](http://nuskin.com).

## **2.2 NO MEDICAL CLAIMS**

You may not make medical claims or state or imply that any Nu Skin Product or NSI Local Affiliate Product is formulated, designed, or approved by Nu Skin or any regulatory authority to treat any disease or medical condition. These representations imply that the products are drugs rather than cosmetics or nutritionals. You also may not compare Nu Skin Products or NSI Local Affiliate Products to drugs or make drug or medical claims. Any such representations, claims, or comparisons by you may result in your personal liability.

## **2.3 NO FDA APPROVED CLAIMS**

You should not state or imply that any Nu Skin Product or NSI Local Affiliate Product is registered or approved by the United States Food and Drug Administration ("FDA") or any other regulatory authority. The FDA does not require or grant specific approval for the individual cosmetic or nutritional products sold by Nu Skin or NSI Local Affiliates. When making product benefit claims or giving personal testimonials regarding nutritional products that are "structure/function" claims, the claim or testimonial must be accompanied by the following disclaimer:

"These statements have not been evaluated by the U.S. Food and Drug Administration or any other local authority. This product is not

intended to diagnose, treat, cure, or prevent any disease.”

Structure/function claims describe the role of a nutrient or dietary ingredient intended to affect normal structure or function in humans, for example, “calcium builds strong bones.” They are not pre-approved by the FDA but must be truthful and not misleading.

## **2.4 BEFORE AND AFTER PHOTOGRAPHS**

Only those pictures and videos that have been previously approved and/or published by Nu Skin may be used to demonstrate benefits of Nu Skin Products or NSI Local Affiliate Products, except as otherwise directed in Nu Skin’s business advisories, Social Sharing Guidelines, and Product Testimonial Guidelines, which may be found on the applicable Authorized Country’s website at [www.nuskin.com](http://www.nuskin.com). The Social Sharing Guidelines for the U.S. can be found [here](#), and the Product Testimonial Guidelines for the U.S. can be found [here](#).

## **2.5 TESTIMONIALS**

Testimonials must disclose important facts that are relevant to consumers making a buying decision. You must thoroughly familiarize yourself with and follow all the current rules and conditions Nu Skin has published in the Product Testimonial Guidelines found on the applicable Authorized Country’s website at [www.nuskin.com](http://www.nuskin.com) whenever sharing your experience with any Nu Skin Product or NSI Local Affiliate Product. The Product Testimonial Guidelines for the U.S. can be found [here](#).

## **2.6 MODIFICATIONS TO PRODUCT PACKAGING OR PRODUCT INSTRUCTIONS**

You may not modify any packaging, labels, literature, or instructions for use for any Nu Skin Product or NSI Local Affiliate Product. You may not give instructions to use a Nu Skin Product or an NSI Local Affiliate Product not contained in Nu Skin’s current approved literature. Any such modifications or instructions by you may result in your personal liability.

# **3 INCOME OPPORTUNITY CLAIMS**

## **3.1 NO MISLEADING INCOME OPPORTUNITY CLAIMS**

It is important that all Brand Affiliates are fully informed and have realistic expectations concerning the income opportunity associated with being a Brand Affiliate. To help make sure all Brand Affiliates have realistic expectations, you must comply with the provisions of this Section 3 in all aspects of your business activities. Most importantly, you may not make any claims, specific or implied, regarding the income opportunity that are false or misleading, including income guarantees of any kind. You may not exhibit actual or facsimile Bonus checks.

## **3.2 REQUIREMENTS FOR LIFESTYLE AND INCOME CLAIMS**

You may only make lifestyle and income claims associated with your Nu Skin business if the following conditions are met:

- (a) The information must be accurate and not misleading;
- (b) The information must be consistent with monthly average Brand Affiliate commissions as stated in the Brand Affiliate Compensation Summary for the market in which you are promoting the business opportunity.
- (c) The information must comply with all the current rules and conditions that Nu Skin has published in the Opportunity Testimonial Guidelines found on the applicable Authorized Country’s website at [www.nuskin.com](http://www.nuskin.com). The Opportunity Testimonial Guidelines for the U.S. can be found [here](#).

# **4 BLUE DIAMOND DIRECTOR PRODUCED BUSINESS SUPPORT MATERIALS**

## **4.1 BLUE DIAMOND DIRECTOR BUSINESS SUPPORT MATERIALS**



In order to protect the integrity of the Network and to ensure that non-Nu Skin Business Support Materials and Services are only produced, utilized, and distributed by Brand Affiliates with significant experience and knowledge relating to Nu Skin, the Nu Skin Products, and the NSI Local Affiliate Products, only Blue Diamond Directors (sometimes referred to as Executive Brand Directors) may produce, utilize, and distribute such materials and services. Blue Diamond Directors may produce Blue Diamond Director Business Support Materials and Services for their own use and for use by other Brand Affiliates only if they comply with the terms of these Policies and Procedures, including, without limitation, the provisions of Sections 2, 3, 4.3, and 4.4 of this Chapter 3 and Addendum B of these Policies and Procedures. Blue Diamond Director Business Support Materials and Services may only be used in the specific Authorized Countries in which they have been registered. For purposes of this Chapter 3, Blue Diamond Directors are those Brand Affiliates that: (i) currently enjoy active status as a Blue Diamond Director, (ii) have been a Blue Diamond Director for a minimum of three months, and (iii) are not in material breach of the Contract.

#### **4.2 NO ENDORSEMENT OR APPROVAL BY COMPANY**

Although Nu Skin allows Blue Diamond Directors to produce, utilize, and distribute Blue Diamond Director Business Support Materials and Services for use by other Brand Affiliates, you need to be aware that these Blue Diamond Director Business Support Materials and Services are independently produced by Blue Diamond Directors and are not produced, endorsed, recommended, or approved by Nu Skin. If you elect to purchase or use Blue Diamond Director Business Support Materials and Services, Nu Skin (i) has no responsibility or obligation to you regarding refunds and exchanges, and (ii) does not guarantee that the Blue Diamond Director Business Support Materials and Services comply with all applicable laws and regulatory requirements. Moreover, the purchase of such materials is not required and there can be no guarantee that such Blue Diamond Director Business Support Materials and Services will contribute meaningfully to your business. You should evaluate the purchase of Blue Diamond Director Business Support Materials and Services carefully. You should not spend more on such Blue Diamond Director Business Support Materials and Services than can be supported by your current level of Bonuses under the Sales Compensation Plan.

#### **4.3 LICENSE AGREEMENT FOR BLUE DIAMOND DIRECTOR BUSINESS SUPPORT MATERIALS**

A Blue Diamond Director must execute and submit to Nu Skin a License Agreement prior to producing any Blue Diamond Director Business Support Materials and Services. The License Agreement is for a term of two years and must be renewed if you want to continue to produce and use your Blue Diamond Director Business Support Materials and Services. The License Agreement grants you the right to use certain Nu Skin trademarks and trade names, and sets forth the terms and conditions you must agree to abide by in order to produce Blue Diamond Director Business Support Materials and Services and utilize Nu Skin's trademarks.

#### **4.4 REGISTRATION OF BLUE DIAMOND DIRECTOR BUSINESS SUPPORT MATERIALS AND SERVICES**

Prior to using or distributing any Blue Diamond Director Business Support Materials and Services, a Blue Diamond Director must register such Blue Diamond Director Business Support Materials and Services with Nu Skin and receive a Notice of Registration from Nu Skin with respect to such Blue Diamond Director Business Support Materials and Services as set forth in Addendum B to these Policies and Procedures.

#### **4.5 SALES BY BLUE DIAMOND DIRECTORS; PURPOSE**

Blue Diamond Directors who sell Blue Diamond Director Business Support Materials and Services to other Brand Affiliates must comply with these Policies and Procedures and the provisions of Addendum B to these Policies and Procedures. Blue Diamond Director Business Support Materials and Services may be sold only for the purpose of promoting Nu Skin Products, NSI Local Affiliate Products, and Nu Skin's business, and for assisting, training, and motivating other Brand Affiliates in their promotion of the Nu Skin Products, NSI Local Affiliate Products, and Nu Skin's business.

#### **4.6 BRAND AFFILIATE ORGANIZATIONS**

Brand Affiliate Organizations offering formal materials, training, website subscriptions, Blue Diamond Director Business Support Materials and Services, or other business promotion tools may only be formed by Blue Diamond Directors. Brand Affiliate Organizations must comply with Nu Skin's written guidelines governing the operation of a Brand Affiliate Organization. The Blue Diamond Director who is the primary organizer of the Brand Affiliate Organization (i) must notify Nu Skin in writing of the formation of a Brand Affiliate Organization, and (ii) is responsible for ensuring the Brand Affiliate Organization's compliance with the guidelines.



# 5 MASS MEDIA; GENERAL ADVERTISING

## 5.1 PROMOTIONS UTILIZING MASS MEDIA PROHIBITED

You may not use any form of mass media or other mass communication advertising to promote Nu Skin Products, NSI Local Affiliate Products, or the Nu Skin business opportunity. This includes news stories or promotional pieces on TV shows, newscasts, entertainment shows, internet ads, etc. Nu Skin Products, NSI Local Affiliate Products, and the Nu Skin business opportunity may be promoted only by personal contact or by literature produced and distributed by Nu Skin or by Brand Affiliates in accordance with these Policies and Procedures. You may place generic opportunity advertisements in jurisdictions allowing that type of advertisement, but only in accordance with the Policies and Procedures of Nu Skin.

## 5.2 MEDIA INTERVIEWS

You may not promote Nu Skin Products, NSI Local Affiliate Products, or the Nu Skin business opportunity through interviews with the media, articles in publications, news reports, or any other public information, trade, or industry information source, unless specifically authorized, in writing, by Nu Skin. This includes private, paid membership, or “closed group” publications. You may not speak to the media on Nu Skin’s behalf and may not represent that you have been authorized by Nu Skin to speak on its behalf. All media contacts or inquiries should be immediately referred to the Public Relations Department of Nu Skin by calling 801-345-1000.

## 5.3 PHONE BOOK ADVERTISING

In order to advertise in the yellow pages or list your name in the white pages of a locally circulated directory in your area or via an internet telephone directory, you must have previously attained and currently enjoy active status as an Executive Brand Partner (also referred to as a Ruby Partner) or above, at the time the agreement for that listing is signed.

- a. In the white pages the advertisement is to be limited to two lines containing the words “Pharmanex (or “Nu Skin”) Independent Brand Affiliate, John Doe (your name),” and a telephone number. Neither bold print nor display advertisements are allowed.
- b. The advertisement must be in the Brand Affiliate’s name only.
- c. In the yellow pages the advertisement must be placed under the category of “Nutrition” or another Nu Skin approved category.

## 5.4 DISTRIBUTING PROMOTIONAL MATERIALS

All promotional materials, including, but not limited to, flyers, business cards, and Blue Diamond Director Business Support Materials registered in accordance with Addendum B of these Policies and Procedures, may be distributed through personal contact only. Promotional material may not be posted in public places, mass mailed or faxed, placed on parked cars, put in mailboxes, or disseminated by any other non-personal contact means.

# 6 RETAIL STORE, TRADE SHOW, AND SERVICE ESTABLISHMENT SALES POLICY

## 6.1 RETAIL STORES

You may not sell Nu Skin Products and/or promote NSI Local Affiliate Products or the Nu Skin business opportunity through retail stores such as health food stores, grocery stores, and other such establishments. You are also prohibited from selling to any Person who will ultimately sell the Nu Skin Products through retail stores or over the internet as set forth in Section 5.2 of Chapter 2. You may, with the prior consent of a retail establishment, place Personalized Advertising Material within the establishment. However, any Personalized Advertising Material must not be visible to the general public in a manner as to attract the general public into the retail establishment.

## 6.2 TRADE SHOW BOOTHS

In general, you may not sell any Nu Skin Products or promote NSI Local Affiliate Products or the Nu Skin business opportunity at flea markets, swap meets, bazaars, supermarkets, exercise clubs, athletic leagues and games, school fairs, malls, or any other similar gatherings where business opportunities or products may be promoted or displayed by others. However, upon the prior written approval of Nu Skin, a Brand Affiliate that owns or is a Participant in a Brand Affiliate Account that has the Title of Brand Representative (sometimes referred to as Executive) or higher Title may rent a booth or set up an exhibit at a Nu Skin approved trade show or convention ("Convention"). If you are the owner of or a Participant in a Brand Affiliate Account with the Title of Brand Representative (sometimes referred to as Executive) or higher Title and you want to set up a booth or exhibit at a Convention you must comply with the following requirements:

- a. The Convention theme must be directly related to the promotion of Nu Skin Products and/or NSI Local Affiliate Products. You may not establish a booth or exhibit for the sole purpose of promoting the Nu Skin business opportunity;
- b. At least four weeks prior to the Convention, you must submit to Nu Skin a proposal regarding the Convention and obtain prior written approval from Nu Skin;
- c. You may only use Nu Skin-approved Advertising Materials;
- d. You may not reference Nu Skin in any form of Advertising Material that implies that Nu Skin is participating in the Convention. Instead, any Nu Skin approved advertisement or promotional material must make specific reference to you as an independent Brand Representative level or higher Brand Affiliate of Nu Skin, including any maps or listings prepared by the sponsor of the Convention;
- e. You may not use the Convention to promote in conjunction with Nu Skin Products or NSI Local Affiliate Products any product, service, or business opportunity other than Nu Skin Products, NSI Local Affiliate Products, and the Nu Skin business opportunity;
- f. During the Convention you must personally comply with the Policies and Procedures, and you are responsible for (i) the actions of every individual who works in the booth at the Convention, (ii) all material distributed at the Convention, and (iii) all other aspects of participation in the Convention; and
- g. In addition to the other remedies provided in the Policies and Procedures, Nu Skin reserves the right to deny future Convention participation by you and/or any owner of or Participant in the Brand Affiliate Account owned by you or in which you are a Participant for any policy violation at a Convention.

### **6.3 SERVICE ESTABLISHMENTS**

If you own or are employed by a service-related establishment, you may provide Nu Skin Products to Customers through this establishment as long as you are providing proper pre-screening and ongoing support to these Customers as called for by the Contract. In any event, no product banners or other Advertising Material may be displayed visibly to the general public in a manner as to attract the general public into the establishment to purchase Nu Skin Products.

- (a) A service-related establishment is one whose revenue is earned primarily by providing personal service rather than by selling products and whose use by customers is controlled by membership or appointment.
- (b) Brand Affiliates may only sell Nu Skin Products through service-related establishments that provide services related to the Nu Skin Products. For example, Pharmanex branded Nu Skin Products may be sold through the offices of doctors and other healthcare professionals, health clubs, or gymnasiums, while Nu Skin and Epoch branded Nu Skin Products may be sold through barber shops, beauty salons, nail boutiques, or tanning centers.
- (c) The website of a service-related establishment may include basic information about Nu Skin Products and approved benefits as they relate to the services provided by the establishment. Notwithstanding, Nu Skin Products may not be sold on such websites and may not be the primary focus of such websites.

### **6.4 NU SKIN'S RIGHT OF FINAL DETERMINATION**

Nu Skin reserves the right, in its sole discretion, to make a final determination as to whether an establishment is service-related or is a proper place for the sale or promotion of Nu Skin Products.

# 7 ONLINE SELLING AND PROMOTION

## 7.1 SOCIAL MEDIA

You may use social networking sites, personal blogs, social media, and other sites that have content that is based on user participation and communication to (1) communicate information about Nu Skin and your involvement with Nu Skin as a Brand Affiliate, (2) post approved information about Nu Skin Products, NSI Local Affiliate Products, and the Nu Skin business opportunity, (3) direct users to a Nu Skin website, and (4) post Advertising Materials. You must know and comply with all the current rules and conditions that Nu Skin has published in the Social Sharing Guidelines found on the applicable Authorized Country's website at [www.nuskin.com](http://www.nuskin.com). The Social Sharing Guidelines for the U.S. can be found [here](#).

## 7.2 SOCIAL SELLING

You may sell Nu Skin Products and promote NSI Local Affiliate Products on platforms and websites that have been approved by Nu Skin in accordance with the Social Sharing Guidelines to support person to person sharing and selling. You must know and comply with all the current rules and conditions that Nu Skin has published in the Social Sharing Guidelines found on the applicable Authorized Country's website at [www.nuskin.com](http://www.nuskin.com). The Social Sharing Guidelines for the U.S. can be found [here](#).

## 7.3 WEBSITES

You may utilize Nu Skin-produced Brand Affiliate websites when available. Blue Diamond Directors may create and maintain an Internet Marketing Site, but only if it has been registered as a Blue Diamond Director Business Support Material. All other website use must comply with the Social Sharing Guidelines found on your Resident Country's website at [www.nuskin.com](http://www.nuskin.com). The Social Sharing Guidelines for the U.S. can be found [here](#).

## 7.4 ONLINE AUCTION SITES AND ONLINE MARKETPLACES

Nu Skin Products may not be sold via any online marketplace or auction site (e.g., Amazon, eBay, Craigslist, Facebook Buy and Sell groups, Etsy, etc.) where product or services are sold by multiple third parties and/or where transactions are processed by the marketplace operator.

## 7.5 ADDITIONAL RESTRICTIONS ON INTERNET USE

All Brand Affiliate websites, apps, and other tools must comply with the following restrictions:

- a. You may not create or distribute websites, apps, or other tools for monthly subscriptions, fees, or any other form of compensation without prior written authorization from Nu Skin;
- b. You may not include any of the NSE Companies' or a third party's (unless you have written permission from the third party) intellectual property or proprietary information in the unique domain names/URL or meta-tags of your websites, or in any other manner which may directly attract customers to access your content, including but not limited to ALT tags, links, blog names, social media page or profile names, or applications;
- c. You may not register your website(s) with search engines or web directories using any of the NSE Companies' or a third-party's intellectual property or any proprietary information (e.g., trademarks, trade names, trade secrets, and copyrighted material) without written permission from the owner;
- d. Nu Skin has the right to make the determination, in its sole discretion, whether your online activities are permitted under this Section 7, or whether any website or platform is considered an Internet Marketing Site. Additionally, you must comply with Nu Skin published guidelines governing online promotion and selling. These guidelines may change from time to time, and it is your responsibility to know the current guidelines and comply with them. In case of a violation, in addition to taking disciplinary action against you in accordance with Chapter 6 of these Policies and Procedures, Nu Skin may require you to immediately remove any content or information that is in violation of Nu Skin policies or guidelines.

## 7.6 INTERNET VIDEO AND AUDIO

You may post audio or video content to promote Nu Skin Products, NSI Local Affiliate Products, and the Nu Skin business opportunity in accordance with Nu Skin policies, including all written guidelines governing online promotion and selling. With the exception of demonstrations of individual Nu Skin Products or NSI Local Affiliate Products, audio or video content used for ongoing training purposes (including information about the Sales Compensation Plan, Nu Skin Products and NSI Local Affiliate Products, and general business principles) must be submitted to Nu Skin for registration as a Business Support Material as outlined in Addendum B to these Policies and Procedures. Notwithstanding the foregoing, audio or video content used for limited training purposes (Facebook Live videos, team calls, etc.) may be shared publicly for a short period of time but must be subsequently removed. Furthermore, you are responsible for ensuring that content containing outdated or irrelevant information is promptly removed.

### **7.7 SPAM**

You must comply with all laws regarding the sending of text messages and email messages, including the CAN-SPAM Act of 2003, 15 U.S.C. Section 7701, et. seq., and it is your duty to become and remain informed about the requirements of these laws. You are prohibited from sending unsolicited text messages or email regarding your website or Brand Affiliate Account to individuals who have not specifically requested information regarding Nu Skin's business opportunity, Nu Skin Products, and/or NSI Local Affiliate Products. In the event an individual who has formerly agreed to receive email or text messages concerning the Nu Skin business opportunity, Nu Skin Products, and/or NSI Local Affiliate Products later requests that you cease sending them texts or email, you must honor this request immediately.

## **8 LEAD GENERATION SERVICES; MEETINGS AND EVENTS**

### **8.1 LEAD GENERATION SERVICES**

Before you sell, purchase, or use any lead in the promotion of your Nu Skin business, you must verify that the lead has been properly obtained and is legal for use in the area where you are contacting the identified lead. This includes but is not limited to ensuring the lead's compliance with "Do Not Call" lists in the country, region, or state where the lead's address is located. Any violation of laws related to leads is the sole responsibility of the Persons providing and contacting the leads. The Person committing the violation must indemnify Nu Skin for any costs or damages arising from regulatory or personal challenges to the use of the lead.

### **8.2 MEETINGS AND EVENTS; NO SPEAKING FEES**

You may not charge a fee to speak at any Brand Affiliate meeting. However, you may be reimbursed for your reasonable out-of-pocket expenses (e.g., travel, hotel, meals) that you incur in attending and speaking at a Brand Affiliate meeting. In the event you are organizing a meeting or other function to be attended by Brand Affiliates, you may charge a fee to Brand Affiliates attending the meeting or other function, but such fee must not be more than is necessary to cover the costs of such meeting or other function.

You may not mislead individuals regarding the purpose of seminars, opportunity meetings, trainings, or any other events at which the Nu Skin business opportunity will be discussed and/or presented. At the time of invitation, you must clearly convey to prospective attendees the purpose of the event. If you intend to conduct events that are not related to Nu Skin Products, NSI Local Affiliate Products, or the Nu Skin business opportunity, you may not promote such events using Nu Skin's Network or contacts.

## **9 RECORDING OF NU SKIN EVENTS AND EMPLOYEES**

You may record any Nu Skin sponsored event or any speech or other presentation made by an employee or other representative of Nu Skin at any meeting, event, or otherwise if it is only for your own private use and is not posted, distributed, copied, or broadcast in any format or media, and is not shown to any other Brand Affiliates, prospective Brand Affiliates, or Customers regardless of the setting. Except for recordings for private use as described in this Section 9, you may not record any Nu Skin sponsored event or record any speech or other presentation made by an employee or other representative of Nu Skin at any meeting, event, or otherwise without the prior written consent of Nu Skin.

# Chapter 4 Sponsoring

## 1 BECOMING A SPONSOR

### 1.1 REQUIREMENTS

You may only cause a Brand Affiliate Account owned by you or in which you are a Participant to be a Sponsor of a new Brand Affiliate if you meet all the requirements and accept all the responsibilities described in the Contract.

### 1.2 THE PLACEMENT OF NEW BRAND AFFILIATES

You may refer Persons to become Brand Affiliates of Nu Skin by having them submit an Application and Brand Affiliate Agreement to Nu Skin. Upon acceptance by Nu Skin of the Application and Brand Affiliate Agreement, the applicants become new Brand Affiliates and are placed in Nu Skin's systems directly below the Brand Affiliate Account of the Sponsor they identify at sign-up. Although a newly sponsored Brand Affiliate may be referred to as part of Your Team or the Team of the Brand Affiliate Account owned by you or in which you are a Participant, this does not create in you or in any Brand Affiliate Account owned by you or in which you are a Participant any form of ownership interest in the Brand Affiliate Account of the newly sponsored Brand Affiliate or with respect to any information regarding that Brand Affiliate Account. All Brand Affiliates are part of the Network, and the Network and any information regarding the Network are an asset that is owned solely by Nu Skin and not the Sponsor or any other Brand Affiliate.

### 1.3 UNAFFILIATED CUSTOMERS-DISTRIBUTION OF NU SKIN LEADS

In Section 1 of Chapter 9, Nu Skin has reserved rights to make sales of Nu Skin Products and NSI Local Affiliate Products to Unaffiliated Customers without payment of retail profit or Bonuses to any Brand Affiliate on such sales. In connection with the first sale by Nu Skin to an Unaffiliated Customer, Nu Skin will give the Unaffiliated Customer the option of consenting to be contacted by a Brand Affiliate. If the Unaffiliated Customer consents to be contacted by a Brand Affiliate, Nu Skin will provide the Unaffiliated Customer's contact information to a Brand Affiliate Account selected by Nu Skin in its discretion from the Nu Skin leads pool and will register the Unaffiliated Customer to such Brand Affiliate Account. If the Unaffiliated Customer does not consent to be contacted by a Brand Affiliate, Nu Skin is not obligated to refer such Unaffiliated Customer to a Brand Affiliate Account with regard to future sales to that Unaffiliated Customer.

## 2 RESPONSIBILITIES OF A SPONSOR

### 2.1 WHO IS THE SPONSOR

In the event a new Brand Affiliate is recruited and sponsored by an individual owner or Spouse Participant in an Individual Brand Affiliate Account, the Individual Brand Affiliate Account is the Sponsor of the new Brand Affiliate. The individual owner and the Spouse Participant shall not be treated as the Sponsor of such new Brand Affiliate and shall not have any individual rights with respect to such new Brand Affiliate. In the event a new Brand Affiliate is recruited and sponsored by the Business Entity owner of or a Participant (including the Primary Participant) in a Business Entity Brand Affiliate Account, the Business Entity Brand Affiliate Account is the Sponsor of the new Brand Affiliate. The Business Entity owner of and any Participants (including the Primary Participant) in such Business Entity Brand Affiliate Account shall not be treated as the Sponsor of such new Brand Affiliate and shall not have any individual rights with respect to such new Brand Affiliate.

### 2.2 TRAINING YOUR TEAM

You must supervise, train, support, and have on-going communication with (i) any Brand Affiliate that you recruit and cause to be

sponsored by the Brand Affiliate Account you own or in which you are a Participant, and (ii) Your Team in a manner consistent with the terms of the Contract. Your responsibilities include, but are not limited to:

- a. Provide regular retail sales and organizational training, guidance, and encouragement to Your Team;
- b. Exercise your best efforts to make sure that all Brand Affiliates in Your Team properly understand and comply with the terms and conditions of the Contract and applicable national and local laws, ordinances, and regulations;
- c. Intervene in any disputes arising within Your Team or between a Customer and any of Your Team and attempt to resolve the disputes promptly and amicably;
- d. Maintain contact with Your Team and be available to answer questions;
- e. Provide training to ensure that the Nu Skin Product and NSI Local Affiliate Product sales and opportunity meetings conducted by Your Team are conducted in accordance with the Contract, current Nu Skin literature, current NSI Local Affiliate literature, and in accordance with any applicable laws, ordinances, and regulations;
- f. Monitor the activities of those Brand Affiliates you personally recruit and cause to be sponsored by the Brand Affiliate Account you own or in which you are a Participant and those in Your Team, and work in good faith with Nu Skin to prevent the violation of these Policies and Procedures and manipulation of the Sales Compensation Plan;
- g. Supervise and assist Your Team's efforts to sell Nu Skin Products and NSI Local Affiliate Products to retail customers; and
- h. Cooperate with Nu Skin regarding investigations of you or Your Team, be truthful and forthright regarding statements made to Nu Skin in connection with investigations of you or Your Team, and, upon request from Nu Skin, provide all relevant documents and other information pertaining to any investigation conducted by Nu Skin regarding the Network, whether an investigation of you or Your Team or otherwise.

### **2.3 LINE SWITCHING**

You may not encourage, entice, or otherwise assist another Brand Affiliate to transfer to a different Sponsor. To do so constitutes an unwarranted and unreasonable interference with the contractual relationship between Nu Skin and its Brand Affiliates. This prohibition includes, but is not limited to, offering financial or other tangible incentives for another Brand Affiliate to terminate an existing Brand Affiliate Account and then re-sign under a different Sponsor. You agree that a violation of this rule inflicts irreparable harm on Nu Skin and agree that injunctive relief is an appropriate remedy to prevent that harm. Nu Skin may also impose penalties on any Brand Affiliate Account that through its owner Brand Affiliate or its Participant Brand Affiliates solicits or entices an existing Brand Affiliate to change lines of sponsorship. In addition to the above, Nu Skin prohibits you from encouraging, enticing, or otherwise assisting a Member to register with a different Brand Affiliate, and may impose penalties on any Brand Affiliate Account that through its owner Brand Affiliate or its Participant Brand Affiliate solicits or entices a Member to register with a different Brand Affiliate. Further, Nu Skin does not condone the practice of approaching another Brand Affiliate's Retail Customers or contacts in order to promote Nu Skin Products, NSI Local Affiliate Products, or the Nu Skin business opportunity.

### **2.4 NO PURCHASE OF PRODUCTS OR BUSINESS SUPPORT MATERIALS AND SERVICES REQUIRED**

There is no required purchase to become a Brand Affiliate. You may not require any Brand Affiliate or prospective Brand Affiliate to purchase any Nu Skin Products, NSI Local Affiliate Products, or any Nu Skin Business Support Materials and Services or Blue Diamond Director Business Support Materials and Services, or imply that any such purchase is required.

### **2.5 CORRECT INFORMATION ON NU SKIN FORMS**

You may not encourage or assist any Brand Affiliate or prospective Brand Affiliate to provide false or inaccurate information in their Application, Brand Affiliate Agreement, or any other Company form.

### **2.6 YOUR TEAM'S COMMUNICATION WITH NU SKIN**

You may not discourage, attempt to prevent, or prevent, for any reason any Brand Affiliate from directly contacting Nu Skin, or Nu Skin from directly contacting any Brand Affiliate. It is your duty to facilitate communication between any Brand Affiliate on Your Team and

Nu Skin at the request of a Brand Affiliate on Your Team or at the request of Nu Skin.

## 3 INTERNATIONAL BUSINESS

### 3.1 INTERNATIONAL BUSINESS

Subject to the Contract, you may conduct business activity as a Brand Affiliate in any Authorized Country. If the market is an Unopened Country, then you are limited to providing business cards and conducting, organizing, or participating in meetings where the number of attendees at any given meeting, including you, does not exceed five. You may not use flyers, cold calling, mass emailing, advertising, or mass soliciting of any kind in order to promote attendance at these meetings. In Unopened Countries you may not:

- a. Import or facilitate the importation of, sell, gift, or distribute in any manner Nu Skin Products, NSI Local Affiliate Products, or samples of Nu Skin Products or NSI Local Affiliate Products;
- b. Place any type of advertisement or distribute any promotional materials regarding Nu Skin, Nu Skin Products, NSI Local Affiliate Products, or the Nu Skin business opportunity, except for any Nu Skin Business Support Materials or Blue Diamond Director Business Support Materials that Nu Skin may have specifically authorized for distribution in a designated Unopened Country;
- c. Solicit or negotiate any agreement for the purpose of committing a citizen or resident of an Unopened Country to the Nu Skin business opportunity, a specific Sponsor, or a specific line of sponsorship.
- d. Sign up citizens or residents of Unopened Countries in an Authorized Country or by using Brand Affiliate Agreement forms from an Authorized Country, unless the citizen or resident of the Unopened Country has, at the time of sign up, permanent residence and the legal authorization to work in the Authorized Country. It is the Sponsor's responsibility to ensure compliance with residency and work authorization requirements. Membership or participation in, or ownership of a corporation, partnership, or other legal entity in, an Authorized Country does not by itself fulfill the residency or legal authorization to work requirements. If the owner of or a Participant in a Brand Affiliate Account fails to provide verification of residency and work authorization when requested by Nu Skin, Nu Skin may, at its election, terminate the Brand Affiliate Account and declare the Brand Affiliate Agreements of the owner and Participants in the Brand Affiliate Account void from their inception;
- e. Accept money or other consideration, or be involved in any financial transaction with any prospective Brand Affiliate either personally or through an agent, for purposes relating to Nu Skin Products, NSI Local Affiliate Products, or the Nu Skin business opportunity, including renting, leasing, or purchasing facilities for the purpose of promoting or conducting Nu Skin-related business; or
- f. Promote, facilitate, or conduct any type of activity which exceeds the limitations set forth in these Policies and Procedures or which Nu Skin, in its sole discretion, deems to be contradictory to Nu Skin's business or ethical interests in international expansion.

### 3.2 MEETINGS IN AN AUTHORIZED COUNTRY WITH ATTENDEES FROM AN UNOPENED COUNTRY

If you have a meeting in an Authorized Country with people who are visiting from an Unopened Country, those people visiting from the Unopened Country are subject to all the restrictions that arise out of their residence or citizenship in an Unopened Country. This means, among other things, that they may not submit an Application and Brand Affiliate Agreement to become Brand Affiliates or purchase Nu Skin Products or NSI Local Affiliate Products for import (including for personal use).

### 3.3 THE INTERNATIONAL SPONSOR AGREEMENT

If you wish to conduct business in an Authorized Country that is not your Resident Country, you must comply with all applicable laws of that specific Authorized Country, including but not limited to, all immigration, visa, and registration requirements. In addition, prior to conducting any Business Activity in an Authorized Country that is not your Resident Country, you must sign an International Sponsor Agreement if the Brand Affiliate Agreement you most recently signed or agreed to its terms did not authorize international sponsoring. Nu Skin, in its sole discretion, reserves the right to reject or revoke your authorization as an international Sponsor in any Authorized Country. When you sign or agree to the terms of an International Sponsor Agreement or a Brand Affiliate Agreement authorizing international sponsorship, NSI grants you the right to sponsor new Brand Affiliates in an Authorized Country other than your Resident Country. Neither the International Sponsor Agreement nor a Brand Affiliate Agreement authorizing international sponsorship grants you



the right to sell NSI Local Affiliate Products in any market or grants you the right to sell Nu Skin Products in any Authorized Country other than your Resident Country.

### **3.4 MAINLAND CHINA**

The Company's business model in Mainland China is different from the business model used in any other market. Mainland China is not an Authorized Country, and you may not conduct business in Mainland China unless you have been specifically authorized in writing by Nu Skin and the local Nu Skin entity operating in Mainland China.

### **3.5 EXPRESS PROHIBITION OF PRE-MARKETING IN CERTAIN COUNTRIES**

Nu Skin reserves the right to designate certain Unopened Countries wherein all pre-marketing conduct is expressly prohibited. It is your responsibility, prior to each instance of conducting pre-market opening activities in an Unopened Country, to verify through current contact with Nu Skin that the Unopened Country in which you plan to conduct those activities is not a prohibited market.

### **3.6 REMEDIES**

In addition to other remedies allowed by the Contract, if you or any owner of or Participant in the Brand Affiliate Account owned by you or in which you are a Participant fails to comply with any provision of Section 3 in this Chapter 4, you and the owner of and the Participants in that Brand Affiliate Account may be prohibited from participating in the affected international market for a period deemed appropriate by Nu Skin and may be subject to the Nu Skin remedies set forth in Chapter 6. This prohibition could include, but is not limited to, the following: restricting the right of that Brand Affiliate Account to sponsor new Brand Affiliates in the affected international market; and prohibiting the payment of Bonuses to that Brand Affiliate Account and its upline on volume generated by that Brand Affiliate Account's Team in the respective international market. In all markets, for a period of up to one year, you and the owner of and the Participants in that Brand Affiliate Account may not be entitled to privileges traditionally afforded Brand Affiliates, such as recognition at corporate events or in corporate literature.

### **3.7 PETITION FOR PERMISSION TO PARTICIPATE**

If you or the Brand Affiliate Account owned by you or in which you are a Participant have been unable to participate in a market because of non-compliance with Section 3 of this Chapter 4, you or the owner of or the Participants in that Brand Affiliate Account must petition Nu Skin in writing for written permission to participate in the market after the period of prohibition has passed.

### **3.8 NO WAIVER**

The provisions of Section 3 of this Chapter 4 do not waive Nu Skin's rights as set forth elsewhere in these Policies and Procedures or in the Contract.

## **Chapter 5 Restrictive Covenants**

### **1 OWNERSHIP OF NETWORK**

You acknowledge and agree that: (i) the Network is protected as a valuable, proprietary, trade secret asset that is owned by Nu Skin; (ii) Brand Affiliates do not have an ownership interest or any other interest or rights in the Network; (iii) the Network has been developed for the exclusive benefit of the NSE Companies, and the NSE Companies may utilize the Network to advance their business interests; (iv) Brand Affiliates are authorized to utilize the Network solely to engage in authorized Business Activities and to promote Nu Skin Products and NSI Local Affiliate Products through the Network; and (v) the protection of the Network from unauthorized use by Brand Affiliates is fundamental to the ongoing success of Nu Skin and its Brand Affiliates.



# 2 RESTRICTIVE COVENANTS

## 2.1 NON-SOLICITATION

a. No Sale of Third-Party Products Through the Network. You may not, in any manner, directly or indirectly, promote, market, or sell the products or services of an individual or a Business Entity that is not one of the NSE Companies (collectively, "Third-Party Products") to a Brand Affiliate or Customer in the Network unless you have a pre-existing business relationship with that Brand Affiliate or Customer to whom you are marketing the products or services prior to one of you becoming a Brand Affiliate or Customer. For example, if you own a hair salon, and as a Brand Affiliate you cause the Brand Affiliate Account owned by you or in which you are a Participant to sponsor one of your hair salon customers, who then becomes a Brand Affiliate, then you may continue selling your hair salon customer your services and hair products from your salon. Notwithstanding the foregoing, you may not (i) offer Third-Party Products or the business opportunity of selling Third-Party Products in conjunction with the sale of Nu Skin Products, (ii) package Third-Party Products with Nu Skin Products, or (iii) offer or promote Third-Party Products or the business opportunity of selling Third-Party Products at Nu Skin or Brand Affiliate meetings, calls, or any other Nu Skin-related functions without the prior written consent of Nu Skin.

b. Non-Solicitation-Brand Affiliates. You may not, in any manner, directly or indirectly, recruit, solicit, or sponsor any Brand Affiliate or Customer to (i) form a relationship with, (ii) promote, sell, or purchase the products or services of, (iii) participate as a salesperson of, or (iv) otherwise associate with a Direct Sales Company, or encourage any Brand Affiliate or Customer to do so or to alter or terminate their relationship with Nu Skin.

c. Survival of Obligation. Your obligations under this Subsection 2.1 survive for a period of two years from the date of your resignation or termination as a Brand Affiliate, or the termination, transfer or other change in ownership status of a Brand Affiliate Account owned by you, whichever is longer.

## 2.2 EXCLUSIVITY

(a.) You acknowledge and agree that a Brand Affiliate Account that has achieved the Title of Executive Brand Partner (sometimes referred to as Ruby Partner) or higher (together with the Brand Affiliate owner of and the Brand Affiliate Participants (including Spouses) in such Brand Affiliate Account) are being compensated, publicly recognized, and otherwise promoted by Nu Skin as a key Brand Affiliate leader. As a Brand Affiliate owner of or a Brand Affiliate Participant in a Brand Affiliate Account with an Executive Brand Partner (sometimes referred to as Ruby Partner) or higher Title, you are reasonably expected to exclusively sell Nu Skin Products and to train Brand Affiliates on your Team to promote Nu Skin's business. Therefore, as a condition to the Brand Affiliate Account owned by you or in which you are a Participant receiving ongoing breakaway compensation on Brand Representative Levels 3 through 6 on its Team, and recognition of the Brand Affiliate Account or any owner of or Participant in the Brand Affiliate Account (including you) as an Executive Brand Partner (sometimes referred to as Ruby Partner) or higher Brand Affiliate leader at Nu Skin events, each owner of and Participant in the Brand Affiliate Account (including you) may not be engaged in any Business Development Activity for any Direct Sales Company.

(b.) If any owner of or Participant in the Brand Affiliate Account owned by you or in which you are a Participant (including you) engage in Business Development Activity for any Direct Sales Company while the Brand Affiliate Account has a Title of Executive Brand Partner (sometimes referred to as Ruby Partner) or higher, then the Brand Affiliate Account will not be eligible to receive any Leading Bonus (as this term is defined in the Sales Compensation Plan) on Brand Representative levels 3 to 6 on its Team during any period in which any owner of or Participant in that Brand Affiliate Account (including you) (i) engage in any Business Development Activity for any Direct Sales Company, or (ii) maintain a Beneficial Interest in any form with respect to a Direct Sales Company, regardless of the number of Brand Representatives on the first level of the Brand Affiliate Account or other qualifications for payment on levels 3 to 6 of the Brand Affiliate Account.

(c.) Within 5 business days of the first engagement in any Business Development Activity for any Direct Sales Company by any owner of or Participant in any Brand Affiliate Account owned by you or in which you are a Participant, you agree to notify Nu Skin that you or any owner of or Participant in the Brand Affiliate Account is engaged in such Business Development Activity. You further agree that upon engaging in such Business Development Activity, if the Brand Affiliate Account has a Title of Executive Brand Partner (sometimes referred to as Ruby Partner) or higher, then that Brand Affiliate Account will no longer be eligible to receive Leading Bonuses on Brand

Representative Levels 3 through 6 as set forth in the preceding paragraph (b). You further agree that you and each owner of and Participant in the Brand Affiliate Account (i) will be liable to refund to Nu Skin any such Leading Bonuses paid to the Brand Affiliate Account during any period following engagement in any such Business Development Activity whether or not you provide the notice to Nu Skin as required by this paragraph (c), and (ii) Nu Skin will have the right to recover any such amount by offsetting such liability against any other Bonuses, past, present or future, that may be payable to such Brand Affiliate Account under the Sales Compensation Plan. Failure to notify Nu Skin of engagement in any Business Development Activity for any Direct Sales Company by the owner of or the Participants in any Brand Affiliate Account owned by you or in which you are a Participant will be considered a violation of these Policies and Procedures and may result in other action being taken by the Nu Skin, including termination of the Brand Affiliate Account owned by you or in which you are a Participant and your right to be a Brand Affiliate.

### **2.3 CONFIDENTIAL INFORMATION**

As a result of your position as a Brand Affiliate, you have access to Confidential Information that you acknowledge to be proprietary, highly sensitive and valuable to Nu Skin's business, which information is available to you solely and exclusively for purposes of furthering the sale of Nu Skin Products and NSI Local Affiliate Products and prospecting, training and sponsoring individuals and Business Entities that wish to become Brand Affiliates, and to further build and promote your Nu Skin business. You and Nu Skin agree and acknowledge that, but for your agreement of confidentiality and nondisclosure, Nu Skin would not make Confidential Information available to you. You agree that upon your resignation as a Brand Affiliate or the termination of a Brand Affiliate Account owned by you or in which you are a Participant, you will promptly destroy or return to Nu Skin all Confidential Information. You agree that this Section 2.3 (including the prohibitions set forth herein below) will survive the termination or expiration of your Brand Affiliate Agreement. During any term of the Brand Affiliate Agreement, and for a period of two years after the termination or expiration of the Brand Affiliate Agreement, you will not, for any reason, on your own behalf, or on behalf of any other Person:

- a. Disclose, directly or indirectly, to any Person not an employee of Nu Skin or a Brand Affiliate of Nu Skin any Confidential Information, including, but not limited to Confidential Information related to or contained in the Network, without the prior written consent of Nu Skin;
- b. Disclose, directly or indirectly, passwords or other access codes to the computer systems of Nu Skin; or
- c. Without the prior written consent of Nu Skin, use the Confidential Information to compete with Nu Skin (including, but not limited to, using the information to solicit other Brand Affiliates and Customers), or for any purpose other than promoting Nu Skin, Nu Skin Products, and NSI Local Affiliate Products during the term of the Brand Affiliate Agreement.

### **2.4 CONFIDENTIALITY OF BRAND AFFILIATE ACCOUNT INFORMATION**

As a result of your position as a Brand Affiliate, you may, at the sole discretion of Nu Skin, be provided access to information about other Brand Affiliate Accounts and their Teams for the sole purpose of allowing you to provide business support to these Brand Affiliate Accounts and their Teams. This information is highly confidential, and you may not disclose information about another Brand Affiliate Account and its Team to any Person not a Nu Skin employee or an owner of or a Participant in the Brand Affiliate Account owned by you or in which you are a Participant. By accessing such information, you expressly agree to these restrictions and acknowledge that, but for your agreement of confidentiality and nondisclosure, Nu Skin would not make such information about other Brand Affiliate Accounts and their Teams available to you. You agree that your obligations under this Section 2.4 continue through the term of your Brand Affiliate Agreement and for a period of two years after the termination or expiration of your Brand Affiliate Agreement.

### **2.5 NON-DISPARAGEMENT**

In consideration of Nu Skin's recognitions, Bonuses, and other compensation received by the Brand Affiliate Account owned by you or in which you are a Participant, you agree not to make any misleading, unfair, inaccurate, or disparaging statements about Nu Skin or Nu Skin's business, about other Brand Affiliates or Nu Skin employees, or about Nu Skin Products, NSI Local Affiliate Products, the Sales Compensation Plan, or the Policies and Procedures. Violation of this non-disparagement agreement may result in termination of the Brand Affiliate Account owned by you or in which you are a Participant and your right to be a Brand Affiliate. This non-disparagement agreement is not intended to provide any third-party rights or benefits to other Brand Affiliates or to allow other Brand Affiliates to assert breach of contract claims against you for violations of this non-disparagement agreement. Nothing in this Section 2.5 shall be

interpreted to prohibit or restrict any individual from (i) cooperating with or participating in any Nu Skin or government-sanctioned inquiry, investigation, audit, subpoena or similar action, or (ii) providing truthful testimony in any arbitration or any administrative or judicial proceeding. You agree that your obligations under this Section 2.5 continue through the term of your Brand Affiliate Agreement and for a period of two years after the termination or expiration of your Brand Affiliate Agreement.

## 3 REMEDIES

You acknowledge and agree that a violation of your obligations under this Chapter 5: (i) will damage the competitive business interest and integrity of Nu Skin; (ii) will inflict irreparable harm to Nu Skin and that monetary damages will be insufficient to compensate Nu Skin for such harm; and (iii) will entitle Nu Skin to an injunction or temporary restraining order without prior notice to you restraining the violations of your obligations under this Chapter 5, which relief may be in addition to any other available legal remedy, including damages. In any such action brought by Nu Skin, you agree that the prevailing party or parties in such action will be reimbursed by the non-prevailing party or parties in such action their costs and reasonable attorneys' fees incurred in connection with such action. As to Nu Skin, you waive all bonding or other security requirements otherwise applicable to a temporary restraining order and/or injunction.

## 4 ENFORCEABILITY

In the event that any provision of this Chapter 5 should ever be deemed or adjudged by a court of competent jurisdiction or an arbitrator with proper jurisdiction, to exceed the limitations permitted by applicable law, then the remaining provisions will nevertheless be valid and enforceable to the maximum extent allowable as determined by such court or arbitrator, and such provisions will be reformed to the maximum allowable limitations as determined by such court or arbitrator. The remainder of the prohibitions and protections in this Chapter 5 will remain in full force and effect.

# Chapter 6 Enforcement of Contract

## 1 THE CONTRACT

You agree that the relationship between you and Nu Skin is governed by the written Contract. The Contract may be amended by Nu Skin as provided in these Policies and Procedures. You may not amend the Contract unless the amendment is in writing and signed or accepted electronically by you and Nu Skin. Neither you nor Nu Skin may claim that the Contract (i) has been altered or amended by any practice or course of dealing or course of action, provided, however, that Nu Skin may alter or amend the Contract as provided in Chapter 10, Section 1 and you may accept the new Contract terms by your practice, course of dealing or course of action as provided in Chapter 10, Section 1, (ii) has been modified or amended verbally by an officer or employee of Nu Skin, or (iii) that there is a quasi-contract or an implied in fact contract between you and Nu Skin. The rights of a Brand Affiliate under the Contract depend on the Brand Affiliate, the owner of and each Participant in the Brand Affiliate Account of the Brand Affiliate, and each Person for whose acts the Brand Affiliate and/or the Brand Affiliate Account are responsible meeting all of the obligations of the Contract.

## 2 ACTS OF OWNER, PARTICIPANTS, AND OTHERS IN A BRAND AFFILIATE ACCOUNT

The acts of any Person conducting Business Activity for a Brand Affiliate Account (including, without limitation, the Brand Affiliate owner of an Individual Brand Affiliate Account, a Spouse authorized to be a Brand Affiliate Participant in an Individual Brand Affiliate Account, the Business Entity owner and the Brand Affiliate Participants in a Business Entity Brand Affiliate Account, or a Spouse,

partner, employee, or agent of a Brand Affiliate not recognized in Nu Skin's systems as the owner of or a Participant in the Brand Affiliate Account), or any Person with a Beneficial Interest in the Brand Affiliate Account, will be considered to be the acts of the Brand Affiliate Account, the Brand Affiliate Account owner, and each Participant in the Brand Affiliate Account, and will be subject to the terms and conditions of the Contract. Nothing in the foregoing sentence authorizes any Person not a Brand Affiliate owner of or a Brand Affiliate Participant in a Brand Affiliate Account to engage in any Business Activity for or to have a Beneficial Interest in a Brand Affiliate Account.

## 3 PROCEDURES FOR INVESTIGATION, DISCIPLINE AND TERMINATION

This Section 3 describes the procedures that Nu Skin will employ for the investigation, discipline, and/or termination of a Brand Affiliate and/or Brand Affiliate Account for an alleged violation of the Contract by a Brand Affiliate or for which a Brand Affiliate or Brand Affiliate Account may be responsible. Alleged violations of the terms or conditions of the Contract by a Brand Affiliate or for which a Brand Affiliate or Brand Affiliate Account may be responsible may be brought to the attention of Nu Skin's Compliance Department by Brand Affiliates, Customers, and/or other sources, including, without limitation, through Nu Skin's own resources and investigations ("Alleged Violations"). Except as otherwise provided in this Section 3 with respect to Alleged Violations referred to Nu Skin's Legal Department for internal investigation and possible action, the procedures of this Section 3 must be exhausted with respect to an Alleged Violation processed through this Section 3 before either Nu Skin or a Brand Affiliate may commence arbitration pursuant to Chapter 7 or other legal or equitable proceedings authorized by Chapter 7 regarding the Alleged Violation or Nu Skin's action, if any, taken regarding the Alleged Violation. Regarding any controversies or disputes between Nu Skin and a Brand Affiliate not commenced by Nu Skin's notice to a Brand Affiliate of an Alleged Violation pursuant to Section 3.4 and/or Nu Skin's notice to a Brand Affiliate of direct action to be taken by Nu Skin because of an Alleged Violation pursuant to Section 3.6 or 3.7 and processed by Nu Skin through this Section 3, either Nu Skin or a Brand Affiliate may assert claims against the other for breaches of the Contract or for any other causes of action through (i) the commencement of arbitration pursuant to Chapter 7 or other legal or equitable proceedings authorized by Chapter 7 (if the controversy or dispute is a "Dispute" as defined in Chapter 7), or (ii) the commencement of any civil proceedings for relief afforded by the Contract and applicable law (if the controversy or dispute is not a "Dispute" as defined in Chapter 7), without regard to and without exhausting the procedures of this Section 3.

### 3.1 PROCESSING OF ALLEGED VIOLATIONS OF THE CONTRACT BY BRAND AFFILIATES

Nu Skin's Compliance Department may in its sole discretion and based on the nature of and evidence supporting the Alleged Violation process any Alleged Violation reported to it or that otherwise comes to its attention (including, without limitation, through Nu Skin's own resources and investigations) for direct action or for investigation and potential action as follows: (i) upon determination a violation of the terms or conditions of the Contract has occurred, take immediate direct action in accordance with Section 3.7 of this Chapter 6, (ii) upon determination a violation of the terms or conditions of the Contract has occurred or, if without determining a violation of the Contract has occurred, Nu Skin determines that direct action is required for the protection of Nu Skin's business and/or the Network during the period of investigation of the Alleged Violation, take direct action in accordance with Section 3.6 of this Chapter 6, (iii) upon determination that there has been or may have been a violation of the Contract, refer the Alleged Violation to Nu Skin's Compliance Review Committee ("CRC") for investigation and potential action in accordance with Section 3.4 of this Chapter 6, or (iv) upon determination that there has been or may have been a violation of the Contract, refer the Alleged Violation to Nu Skin's Legal Department for an internal investigation and potential action to be overseen by Nu Skin's Legal Department or a designee of Nu Skin's Legal Department. If the Alleged Violation is referred to Nu Skin's Legal Department for internal investigation and potential action, Nu Skin's Legal Department or its designee may use whatever procedures are deemed appropriate for the investigation and action, and may engage outside investigators and/or legal counsel to assist with the internal investigation and to make recommendations regarding possible action. If the Alleged Violation is referred to Nu Skin's Legal Department for internal investigation and possible action, and if Nu Skin determines there has been a violation of the Contract by a Brand Affiliate or for which a Brand Affiliate or Brand Affiliate Account is responsible, in addition to the remedies available to Nu Skin for direct action under Sections 3.6 and 3.7, Nu Skin may commence arbitration pursuant to Chapter 7 for an adjudication authorizing Nu Skin to terminate a Brand Affiliate Account and the Contracts of the owners of and the Participants in the Brand Affiliate Account after giving ten business days advance written notice of

the Alleged Violation and Nu Skin's intended filing of a demand for arbitration to the Brand Affiliate owner (in the case of an Individual Brand Affiliate Account) or the Primary Participant (in the case of a Business Entity Brand Affiliate Account).

### **3.2 TIME LIMITS FOR NU SKIN ACTION REGARDING ALLEGED VIOLATIONS**

a. IN ORDER TO PREVENT STALE CLAIMS OF CHANGES IN THE SPONSOR OF A BRAND AFFILIATE OR A BRAND AFFILIATE ACCOUNT ALLEGED TO VIOLATE THE TERMS AND CONDITIONS OF THE CONTRACT (COLLECTIVELY "LINE SWITCH CLAIMS") FROM DISRUPTING THE BUSINESS ACTIVITIES OF BRAND AFFILIATES AND BRAND AFFILIATE ACCOUNTS AND THE BUSINESS OF NU SKIN, NU SKIN WILL NOT TAKE ACTION ON ANY ALLEGED LINE SWITCH CLAIM NOT SUBMITTED IN WRITING TO NU SKIN'S COMPLIANCE DEPARTMENT WITHIN TWO YEARS OF THE DATE OF THE FIRST OCCURRENCE OF THE ALLEGED VIOLATION.

b. WITH REGARD TO ANY ALLEGED VIOLATION OF THE CONTRACT OTHER THAN A LINE SWITCH CLAIM, SUBJECT TO ANY APPLICABLE STATUTES OF LIMITATION OR STATUTES OF REPOSE, NU SKIN MAY TAKE ACTION AT ANY TIME REGARDING THE ALLEGED VIOLATION OF THE TERMS OR CONDITIONS OF THE CONTRACT BY A BRAND AFFILIATE OR FOR WHICH A BRAND AFFILIATE OR A BRAND AFFILIATE ACCOUNT MAY BE RESPONSIBLE.

### **3.3 BALANCE OF RIGHTS REGARDING ALLEGED VIOLATION MATTERS**

Nu Skin's investigative procedures and dispute resolution process in this Section 3 for Alleged Violations is intended to balance your rights of privacy and the rights of other Brand Affiliates and the rights of Nu Skin. Therefore, unless and until the matter of the Alleged Violation and Nu Skin's action, if any, taken regarding the Alleged Violation pursuant to this Chapter 6 (the "Alleged Violation Matter") has been submitted to arbitration in accordance with Chapter 7 as authorized by this Chapter 6, all information and evidence received by Nu Skin regarding the Alleged Violation Matter will be released only to Nu Skin's investigative agents, Nu Skin's outside counsel, you and/or your legal counsel, and other Brand Affiliates involved in the Alleged Violation Matter (whether as witnesses or otherwise) and/or their legal counsel as Nu Skin deems appropriate, provided, however, nothing in this Section 3.3 or elsewhere in the Contract is intended to require, nor shall it require, that Nu Skin disclose to a Brand Affiliate who is the subject of an investigation of an Alleged Violation any evidence delivered to or collected by Nu Skin in its investigation of the Alleged Violation prior to the Alleged Violation Matter being submitted to arbitration. Before releasing any information, Nu Skin will consider (i) the complexity of the Alleged Violation Matter and (ii) the appropriate balance under the circumstances between privacy rights and the need to make disclosures to thoroughly investigate violations of Contract obligations and/or to take appropriate action. If the Alleged Violation Matter is subject to arbitration as provided in this Chapter 6, all information and evidence will be made available in accordance with the rules and procedures for arbitration described in Chapter 7 and any orders issued by an arbitrator or court in connection with the arbitration.

### **3.4 CRC PROCEDURES FOR PROCESSING ALLEGED VIOLATIONS**

If Nu Skin determines that there has been or may have been a violation of the Contract, Nu Skin may process the Alleged Violation through the CRC in accordance with the following procedures:

a. Written Notice. The Brand Affiliate owner (in the case of an Individual Brand Affiliate Account) or the Primary Participant (in the case of a Business Entity Brand Affiliate Account) of the Brand Affiliate Account owned by the Brand Affiliate alleged to have violated the Contract or to be responsible for a violation of the Contract or in which that Brand Affiliate was or is a Participant will receive written notice from the Nu Skin Compliance Department that a Brand Affiliate or a Person for whom a Brand Affiliate or a Brand Affiliate Account is responsible has violated or may have violated the Contract, along with a brief description of the Alleged Violation. Nu Skin may, in its sole discretion and without any requirement under the Contract to do so, provide a copy of the written notice to other Brand Affiliates that may be adversely affected by any actions of Nu Skin that may be taken in response to the Alleged Violation.

b. Responses and Nu Skin Prohibitions. The Brand Affiliate owner (in the case of an Individual Brand Affiliate Account) or the Primary Participant (in the case of a Business Entity Brand Affiliate Account) will have 10 business days from the date of Nu Skin's written notice during which to present in writing to the CRC all the information that the Brand Affiliate owner or the Primary Participant, as applicable, or any others having an interest in the Brand Affiliate Account consider relevant to the Alleged Violation. Relevant Information possessed by those having an interest in the Brand Affiliate Account other than the Brand Affiliate owner (in the case of an Individual Brand Affiliate Account) or the Primary Participant (in the case of a Business Entity Brand Affiliate Account) is to be submitted to the CRC through the Brand Affiliate owner or Primary Participant, as applicable. The Brand Affiliate owner (in the case of an Individual Brand Affiliate Account) or the Primary Participant (in the case of a Business Entity Brand Affiliate Account) may provide



information about Individuals that have relevant information, together with their names and addresses, other appropriate contact information, and copies of relevant documents. Information submitted to the CRC may be mailed to Nu Skin Compliance Review Committee, c/o Nu Skin Compliance, 75 West Center Street, Provo, Utah 84601 or emailed to [nacompliance@nuskin.com](mailto:nacompliance@nuskin.com).

c. If the Brand Affiliate owner (in the case of an Individual Brand Affiliate Account) or the Primary Participant (in the case of a Business Entity Brand Affiliate Account) fails to timely respond to the written notice or fails to timely provide relevant facts and information to the CRC, the CRC may take action that it deems appropriate based on the information that has been provided to it or that was independently discovered. Nu Skin has the right to prohibit the activities of the Brand Affiliate alleged to have violated the Contract or alleged to be responsible for the acts of another who violated the Contract, the Brand Affiliate Account owned by that Brand Affiliate or in which that Brand Affiliate was or is a Participant, and/or the Participants in the Brand Affiliate Account (including, without limitation, placing orders for Nu Skin Products or NSI Affiliate Products, sponsoring, receiving Bonuses, etc.) from the time the written notice is sent of the Alleged Violation to the Brand Affiliate owner (in the case of an Individual Brand Affiliate Account) or the Primary Participant (in the case of a Business Entity Brand Affiliate Account) until a final resolution of the Alleged Violation.

d. CRC Decision. The CRC will review any information submitted by the Brand Affiliate owner (in the case of an Individual Brand Affiliate Account) or the Primary Participant (in the case of a Business Entity Brand Affiliate Account) within the 10-day period and any information that the CRC or Nu Skin have independently discovered. The CRC will make a final decision regarding the Alleged Violation and the action that Nu Skin will take, if any, and will send the Brand Affiliate owner (in the case of an Individual Brand Affiliate Account) or the Primary Participant (in the case of a Business Entity Brand Affiliate Account) a written notice and copy of the final decision of the CRC. Nu Skin may, in its sole discretion and without any requirement under the Contract to do so, provide a copy of the decision of the CRC to other Brand Affiliates that may be adversely affected by the CRC decision.

### **3.5 COMPLIANCE APPEALS COMMITTEE (CAC)**

a. Right to Appeal Nu Skin Direct Action and CRC Final Decision. If Nu Skin gives written notice that it will take immediate direct action regarding an Alleged Violation as provided in Section 3.7 of this Chapter 6, if Nu Skin gives written notice that it will take direct action regarding an Alleged Violation as provided in Section 3.6 of this Chapter 6, or if the CRC has issued written notice of its final decision regarding an Alleged Violation and the action Nu Skin will take, if any, regarding the Alleged Violation, then the Brand Affiliate owner (in the case of an Individual Brand Affiliate Account) or the Business Entity owner acting through the Primary Participant (in the case of a Business Entity Brand Affiliate Account) or any Participant in the Brand Affiliate Account adversely affected by Nu Skin's direct action or the CRC decision will have 10 business days from the date of Nu Skin's notices of direct action as provided in Section 3.7 or Section 3.6 of this Chapter 6 or the CRC's written notice of a final decision as provided in Section 3.4(c) of this Chapter 6 to submit in writing the Brand Affiliate owner's (in the case of an Individual Brand Affiliate Account), the Business Entity owner's (acting through the Primary Participant, in the case of a Business Entity Brand Affiliate Account), or the adversely affected Brand Affiliate Participant's appeal to the Nu Skin's Compliance Appeals Committee ("CAC"), including all submissions in support of the appeal. The written appeal must include a description of the Brand Affiliate owner's (in the case of an Individual Brand Affiliate Account), the Business Entity owner's (acting through the Primary Participant, in the case of a Business Entity Brand Affiliate Account), or the adversely affected Brand Affiliate Participant's objections to Nu Skin's direct action as provided in Section 3.7 or Section 3.6 of this Chapter 6 or the CRC final decision and/or the action Nu Skin will take in accordance with the CRC final decision, and the basis for the objections. The appeal submitted to the CAC may be mailed to Nu Skin Compliance Appeals Committee, c/o Nu Skin Compliance, 75 West Center Street, Provo, Utah 84601 or emailed to [nacompliance@nuskin.com](mailto:nacompliance@nuskin.com).

b. Consequences of Failing to Appeal. If an appeal to the CAC is not submitted within the 10 day period, then (i) if the matter not timely appealed to the CAC concerned direct action by Nu Skin as provided in Section 3.7 or Section 3.6 of this Chapter 6, Nu Skin's direct action shall become final, unappealable, and binding on the Brand Affiliates and Brand Affiliate Account the subject of the Alleged Violation, the owner and all Participants in that Brand Affiliate Account, and the Team of that Brand Affiliate Account, and (ii) if the matter not timely appealed to the CAC was a final decision of the CRC, the CRC final decision shall become final, unappealable, and binding on Nu Skin and the Brand Affiliates and Brand Affiliate Account the subject of the Alleged Violation, the owner and all Participants in that Brand Affiliate Account, and the Team of that Brand Affiliate Account.

c. CAC Actions Regarding an Appeal. Within 90 calendar days of receipt of a timely written appeal to the CAC by the Brand Affiliate owner (in the case of an Individual Brand Affiliate Account), the Business Entity owner acting through the Primary Participant (in the

case of a Business Entity Brand Affiliate Account), and/or an adversely affected Brand Affiliate Participant, the CAC will review the appeal and provide written notice to the Brand Affiliate owner (in the case of an Individual Brand Affiliate Account), the Primary Participant (in the case of a Business Entity Brand Affiliate Account), and/or any adversely affected Brand Affiliate Participant that submitted an appeal (provided information sufficient for providing notice was submitted in the appeal of the adversely affected Brand Affiliate Participant) (i) of its final decision, (ii) that its review will require additional time, or (iii) that the matter should proceed directly to arbitration under Chapter 7. Nu Skin may, in its sole discretion and without any requirement under the Contract to do so, provide a copy of the written notice and, if applicable, the CAC final decision to other Brand Affiliates that may be adversely affected by the CAC's written notice and, if applicable, the CAC final decision.

d. CAC Referral of Matter to Arbitration. If the CAC has decided that the matter should proceed directly to arbitration under Chapter 7, Nu Skin or the Brand Affiliate owner (in the case of an Individual Brand Affiliate Account), the Business Entity owner acting through the Primary Participant (in the case of a Business Entity Brand Affiliate Account), or any Brand Affiliate Participant in the Brand Affiliate Account adversely affected by Nu Skin's direct action or the CRC final decision (whether or not such adversely affected Brand Affiliate Participant appealed to the CAC) may commence arbitration regarding the Alleged Violation Matter in accordance with the rules and procedures of Chapter 7 within 60 calendar days of the CAC written notice referring the matter to arbitration. If neither Nu Skin nor the Brand Affiliate owner (in the case of an Individual Brand Affiliate Account) or the Business Entity owner acting through the Primary Participant (in the case of a Business Entity Brand Affiliate Account), nor an adversely affected Brand Affiliate Participant commences arbitration within the 60 calendar day period, then (i) if the matter before the CAC was direct action by Nu Skin as provided in Section 3.7 or Section 3.6 of this Chapter 6, Nu Skin's direct action shall become final, unappealable, and binding on Nu Skin and the Brand Affiliates and Brand Affiliate Account the subject of the Alleged Violation, the owner and all Participants in that Brand Affiliate Account, and the Team of that Brand Affiliate Account, and (ii) if the matter before the CAC was a final decision of the CRC, the CRC final decision shall become final, unappealable, and binding on Nu Skin and the Brand Affiliates and Brand Affiliate Account the subject of the Alleged Violation, the owner and all Participants in that Brand Affiliate Account, and the Team of that Brand Affiliate Account.

e. CAC Final Decision. When the CAC has made a final decision regarding an Alleged Violation, it will send the Brand Affiliate owner (in the case of an Individual Brand Affiliate Account), Primary Participant (in the case of a Business Entity Brand Affiliate Account), and any adversely affected Brand Affiliate Participant that submitted an appeal (provided information sufficient for providing notice was submitted in the appeal of the adversely affected Brand Affiliate Participant) written notice and a copy of the final decision. Nu Skin may, in its sole discretion and without any requirement under the Contract to do so, provide a copy of the CAC written notice and final decision to other Brand Affiliates that may be adversely affected by the CAC final decision.

f. Right to Commence Arbitrations Regarding CAC Final Decisions. The Brand Affiliate owner (in the case of an Individual Brand Affiliate Account), the Business Entity owner acting through the Primary Participant (in the case of a Business Entity Brand Affiliate Account), or any Brand Affiliate Participant in the Brand Affiliate Account adversely affected by the CAC final decision (whether or not such adversely affected Brand Affiliate Participant appealed to the CAC) will have 60 calendar days from the date of the CAC written notice of final decision to commence arbitration of the Alleged Violation Matter in accordance with the rules and procedures set forth in Chapter 7. If the arbitration is commenced within the 60-day period, the Alleged Violation Matter shall be decided de novo in arbitration in accordance with Chapter 7. If an arbitration is not commenced within the 60-day period, then the final decision of the CAC shall become final, unappealable, and binding on Nu Skin and the Brand Affiliates and Brand Affiliate Account the subject of the Alleged Violation, the owner and all Participants in that Brand Affiliate Account, and the Team of that Brand Affiliate Account. Commencement of arbitration of an Alleged Violation Matter shall not stay or otherwise interfere with or impede in any way Nu Skin from taking and enforcing any direct action taken by Nu Skin pursuant to Section 3.7 and/or Section 3.6 of this Chapter 6 pending the outcome of the arbitration and any further dispute resolution procedures regarding the Alleged Violation Matter.

### **3.6 NU SKIN DIRECT ACTIONS FOR VIOLATIONS OF THE CONTRACT OR TO PROTECT NU SKIN DURING INVESTIGATIONS OF ALLEGED VIOLATIONS**

If Nu Skin determines that a violation of the Contract has occurred, Nu Skin may, in its sole discretion, take action without consideration of the Alleged Violation by the CRC (hereinafter in this Chapter 6, "direct action") to terminate the Brand Affiliate Account and the Contract of each owner of and Participant in the Brand Affiliate Account. In addition to, or in lieu of, terminating the Brand Affiliate Account and the Contract of each



owner of and Participant in the Brand Affiliate Account by direct action, if Nu Skin determines that a violation of the Contract has occurred, or if without determining a violation of the Contract has occurred, Nu Skin determines that direct action is required for the protection of Nu Skin's business and/or the Network during the period of investigation of the Alleged Violations or arbitration or other dispute resolution proceedings regarding the Alleged Violation, Nu Skin may take any direct action it deems appropriate, including any or all of the following:

- a. Provide the Brand Affiliate owner (in the case of an Individual Brand Affiliate Account) or the Primary Participant (in the case of a Business Entity Brand Affiliate Account) with written notice of Nu Skin's concerns and of Nu Skin's intent to terminate the Brand Affiliate Account and the Contract of each owner of and Participant in the Brand Affiliate Account if the violations of the Contract continue;
- b. Suspend the rights under the Contract of the owner and/or one or more of the Participants in a Brand Affiliate Account, and/or suspend the payment of Bonuses and any special incentives to a Brand Affiliate Account;
- c. Monitor the future performance of the owner and/or one or more of the Participants in a Brand Affiliate Account over a specified period of time;
- d. Provide the Brand Affiliate owner (in the case of an Individual Brand Affiliate Account) or the Primary Participant (in the case of a Business Entity Brand Affiliate Account) with written notice of specific actions the owner and/or one or more of the Participants in the Brand Affiliate Account must take to correct the violations of the Contract and require the Brand Affiliate owner (in the case of an Individual Brand Affiliate Account) or the Primary Participant (in the case of a Business Entity Brand Affiliate Account) provide Nu Skin with a written description of what the owner of and Participants in the Brand Affiliate Account intend to do to meet contractual obligations;
- e. Stop performing Nu Skin's obligations under the Contract or terminate or suspend the privileges under the Contract of the owner and/or one or more of the Participants in a Brand Affiliate Account, including, without limitation: terminating or suspending the rights of the owner and/or one or more of the Participants in the Brand Affiliate Account to receive awards; terminating or suspending the rights of the owner and/or one or more of the Participants in the Brand Affiliate Account to be recognized at corporate events or in corporate media (publications, videos, etc.); terminating or suspending the rights of the owner and/or one or more of the Participants in the Brand Affiliate Account to participate in Nu Skin sponsored events or Brand Affiliate sponsored events; terminating or suspending the rights of the owner and/or one or more of the Participants in the Brand Affiliate Account to place orders for Nu Skin Products and/or NSI Local Affiliate Products; terminating or suspending the rights of the owner and/or one or more of the Participants in the Brand Affiliate Account to receive promotions within the Sales Compensation Plan; terminating or suspending the rights of the owner and/or one or more of the Participants in the Brand Affiliate Account to recruit and sponsor Brand Affiliates in the United States and/or Authorized Countries outside the United States; reducing the Title of the Brand Affiliate and/or Brand Affiliate Account and/or terminating or suspending the rights of the owner and/or one or more of the Participants in the Brand Affiliate Account to receive Bonuses on volumes on one or more levels of their Team; and/or terminating or suspending the status or eligibility of the owner and/or one or more of the Participants in the Brand Affiliate Account to be recognized and compensated as a "Brand Representative" under the Sales Compensation Plan;
- f. Reduce the payment of all or any part of the Bonuses payable to a Brand Affiliate Account based on sales made by the owner of or Participants in the Brand Affiliate Account and/or all or any part of their Team;
- g. Reassign all or part of the Team of the Brand Affiliate and/or Brand Affiliate Account to a different Sponsor;
- h. Recover from the owner and/or one or more of the Participants in a Brand Affiliate Account any damages to Nu Skin caused by the violation of the Contract;
- i. Take any action that Nu Skin deems appropriate to protect Nu Skin and its Network; and/or
- j. Seek injunctive relief or any other remedies available at law or in equity.

Nu Skin will provide the Brand Affiliate owner (in the case of an Individual Brand Affiliate Account) and the Primary Participant (in the

case of a Business Entity Brand Affiliate Account) with written notice of Nu Skin's direct action, if any, pursuant to this Section 3.6 of this Chapter 6. Nu Skin may, in its sole discretion and without any requirement under the Contract to do so, provide a copy of the written notice to other Brand Affiliates that may be adversely affected by the direct action. The Brand Affiliate owner (in the case of an Individual Brand Affiliate Account), the Business Entity owner acting through the Primary Participant (in the case of a Business Entity Brand Affiliate Account), or any Participant in the Brand Affiliate Account adversely affected by Nu Skin's direct action will have 10 business days from the date of Nu Skin's notice of direct action to appeal Nu Skin's direct actions pursuant to this Section 3.6 of this Chapter 6 to the CAC as provided in Section 3.5 of this Chapter 6. Any appeal of Nu Skin's direct action to the CAC shall not stay or otherwise interfere with or impede in any way Nu Skin from taking and enforcing the direct action described in the written notice pending the outcome of the appeal and any further dispute resolution procedures following action by the CAC regarding the appeal.

### **3.7 IMMEDIATE DIRECT ACTION**

If Nu Skin determines that a violation of the Contract has occurred, and if Nu Skin determines, in its sole discretion, that the violation requires immediate direct action, or if Nu Skin has previously notified the Brand Affiliate in violation of the Contract and/or the owner of the Brand Affiliate Account (for an Individual Brand Affiliate Account) or the Primary Participant of the Brand Affiliate Account (for a Business Entity Brand Affiliate Account) in which the Brand Affiliate in violation of the Contract is a Participant that it will take immediate direct action for violations or actions similar to those described in such prior notice, then Nu Skin may take any immediate direct action or remedy that it deems appropriate, including termination of the Brand Affiliate Account and the rights of each owner of and Participant in the Brand Affiliate Account to act as Brand Affiliates, and the right of the Brand Affiliate Account to receive any Bonuses or special incentives. Nu Skin will provide the Brand Affiliate owner (in the case of an Individual Brand Affiliate Account) or the Primary Participant (in the case of a Business Entity Brand Affiliate Account) with written notice of Nu Skin's immediate direct action, if any, pursuant to this Section 3.7 of this Chapter 6. Nu Skin may, in its sole discretion and without any requirement under the Contract to do so, provide a copy of the written notice to other Brand Affiliates that may be adversely affected by the direct action. The Brand Affiliate owner (in the case of an Individual Brand Affiliate Account), the Business Entity owner acting through the Primary Participant (in the case of a Business Entity Brand Affiliate Account), or any Participant in the Brand Affiliate Account adversely affected by Nu Skin's direct action will have 10 business days from the date of Nu Skin's notice of immediate direct action to appeal Nu Skin's immediate direct action pursuant to this Section 3.7 of this Chapter 6 to the CAC as provided in Section 3.5 of this Chapter 6. Any appeal of Nu Skin's direct action to the CAC shall not stay or otherwise interfere with or impede in any way Nu Skin from taking and enforcing the direct action described in the written notice pending the outcome of the appeal and any further dispute resolution procedures following action by the CAC regarding the appeal.

## **4 REMEDIES**

Nu Skin reserves the right, at its sole discretion, to exercise any remedy available to it. Any failure or delay by Nu Skin in exercising such remedies will not operate as a waiver of such remedies.

## **5 TERMINATION OF CONTRACTS AND BRAND AFFILIATE ACCOUNTS**

a. Subject to the conditions of this Section 5 of this Chapter 6, (i) the Brand Affiliate owner of an Individual Brand Affiliate Account may terminate the Brand Affiliate Account he or she owns and the Primary Participant of a Business Entity Brand Affiliate Account and the Business Entity owner of the Business Entity Brand Affiliate Account may terminate the Business Entity Brand Affiliate Account at any time by providing Nu Skin with written notice of and agreement to termination of the Brand Affiliate Account, (ii) Nu Skin may terminate a Brand Affiliate Account and the rights of each owner of and Participant in such Brand Affiliate Account from acting as Brand Affiliates as provided in this Chapter 6; and (iii) Nu Skin may terminate without notice a Brand Affiliate Account and the rights of each owner of and Participant in such Brand Affiliate Account from acting as Brand Affiliates if there has not been Business Activity on the Brand Affiliate Account for a period of 12 or more consecutive months.

b. If the Brand Affiliate owner of an Individual Brand Affiliate Account terminates the Brand Affiliate Account he or she owns or if the Primary Participant of a Business Entity Brand Affiliate Account and the Business Entity owner of the Business Entity Brand Affiliate Account terminate the Business Entity Brand Affiliate Account as permitted in Section 5(a)(i) of this Chapter 6, then termination becomes effective on whichever is later: (i) the date Nu Skin receives the written notice of and agreement to termination of the Brand Affiliate Account; (ii) the date specified in the written notice of and agreement to termination; or (iii) the date the termination of the Brand Affiliate Account is entered in Nu Skin's systems.

c. Termination of a Brand Affiliate Account owned by you or a Brand Affiliate Account in which you are a Participant results in the termination of your Brand Affiliate Agreement, the termination of the Brand Affiliate Agreement of the owner of and all other Participants in the Brand Affiliate Account, the loss of all your rights and benefits as a Brand Affiliate, the loss of all rights and benefits as a Brand Affiliate of the owner of and all other Participants in the Brand Affiliate Account, and the loss of all rights and benefits of all others having or claiming an interest in the Brand Affiliate Account, including the permanent loss of the Team of the terminated Brand Affiliate Account.

d. Upon termination of a Brand Affiliate Account for whatever reason, if there is any pending investigation of and/or unresolved legal issue related to the Brand Affiliate Account, which includes any alleged breach or actual breach of the Contract, then the Team of the applicable Brand Affiliate Account may not roll up until all pending investigations and/or legal issues have been resolved by Nu Skin and all penalties have been fully satisfied.

e. A Spouse of the owner of an Individual Brand Affiliate Account who is a Participant in the Brand Affiliate Account or a Participant in a Business Entity Brand Affiliate Account who desires to terminate their Contract with Nu Skin and their rights and interests in a Brand Affiliate Account without causing the termination of the Brand Affiliate Account may do so by submitting to Nu Skin a written notice of and agreement to the release and relinquishment of any rights or interests in the Brand Affiliate Account, and Nu Skin accepting such submission and removing such Participant from such account in the Nu Skin systems. If the individual terminating their Contract with Nu Skin and their rights and interests in a Brand Affiliate Account is the Primary Participant of a Business Entity Brand Affiliate Account, the remaining Participants of such Business Entity Brand Affiliate Account must designate a new Primary Participant in connection with such submission.

f. No Person who has terminated their rights and interests in a Brand Affiliate Account by submitting to Nu Skin a written notice of and agreement to the release and relinquishment of any rights or interests in the Brand Affiliate Account or in any other manner accepted by Nu Skin may thereafter have a Beneficial Interest in that Brand Affiliate Account. If a Person has purported to Nu Skin such Person's release and relinquishment of any rights or interests in a Brand Affiliate Account but continues thereafter to have a Beneficial Interest in that Brand Affiliate Account, such Person remains subject to the terms and conditions of the Contract as a Brand Affiliate and Nu Skin may exercise its rights and remedies under the Contract against such Person and the Brand Affiliate Account and all owners of and Participants in the Brand Affiliate Account for breach of the Contract. However, although deemed a Brand Affiliate for purposes of Contract enforcement until such Person has terminated their Beneficial Interest in the Brand Affiliate Account, such Person shall not be an authorized Participant in the Brand Affiliate Account, shall not be entitled to conduct Business Activities for the Brand Affiliate Account, and shall not be entitled to have a Beneficial Interest in the Brand Affiliate Account.

g. After a Brand Affiliate Account has been terminated, thereby terminating the Contracts of the owner and Participants in the Brand Affiliate Account, their status as Brand Affiliates, and their rights and interests in the Brand Affiliate Account, or after a Participant in a Brand Affiliate Account terminates the Participant's Contract, status as a Brand Affiliate, and rights and interests in a Brand Affiliate Account (without causing the termination of the Brand Affiliate Account), the terminated Brand Affiliate may apply to become a Brand Affiliate again as follows: (a) if the Brand Affiliate or the Brand Affiliate Account in which the Brand Affiliate was the owner or a Participant was not terminated by Nu Skin for a breach of the Contract, by submitting to Nu Skin a new Brand Affiliate Agreement (which includes the Application), and (b) if the Brand Affiliate or the Brand Affiliate Account in which the Brand Affiliate was the owner or a Participant was terminated by Nu Skin for a breach of the Contract, by (i) submitting a written request to Nu Skin requesting authorization to submit a new Brand Affiliate Agreement notwithstanding the prior termination for breach of the Contract, and (ii) if Nu Skin gives written authorization to submit a new Brand Affiliate Agreement, submitting to Nu Skin a new Brand Affiliate Agreement (which includes the Application). Nu Skin shall have no obligation to accept the Application. The requirement to submit a new Brand Affiliate Agreement is mandatory regardless of whether applying to be a Brand Affiliate under a former Sponsor or a new Sponsor.

h. The obligations of the Contract described in Chapters 5, 6, 7, 8, and 9 will survive the cancellation, termination, or expiration of the Contract. Any other provisions, or parts of the Contract, which, by their terms or nature, should survive cancellation, termination, or expiration will also survive including, without limitation, indemnification obligations, agreements to limitations of liability, waivers of claims, and dispute resolution terms or conditions contained in the Brand Affiliate Agreement or elsewhere in the Contract.

# Chapter 7 Arbitration Agreement; Class Action Waiver; Voluntary Mediation

## 1 WHAT IS MANDATORY ARBITRATION

Arbitration involves the referral of a Dispute (as the term "Dispute" is defined below) to an impartial third party known as an arbitrator for hearing and decision. The arbitrator acts as a private judge, considers the parties' evidence, and renders a binding decision in the form of an arbitration award. The arbitrator's award is a final ruling, and judgment on the award may be entered by a court of law. The object of arbitration is the final resolution of Disputes in a quicker, more private, and less formal manner than ordinary court proceedings.

## 2 ARBITRATION IS MANDATORY AND BINDING AS TO ALL DISPUTES

YOU AND NU SKIN AGREE THAT MANDATORY AND BINDING ARBITRATION IN ACCORDANCE WITH AND PURSUANT TO THE TERMS AND CONDITIONS OF THE AGREEMENT TO MANDATORY AND BINDING ARBITRATION SET FORTH IN THE BRAND AFFILIATE AGREEMENT AND THIS CHAPTER 7 (SOMETIMES COLLECTIVELY REFERRED TO AS THE "ARBITRATION AGREEMENT") IS THE SOLE MEANS TO RESOLVE ANY AND ALL "DISPUTES" (AS THE TERM "DISPUTE" IS DEFINED IN SECTION 3 OF THIS CHAPTER 7). EXCEPT AS EXPRESSLY SET FORTH IN THIS CHAPTER 7, YOU AND NU SKIN UNDERSTAND AND AGREE THAT YOU AND NU SKIN ARE WAIVING ALL RIGHTS TO JURY AND/OR COURT TRIALS AND ARE WAIVING THE RIGHT TO PARTICIPATE IN A CLASS, COLLECTIVE, CONSOLIDATED, PRIVATE ATTORNEY GENERAL, AND/OR REPRESENTATIVE ACTION TO RESOLVE A DISPUTE. YOU AND NU SKIN AGREE THAT AN ARBITRATION AWARD IS FINAL AND THAT A JUDGMENT MAY BE ENTERED ON THE ARBITRATION AWARD BY A COURT OF PROPER JURISDICTION. YOU AND NU SKIN AGREE THAT SALT LAKE COUNTY, STATE OF UTAH, WILL BE THE EXCLUSIVE VENUE FOR AND THE SEAT OF THE ARBITRATION. IN THE EVENT OF ANY DIRECT CONFLICT IN THE TERMS AND CONDITIONS IN THIS CHAPTER 7 AND ANY OTHER ARBITRATION AGREEMENT APPLICABLE TO THE SAME CLAIMS, DISPUTES, CONTROVERSIES, CAUSES OF ACTION, OR COMPLAINTS BETWEEN NU SKIN AND YOU, INCLUDING, WITHOUT LIMITATION, THE TERMS OR CONDITIONS OF THE MANDATORY AND BINDING ARBITRATION AGREEMENT IN THE BRAND AFFILIATE AGREEMENT OR IN ANY TERMS OF USE AGREEMENT REGARDING THE USE OF ANY NU SKIN PROVIDED SOFTWARE OR ACCESS TO ANY NU SKIN HOSTED WEBSITE OR PLATFORM, THE TERMS AND CONDITIONS OF THIS CHAPTER 7 SHALL SUPERSEDE AND REPLACE THE DIRECTLY CONFLICTING TERMS AND CONDITIONS OF SUCH OTHER ARBITRATION AGREEMENTS APPLICABLE TO THE SAME CLAIMS, DISPUTES, CONTROVERSIES, CAUSES OF ACTION, OR COMPLAINTS BETWEEN NU SKIN AND YOU, BUT ONLY FOR THOSE CLAIMS, DISPUTES, CONTROVERSIES, CAUSES OF ACTION, OR COMPLAINTS.

## 3 DEFINITION OF A DISPUTE

A "DISPUTE" MEANS ANY AND ALL PAST, PRESENT, OR FUTURE CLAIMS, DISPUTES, CONTROVERSIES, CAUSES OF ACTION, OR COMPLAINTS, WHETHER BASED IN CONTRACT, TORT, STATUTE, LAW, PRODUCT LIABILITY, EQUITY, OR ANY OTHER CAUSE OF ACTION OR BASIS OR THEORY OF LIABILITY, (I) ARISING OUT OF OR IN ANY WAY CONNECTED WITH OR RELATED TO THE CONTRACT, OR ANY ALLEGED BREACH THEREOF, (II) BETWEEN OTHER PAST OR PRESENT BRAND AFFILIATES AND YOU OR YOUR SUCCESSORS OR ASSIGNS ARISING OUT OF OR IN ANY WAY CONNECTED WITH OR RELATED TO YOUR PAST OR PRESENT BRAND AFFILIATE ACCOUNT OR ANY OTHER BRAND AFFILIATE ACCOUNT (INCLUDING A BRAND AFFILIATE ACCOUNT FOR WHICH YOU ARE OR WERE A PARTICIPANT OR HAVE OR HAD A BENEFICIAL INTEREST), OR YOUR BUSINESS RELATIONSHIPS AS INDEPENDENT CONTRACTORS OF NU SKIN (EACH SUCH OTHER PAST OR PRESENT BRAND AFFILIATE SHALL BE A THIRD-PARTY BENEFICIARY OF THIS MANDATORY AND BINDING ARBITRATION AGREEMENT), (III) BETWEEN ANY OF THE NSE COMPANIES AND YOU OR YOUR SUCCESSORS OR ASSIGNS (EACH OF THE NSE COMPANIES NOT A PARTY TO THIS AGREEMENT SHALL BE A THIRD-PARTY BENEFICIARY OF THIS MANDATORY AND BINDING ARBITRATION AGREEMENT), (IV) THAT IS IN ANY WAY CONNECTED WITH OR RELATED TO ANY OF THE NSE COMPANIES OR ANY OF THEIR PAST OR PRESENT AFFILIATED ENTITIES, OWNERS, DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, INVESTORS, OR VENDORS (EACH OF THE PAST OR PRESENT AFFILIATED ENTITIES, OWNERS, DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, INVESTORS, AND VENDORS OF EACH OF THE NSE COMPANIES NOT A PARTY TO THIS AGREEMENT SHALL BE A THIRD-PARTY BENEFICIARY OF THIS MANDATORY AND BINDING ARBITRATION AGREEMENT), (V) ARISING OUT OF OR IN ANY WAY CONNECTED WITH OR RELATED TO NU SKIN PRODUCTS OR NSI LOCAL AFFILIATE PRODUCTS, (VI) REGARDING ANY INVESTIGATIONS, DECISIONS, ACTIONS, OR INACTIONS OF ANY OF THE NSE COMPANIES THAT IMPACTED OR IMPACTS YOUR PAST OR PRESENT BRAND AFFILIATE ACCOUNT OR A BRAND AFFILIATE ACCOUNT FOR WHICH YOU ARE OR WERE A PARTICIPANT OR HAVE OR HAD A BENEFICIAL INTEREST, OR (VII) THAT ARISES OUT OF OR IS RELATED TO NU SKIN'S BUSINESS INCLUDING, WITHOUT LIMITATION, ANY DISAGREEMENT WITH NU SKIN'S DISCIPLINARY ACTIONS OR INTERPRETATIONS OF THE CONTRACT. NOTHING IN THIS DEFINITION OF "DISPUTE" IS INTENDED TO, NOR SHALL IT BE INTERPRETED TO, PERMIT ADJUDICATION IN ARBITRATION OF ANY DISPUTE AS A CLASS ACTION OR REPRESENTATIVE ACTION.

## 4 VOLUNTARY MEDIATION

The parties to a Dispute have the option of collectively agreeing to participate in a voluntary mediation before proceeding with arbitration of the Dispute. Mediation is a voluntary process whereby a neutral third party known as a mediator attempts to resolve a Dispute between contending parties. The object of the mediator is to increase the parties' mutual understanding of the Dispute, persuade them to adjust their positions towards each other, and hopefully resolve the Dispute through agreement by the parties. Mediation of a Dispute is not mandatory before a Dispute may be submitted to arbitration. Any party to a Dispute may request the mediation of the Dispute at any time prior to the submission of the Dispute to arbitration as provided in this Chapter 7 by written notice delivered to all other parties to the Dispute requesting that the Dispute be mediated. If all parties to a Dispute agree to mediation of the Dispute and agree to a mediator, then Nu Skin will facilitate a mediation to be held in Salt Lake City, State of Utah, at the offices of Nu Skin's outside counsel unless all parties to the Dispute agree to a different location for the mediation. The mediation will be conducted in the English language. All fees and costs of the mediation will be borne equally by the parties to the mediation. If not all parties to the Dispute agree to the mediation and mediator, or any agreed-to mediation is not successful, then the Dispute will be processed in accordance with the procedures described in Chapters 6 (applicable to Alleged Violations) and this Chapter 7, including, when appropriate, submission of the Dispute to arbitration as provided in this Chapter 7.

## 5 COMMENCEMENT OF ARBITRATION

The processes and proceedings of Section 3 of Chapter 6 applicable to Alleged Violations must be exhausted before any party to the Contract may commence arbitration as provided in this Chapter 7. Subject to the condition of the foregoing sentence, any party to a Dispute may commence an arbitration of the Dispute by filing a demand for arbitration in accordance with the rules and procedures provided in this Chapter 7, and any party responding to a claim made in arbitration may file an answering statement, counterclaims, crossclaims or other claims and defenses in accordance with the rules and procedures provided in this Chapter 7. A claim asserted in arbitration as provided in this Chapter 7 (an "Arbitration Claim") shall in no event be made after the date when institution of legal or equitable proceedings based on the claim would be barred if filed in a court of law in Salt Lake County, State of Utah, by the applicable statutes of limitations, statutes of repose, or contractual limitations on the assertion of claims, provided, however, if the Dispute was

processed using the procedures of Chapter 6, any applicable statute of limitations, statute of repose, or contractual limitation shall be tolled from the date of the first notice given by Nu Skin of an Alleged Violation of the Contract until the date of the final action of the CRC and/or CAC regarding the Dispute. If a Dispute was processed using the procedures of Chapter 6, the commencement of arbitration of the Dispute can be made only after the procedures of Chapter 6 have been exhausted and then must be commenced within the time periods allowed by Chapter 6. All parties that will participate in an arbitration as provided in this Chapter 7, including you, Nu Skin, and any other arbitrating parties are referred to collectively as the “Arbitrating Parties” or individually as an “Arbitrating Party” in this Chapter 7.

## 6 ARBITRATION RULES AND PROCESS

### 6.1 AMERICAN ARBITRATION ASSOCIATION ADMINISTERED ARBITRATION, ARBITRATION LOCATION AND SEAT, AND ARBITRATION RULES

All Disputes not resolved by mediation or, if applicable, the processes or proceedings of Chapter 6, shall be settled by mandatory binding arbitration administered by the American Arbitration Association (“AAA”), or its designated successor, in accordance with the AAA Commercial Arbitration Rules as amended and effective September 1, 2023 (the “CAR”), and judgment on the award rendered by the arbitrator may be entered by any state or federal court located in Salt Lake County, State of Utah, having jurisdiction. Salt Lake County, State of Utah, shall be the place and seat of the arbitration, and the state and federal courts located in Salt Lake County, State of Utah, shall have exclusive venue of any matters relating to the arbitration, including, without limitation, deciding petitions and motions to compel arbitration and confirming, modifying, or vacating the arbitration award. You and Nu Skin consent to the personal jurisdiction of any state or federal court located in Salt Lake County, State of Utah, to adjudicate such matters relating to the arbitration and waive any objection to improper venue. The arbitration proceedings will be held before a single arbitrator, who will render a final and binding decision. The arbitration hearing will be held in the Salt Lake City, Utah, offices of Nu Skin’s outside counsel unless the parties agree to a different location, or the arbitrator orders a different location in Salt Lake City, Utah. If the AAA for any reason is unable or is unwilling to administer the arbitration of a Dispute, the Arbitrating Parties shall agree to a different arbitral forum for administration of the arbitration, and absent an agreement of the Arbitrating Parties, an arbitral forum for administration of the arbitration shall be chosen by a court having proper jurisdiction upon petition of any Arbitrating Party.

### 6.2 DISPUTES REGARDING ARBITRABILITY SHALL BE DECIDED BY THE ARBITRATOR

The arbitrator, and not any federal, state, or local court or agency, shall have exclusive authority to resolve any dispute related to the interpretation, applicability, enforceability, or formation of the Arbitration Agreement, including, but not limited to, any claim that all or any part of the Arbitration Agreement is void or voidable.

### 6.3 AGREED MODIFICATIONS TO THE AAA COMMERCIAL ARBITRATION RULES (“CAR”)

This Chapter 7 including, without limitation, Section 6.1, 6.2, and the following subsections of this Section 6.3 shall govern the arbitration proceedings notwithstanding anything in the CAR to the contrary.

- (a.) Procedural Rules. Unless the Arbitrating Parties otherwise agree after the Dispute arises, the following procedural rules of the CAR shall not apply to the arbitration: the “Expedited Procedures” of the CAR; the “Procedures for Large, Complex Commercial Disputes” of the CAR; or the “Emergency Measures for Protection” of the CAR.
- (b.) When an Arbitration Claim is Made. For purposes of applicable statutes of limitation, statutes of repose, and contractual limitations on the assertion of claims, receipt by the AAA of an Arbitration Claim and the satisfaction of all administrative requirements for the filing of the Arbitration Claim (including, without limitation, the payment of the required filing fee) shall constitute the institution of legal or equitable proceedings based on the Arbitration Claim.
- (c.) Selection of Single Arbitrator. The arbitration proceedings will be held before a single arbitrator. Before the procedures of the CAR for the selection of an arbitrator are commenced by the AAA, the Arbitrating Parties shall have not less than fifteen (15) calendar days after the filing and satisfaction of all administrative filing requirements of the initial demand for arbitration by the claimant, of the initial counterclaim (if any) of any respondent, and of the initial cross-claim (if any) of any respondent, whichever is the last to occur, to mutually agree upon the appointment of the arbitrator.



(d.) Qualifications of Arbitrator. Unless the Arbitrating Parties mutually agree otherwise, the arbitrator selected in accordance with the procedures of the CAR shall (a) be a professional arbitrator resident in the United States fluent in the English language having not less than five (5) years' experience in conducting AAA arbitrations in the United States; (b) be law trained and have practiced law as a licensed lawyer in the United States and/or have served as a judge in the United States for not less than ten (10) years; and (c) have some background or experience with multilevel marketing companies having a direct sales independent contractor distributor network. The list of arbitrator names provided by the AAA to each Arbitrating Party for arbitrator selection shall satisfy the foregoing qualification criteria. The AAA shall use the process for selection of the arbitrator from AAA submitted lists of proposed arbitrators as provided in CAR R-13(b) even when there are two or more claimants or two or more respondents. If acceptable arbitrators are unable to act, or if for any other reason the appointment cannot be made from the submitted lists, the AAA shall have the power to make the appointment of the arbitrator from among the members of the National Roster that meet the foregoing qualification criteria even if the appointed arbitrator was not previously accepted by any Arbitrating Party.

(e.) Consolidation of Arbitrations. The Arbitrating Parties agree that a court with jurisdiction may on the petition of NSEUS, NSI and/or any of the other NSE Companies (but not any other Arbitrating Party) (a) consolidate separate arbitration proceedings to which NSEUS, NSI and/or any of the other NSE Companies is a party as to all or some claims if there are separate agreements to arbitrate or separate arbitration proceedings between the same parties, and (b) consolidate separate arbitration proceedings as to all or some claims if NSEUS, NSI and/or any of the other NSE Companies is a party to a separate agreement to arbitrate or a separate arbitration proceeding with a third party when (1) the claims subject to the agreements to arbitrate or separate arbitration proceedings arise in substantial part from the same transaction or series of related transactions or the Nu Skin business, (2) the existence of a common issue of fact or law creates a possibility of conflicting decisions in the separate arbitration proceedings, and (3) the prejudice resulting from a failure to consolidate is not outweighed by the risk of undue delay or prejudice to the rights of, or hardship to, parties opposing consolidation. The court may order the consolidation of separate arbitration proceedings for all purposes or for limited purposes and shall determine whether the separate arbitration proceedings should be consolidated before the arbitrator appointed in the first filed arbitration to be consolidated or the arbitrator appointed in another of the arbitrations consolidated and any other conditions of the consolidation. The Arbitrating Parties agree that there shall be no other consolidations of separate arbitration proceedings unless all parties to all of the arbitrations to be consolidated so agree.

(f.) Discovery. The arbitrator will have the discretion to order a pre-arbitration hearing exchange of information by the Arbitrating Parties including, but not limited to, the production of documents supporting an Arbitrating Party's claims or defenses and upon which an Arbitrating Party intends to rely, the production of documents relevant to the Dispute reasonably requested by an adverse Arbitrating Party, an exchange of names of persons the Arbitrating Parties may call as witnesses in support of their claims or defenses at the arbitration hearing, the production of reports of expert witnesses expected to testify at the arbitration hearing, the depositions of persons who may be called as witnesses at the arbitration hearing, and an exchange of final witness lists and exhibit lists before the arbitration hearing. Additionally, subject to the arbitrator's discretion, the arbitrator may order the Arbitrating Parties to submit a pre-arbitration hearing brief setting forth the legal causes of action at issue, the factual background of the Dispute, and argument of the Arbitrating Parties' positions.

(g.) Arbitration Hearing and Presentation of Evidence. Except upon the agreement of all Arbitrating Parties otherwise, the arbitration hearing shall be an in-person hearing attended by the Arbitrating Parties, their legal counsel and other permitted representatives. When the arbitration hearing is held in-person, witnesses shall be allowed to appear at the arbitration hearing to provide live testimony. The arbitrator shall allow the presentation of evidence at the arbitration hearing by affidavit and/or declaration of a witness, despite the absence of the opportunity by the opposing parties to cross-examine the witness, but the arbitrator may reduce the weight that the arbitrator gives to such evidence. The arbitrator shall allow the presentation of testimony of witnesses at the arbitration hearing by deposition or by video deposition that was taken under circumstances that allowed for cross-examination of the witness even if the witness is available to attend the arbitration hearing and subject to the subpoena power of the arbitrator. The arbitrator shall allow the presentation of testimony of witnesses at the arbitration hearing via live video platforms, and such witnesses shall be subject to cross-examination via the same live video platform.

(h.) Dispositive Motions. The Arbitrating Parties shall be allowed to file dispositive motions without the pre-authorization of the arbitrator. The arbitrator shall grant motions dispositive of some or all claims of an Arbitrating Party only when there is no dispute as to any facts material to the disposition and the disposition can be made as a matter of law.



(i.) Date of Arbitration Hearing. Unless all Arbitrating Parties agree otherwise or the arbitrator or a court with jurisdiction orders otherwise on the petition of one of the Arbitrating Parties for good cause, the merits arbitration hearing will take place within six (6) months of the appointment of the arbitrator.

(j.) Date of the Award. On the petition of an Arbitrating Party for good cause, a court with jurisdiction may extend the time for the arbitrator to issue an award following the close of the arbitration hearing, and such order may be issued before or after the expiration of the time for the issuance of the award.

(k.) Reasoned Award. The arbitrator shall issue a reasoned award.

(l.) Language. The arbitration will be conducted in the English language, but at the request and expense of the requesting Arbitrating Party, documents and testimonies will be translated into the requesting Arbitrating Party's language.

(m.) No Class or Representative Actions. No Dispute will be adjudicated in arbitration as a class action or a representative action. You and Nu Skin intend and agree that (i) class or representative action procedures shall not be asserted, nor will they apply, in any arbitration pursuant to this Chapter 7; (ii) each will not assert class or representative actions against the other in arbitration, and (iii) each shall only submit their own, individual claims in arbitration and will not seek to represent the interests of any other person. If any part of the forgoing agreement to not assert class or representative actions is held to be unlawful, void, or unenforceable: (i) that part that is unlawful, void, or unenforceable shall be deemed severed and shall not affect the validity and enforceability of the remaining provisions; (ii) if that part that is unlawful, void or unenforceable is the agreement not to assert certain class or representative actions in arbitration, those certain class or representative actions shall be adjudicated in a state or federal court located in Salt Lake County, State of Utah, having jurisdiction; and (iii) if that part that is unlawful, void, or unenforceable is the agreement not to assert certain class or representative actions in arbitration, any part of the agreement not to assert class or representative actions in arbitration that is not unlawful, void, or unenforceable shall be enforced in arbitration in accordance with this Chapter 7.

(n.) Permitted Attendees. Unless otherwise required by applicable law or ordered by the arbitrator for good cause shown, attendance at the merits arbitration hearing shall be limited to the arbitrator, any assistants employed by the arbitrator, the Arbitrating Parties, party representatives of a Business Entity Arbitrating Party, legal counsel and paralegals/legal assistants engaged by the Arbitrating Parties, interpreters employed by the Arbitrating Parties, stenographers employed by the Arbitrating Parties, and with respect to a Brand Affiliate Account an Arbitrating Party owns or owned or in which an Arbitrating Party was or is a Participant, the owner of and the Participants in the Brand Affiliate Account. A Business Entity Arbitrating Party (including NSEUS and/or NSI) or another Business Entity authorized to attend the merits arbitration hearing may have two party representatives in attendance at the merits arbitration hearing. In addition, each Arbitrating Party is limited to no more than three attorneys and to no more than two paralegals/legal assistants, one interpreter, and one stenographer. Witnesses, other than those described herein above that are permitted to attend the arbitration, will appear at the arbitration hearing to provide testimony but may not attend the arbitration hearing when not providing testimony.

(o.) Fees and Expenses of Arbitrator and the Administration of the Arbitration. All fees and expenses of the arbitrator and the fees and expenses of the administration of the arbitration will be borne equally by the Arbitrating Parties in the arbitration, subject to allocation by the arbitrator in the final award.

#### **6.4 ARBITRATION AWARDS**

(a.) The arbitrator's award will be final and binding. It will be a full resolution of the Disputes between the Arbitrating Parties in the arbitration. Judgment upon any arbitration award may be entered by any state or federal court with jurisdiction located within Salt Lake County, the State of Utah. All upline Brand Affiliates and Teams of the Arbitrating Parties agree that each shall be bound by the final arbitration award and any judgment entered on the arbitration award. Except as otherwise provided in the foregoing sentence, the binding and preclusive effect of any arbitration award will be limited to the actual Disputes and Arbitration Claims arbitrated, and to the Arbitrating Parties, and will have no collateral effect on any other disputes or claims of any kind.

(b.) The arbitrator's decision will be in writing and based on the application of the strict rules of law to the evidence submitted in the arbitration. The arbitrator may award a prevailing Arbitrating Party the costs and expenses of the proceeding, including but not limited to arbitration fees and reasonable attorney's fees.

(c.) These Policies and Procedures contain a punitive damages waiver in Section 4 of Chapter 8 (the "Punitive Damages Waiver"). It is

the intention of the Arbitrating Parties that notwithstanding any applicable state statute, public policy, or judicial decision to the contrary, the Punitive Damages Waiver be strictly enforced in arbitrations pursuant to this Chapter 7 in accordance with the Federal Arbitration Act ("FAA").

#### **6.5 CONFIDENTIALITY**

Except as otherwise required by applicable law, order of a court having jurisdiction, or the agreement of all Arbitrating Parties, arbitration proceedings pursuant to this Chapter 7 will be private and closed to the public, and the documents, pleadings, and testimony produced in the proceedings shall be kept confidential. Except as may be required by law (including, but not limited to, when and as required: (i) to be disclosed to regulating governmental authorities or in public filings required by regulating governmental authorities or applicable law; and (ii) to be disclosed in due diligence disclosures required to be made in connection with transactions, including sales and loans) or ordered by a court having jurisdiction, and except for the use of the arbitration award to procure or to oppose the entry of a judgment on the arbitration award by a court of law or to appeal or enforce a judgment entered on the arbitration award, neither an Arbitrating Party, the arbitrator nor the AAA may disclose the existence, content, or results of any arbitration proceeding without the prior written consent of all the Arbitrating Parties.

#### **6.6 ENFORCEMENT OF JUDGMENT ENTERED ON ARBITRATION AWARD; INJUNCTIVE RELIEF**

Notwithstanding the Arbitration Agreement, any Arbitrating Party may apply to a court of competent jurisdiction in the State of Utah, or in any other jurisdiction as necessary to enforce a judgment entered on an arbitration award or injunctive relief granted by an arbitrator or a court of competent jurisdiction regarding an arbitration under the Arbitration Agreement. Notwithstanding the Arbitration Agreement, any Arbitrating Party may apply to a federal or state court with competent jurisdiction located in Salt Lake County, State of Utah, (i) to seek a temporary restraining order, preliminary injunction, other injunctive relief, or an order compelling arbitration; or, (ii) to enforce its respective trademarks, patents, copyrights, or other intellectual property. The institution of any action in a court for equitable relief, to compel arbitration, to enforce an arbitration award or order or to enforce a judgment entered on an arbitration award or order, will not constitute a waiver of the obligation of any Arbitrating Party to submit any Dispute to arbitration.

## **7 SURVIVAL**

The arbitration agreement of this Chapter 7 will survive any termination or expiration of the Contract including, without limitation, the Brand Affiliate Agreement.

## **8 SEVERABILITY**

If any part of the Arbitration Agreement is held to be unlawful, void, or unenforceable, that part that is unlawful, void, or unenforceable shall be deemed severed from the remaining provisions of the Arbitration Agreement and shall not affect the validity and enforceability of the remaining provisions of the Arbitration Agreement or the remaining provisions of the Contract. Further to the extent that the whole or any portion of the Contract outside of the Arbitration Agreement is held to be unlawful, void, or unenforceable, the Arbitration Agreement shall be severed from the whole or any portion of the Contract that is unlawful, void, or unenforceable and the Arbitration Agreement shall be enforced to the fullest extent permitted by law.

## **Chapter 8 INDEMNIFICATION; WAIVERS OF CLAIMS; LIMITATION OF LIABILITY; DEFENSE OF**

# THIRD PARTY CLAIMS

## 1 INDEMNITY

You agree to the fullest extent permitted by law to indemnify, defend, and hold harmless each of the NSE Companies and each of their respective past and present affiliated companies, owners, officers, directors, employees, and agents from and against any claim, demand, liability, loss, action, causes of action, cost, or expense (including, but not limited to, reasonable attorney's fees and litigation costs) of any kind, resulting or arising from, directly or indirectly, any acts or omissions by you, any Participant in a Brand Affiliate Account owned by you, or any Participant in a Brand Affiliate Account for which you are a Participant related in any way to conducting Nu Skin business, including without limitation, breach of representations or warranties, breach of the Contract or other agreements between you and the NSE Companies, or any one of them, or actions or omissions that have caused or are alleged to have caused economic loss or injuries to persons or property, including bodily injuries and/or death. This indemnity is not intended to indemnify an indemnified party to the extent damages or loss are found in a final award, judgement, or order in an adjudication on the merits to have been caused by the indemnified party's own negligence or fault. You understand and agree that each indemnified party reserves the right, at your expense, to assume the exclusive defense and control of any claims for which you are required to indemnify the indemnified party, and you agree to cooperate in such defense. You agree that you will not in any event settle any claim made against an indemnified party for which you are required to indemnify the indemnified party without the written consent of the indemnified party. Each of the NSE Companies not a party to the Contract, and each of their respective past and present affiliated companies, owners, officers, directors, employees, and agents, are third-party beneficiaries of this agreement to indemnify, defend, and hold harmless.

## 2 WAIVER OF CONSEQUENTIAL AND INDIRECT DAMAGES — BREACH OF CONTRACT

NSEUS, NSI, and you agree to waive any claim against the other, and against any of the past or present affiliated companies, owners, officers, directors, employees, or agents of the other, for recovery of any consequential or indirect damages caused by or relating to any breach of the Contract or any other agreement between NSEUS or NSI and you, including, without limitation, loss of personal or business reputation, loss of business opportunity, or loss of future revenue or income. The forgoing waiver of consequential and indirect damages does not waive your damages for loss of future revenue or income from NSEUS or NSI or NSEUS' or NSI's damages for loss of future revenue or income from you when such loss is determined to be a direct damage of the breach of contract. Subject to the Limitation of Liability of Section 5 of this Chapter 8, it is the intention of NSEUS, NSI, and you that only direct damages may be recovered against a breaching party for a breach of the Contract or any other agreement between NSEUS or NSI and you. The past and present affiliated companies, owners, officers, directors, employees, and agents of NSEUS, NSI, and you are third-party beneficiaries of this waiver of consequential and indirect damages.

## 3 WAIVER OF CONSEQUENTIAL AND INDIRECT DAMAGES — BREACH OF NON-CONTRACTUAL DUTIES

With the exception of consequential or indirect damages found to have been caused by gross negligence or intentional misconduct, NSEUS, NSI, and you agree to waive any claim against the other, and against any of the past or present affiliated companies, owners, officers, directors, employees, or agents of the other, for recovery of any consequential or indirect damages caused by or relating to any breach of any non-contractual duty arising out of or from your past or present status (or the past or present status of any Participant in any past or present Brand Affiliate Account owned by you or any past or present Brand Affiliate Account for which you are or were a Participant) as an independent contractor and Brand Affiliate of Nu Skin. It is the intention of NSEUS, NSI, and you that, subject to the

Limitation of Liability of Section 5 of this Chapter 8, (i) in addition to direct damages, consequential and indirect damages may be recovered against a breaching party for a breach of a non-contractual duty arising out of or from your past or present status (or the past or present status of any Participant in any past or present Brand Affiliate Account owned by you or any past or present Brand Affiliate Account for which you are or were a Participant) as an independent contractor and Brand Affiliate of Nu Skin if the consequential and indirect damages are found to have been caused by gross negligence or intentional misconduct, and (ii) absent a finding that consequential or indirect damages were caused by gross negligence or intentional misconduct, recovery of consequential and indirect damages is waived and only direct damages may be recovered against a breaching party for the breach of a non-contractual duty arising out of or from your past or present status (or the past or present status of any Participant in any past or present Brand Affiliate Account owned by you or any past or present Brand Affiliate Account for which you are or were a Participant) as an independent contractor and Brand Affiliate of Nu Skin. The past and present affiliated companies, owners, officers, directors, employees, and agents of NSEUS, NSI, and you are third-party beneficiaries of this waiver of consequential and indirect damages.

## 4 WAIVER OF PUNITIVE DAMAGES

NSEUS, NSI, and you agree to waive any claim (whether based in contract, tort, products liability, statute, equity, or any other basis or theory of liability, and whether made in connection with a claim for economic loss, property damage, bodily injury, or death) against the other, or against any of the past or present affiliated companies, owners, officers, directors, employees, or agents of the other, for recovery of any punitive damages. The punitive damages waived shall not include a measure of damages (for example, treble damages) imposed by an applicable state or federal statute for a violation of the statute, even if the specified measure of damages exceeds actual damages, and such damages shall be considered direct damages subject to the Limitation of Liability of Section 5 of this Chapter 8. The past and present affiliated companies, owners, officers, directors, employees, and agents of NSEUS, NSI, and you are third-party beneficiaries of this waiver of punitive damages.

## 5 LIMITATION OF LIABILITY OF NU SKIN AND THE NSE COMPANIES

YOU AGREE THAT TO THE FULLEST EXTENT PERMITTED BY LAW THE ENTIRE AGGREGATE LIABILITY OF NU SKIN AND THE NSE COMPANIES AND EACH OF THEIR RESPECTIVE PAST AND PRESENT AFFILIATED COMPANIES, OWNERS, OFFICERS, DIRECTORS, EMPLOYEES, AND AGENTS (COLLECTIVELY, THE "LIMITATION OF LIABILITY BENEFICIARIES") TO YOU AND TO ANY PERSON OR ENTITY CLAIMING BY, THROUGH, OR UNDER YOU, FOR ANY CLAIMS OR CAUSES OF ACTION ARISING OUT OF OR IN ANY WAY CONNECTED WITH OR RELATED TO THE CONTRACT OR YOUR PAST OR PRESENT STATUS (OR THE PAST OR PRESENT STATUS OF ANY PARTICIPANT IN ANY PAST OR PRESENT BRAND AFFILIATE ACCOUNT OWNED BY YOU OR ANY PAST OR PRESENT BRAND AFFILIATE ACCOUNT FOR WHICH YOU ARE OR WERE A PARTICIPANT) AS AN INDEPENDENT CONTRACTOR AND BRAND AFFILIATE OF NU SKIN, INCLUDING, BUT NOT LIMITED TO, ANY CLAIMS OR CAUSES OF ACTION ARISING IN CONTRACT, TORT, PRODUCTS LIABILITY, STATUTE, EQUITY, OR ANY OTHER BASIS OR THEORY OF LIABILITY, WILL BE LIMITED TO THE GREATER OF (I) THE TOTAL AMOUNT OF ALL "BONUS AND SPECIAL CASH INCENTIVE INCOME" (AS DEFINED BELOW) RECEIVED BY YOU FOR THE BUSINESS ACTIVITY OF A PAST OR PRESENT BRAND AFFILIATE ACCOUNT OWNED BY YOU, A PAST OR PRESENT BRAND AFFILIATE ACCOUNT FOR WHICH YOU ARE OR WERE A PARTICIPANT, OR A PAST OR PRESENT BRAND AFFILIATE ACCOUNT IN WHICH YOU HAVE OR HAD A NU SKIN APPROVED BENEFICIAL INTEREST DURING THE SIX FULL CALENDAR MONTH PERIOD IMMEDIATELY PRECEDING YOUR FIRST ASSERTION IN WRITING OF A CLAIM OR CAUSE OF ACTION AGAINST ONE OR MORE OF THE LIMITATION OF LIABILITY BENEFICIARIES THAT FORMS ANY PORTION OF THE BASIS FOR THE LIABILITY OF ANY ONE OR MORE OF THE LIMITATION OF LIABILITY BENEFICIARIES, OR (II) THE COST OF NU SKIN PRODUCTS THAT YOU OR ANY PAST OR PRESENT BRAND AFFILIATE ACCOUNT OWNED BY YOU OR ANY PAST OR PRESENT BRAND AFFILIATE ACCOUNT FOR WHICH YOU ARE OR WERE A PARTICIPANT HAVE PURCHASED FROM NU SKIN (THE "AGGREGATE LIABILITY LIMIT"). YOU EXPRESSLY AGREE THAT RECOVERY OF THE AGGREGATE LIABILITY LIMIT WILL BE YOUR EXCLUSIVE REMEDY AND THE EXCLUSIVE REMEDY OF ANY PERSON OR ENTITY CLAIMING BY, THROUGH, OR UNDER YOU AGAINST THE LIMITATION OF LIABILITY BENEFICIARIES DESCRIBED HEREIN ABOVE FOR THE CLAIMS AND CAUSES OF ACTION DESCRIBED HEREIN ABOVE IF LIABILITY IS ESTABLISHED AND THE AWARDED RECOVERABLE

DAMAGES EXCEED THE AGGREGATE LIABILITY LIMIT. THE NSE COMPANIES AND THEIR PAST AND PRESENT AFFILIATED COMPANIES THAT ARE NOT PARTIES TO THIS AGREEMENT, AND THE PAST AND PRESENT OWNERS, OFFICERS, DIRECTORS, EMPLOYEES, AND AGENTS OF NU SKIN AND THE NSE COMPANIES, ARE THIRD-PARTY BENEFICIARIES OF THIS AGREEMENT TO LIMITATION OF LIABILITY. FOR PURPOSES OF THIS AGREEMENT TO LIMITATION OF LIABILITY, "BONUS AND SPECIAL CASH INCENTIVE INCOME" MEANS THE PORTION OF THE BONUSES AND ANY SPECIAL CASH INCENTIVES PAID BY NSEUS OR NSI TO A PAST OR PRESENT BRAND AFFILIATE ACCOUNT OWNED BY YOU, A PAST OR PRESENT BRAND AFFILIATE ACCOUNT IN WHICH YOU ARE OR WERE A PARTICIPANT, OR A PAST OR PRESENT BRAND AFFILIATE ACCOUNT IN WHICH YOU HAVE OR HAD A NU SKIN APPROVED BENEFICIAL INTEREST THAT WAS RECEIVED BY YOU AND THAT HAS BEEN OR WILL BE TREATED BY YOU AS INCOME (BEFORE THE DEDUCTION OF ANY EXPENSES) FOR UNITED STATES INCOME TAX PURPOSES RECEIVED FOR YOUR BUSINESS ACTIVITIES AS A BRAND AFFILIATE FOR THE BENEFIT OF THAT BRAND AFFILIATE ACCOUNT. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT TO LIMITATION OF LIABILITY, THIS AGREEMENT TO LIMITATION OF LIABILITY (A) SHALL NOT LIMIT THE LIABILITY OF THE LIMITATION OF LIABILITY BENEFICIARIES FOR ANY LIABILITY FOUND TO HAVE BEEN CAUSED BY THEIR GROSS NEGLIGENCE OR INTENTIONAL MISCONDUCT, AND (B) SHALL NOT LIMIT THE LIABILITY OF NU SKIN TO INDEMNIFY AND DEFEND YOU PURSUANT TO THE TERMS OF SECTIONS 7.1 AND 7.2 OF CHAPTER 2 OF THESE POLICIES AND PROCEDURES.

## 6 THIRD PARTY CLAIMS

In order to protect NSEUS, NSI, and each of the other NSE Companies, their assets, and their reputation from claims or disputes created by outside (non-Brand Affiliate) third parties, Nu Skin requires the following: if you or any Person for whom you are alleged to be responsible is charged with any infringement of any proprietary right of any outside third party (who is not a Brand Affiliate) arising from any of NSEUS's, NSI's, and/or any of the other NSE Companies' proprietary assets; or if you or any Person for whom you are alleged to be responsible becomes the subject of any claim or suit by any outside third party (who is not a Brand Affiliate) related to Business Activity as a Nu Skin Brand Affiliate or any other action that directly or indirectly negatively affects or puts NSEUS, NSI, and/or any of the other NSE Companies, their reputation, or any of their tangible or intangible assets at risk, you will immediately notify Nu Skin. NSEUS, NSI, and/or any of the other NSE Companies may (but shall not be obligated to), at their own expense and upon reasonable notice, take whatever action they deem necessary to protect themselves, their reputation, and their tangible and intangible property including, without limitation, agreeing to indemnify and defend you against that claim and suit and thereafter taking full control of the defense and settlement or other resolution of that claim and suit. If NSEUS, NSI and/or any other NSE Company agrees to indemnify and defend you against that claim and suit, you agree that you will take no action related to that claim and suit, unless Nu Skin consents, which consent will not unreasonably be withheld.

# Chapter 9 NU SKIN RESERVATION OF RIGHTS

## 1 NU SKIN SALES TO UNAFFILIATED CUSTOMERS

Nu Skin reserves the right to make sales to Unaffiliated Customers. In connection with the first sale by Nu Skin to an Unaffiliated Customer, Nu Skin will give the Unaffiliated Customer the option of consenting to be contacted by a Brand Affiliate. If the Unaffiliated Customer consents to be contacted by a Brand Affiliate, Nu Skin will provide the Unaffiliated Customer's contact information to a Brand Affiliate Account selected by Nu Skin in its discretion from the Nu Skin leads pool and will register the Unaffiliated Customer to such Brand Affiliate Account. Nu Skin is not obligated to pay retail profit or Bonuses to any Brand Affiliate on the first sale to an Unaffiliated Customer or, if the Unaffiliated Customer does not consent to be contacted by a Brand Affiliate, on any future sales to that Unaffiliated Customer.

## 2 NU SKIN SALES THROUGH ONLINE MARKETPLACES

Nu Skin reserves the right to sell, either directly or through third parties, Nu Skin Products and NSI Local Affiliate Products at or near the suggested retail price for such products through online marketplaces such as Amazon whenever Nu Skin, in its sole discretion, believes that it is in the best interest of its Brand Affiliates to do so, such as to reduce unauthorized diversion of Nu Skin Products or NSI Local Affiliate Products by Brand Affiliates or others to the online marketplace. Nu Skin is not obligated to pay retail profit or Bonuses to any Brand Affiliate on such sales.

## 3 SALES BY THE NSE COMPANIES OF PRODUCTS UNDER DIFFERENT BRANDS AND TRADEMARKS

You understand and agree that the Contract provides Brand Affiliates the right to purchase, market, and sell Nu Skin Products and to market (but not sell) NSI Local Affiliate Products, and that Brand Affiliates have no right under the Contract to (i) purchase, market, or sell any products or services (other than Nu Skin Products and NSI Local Affiliate Products) offered or sold by any of the NSE Companies, or (ii) purchase, market, or sell products or services offered or sold by any of the NSE Companies under brands, trade names, or trademarks other than the Nu Skin Brands. You understand and agree that the NSE Companies reserve the right to sell through one or more of the NSE Companies products and services, including products and services that may be similar to and may compete with Nu Skin Products and/or NSI Local Affiliate Products in the health, beauty, and wellness marketplace, provided that such products and services are offered or sold under brands, trade names, and trademarks other than the Nu Skin Brands. You understand and agree that the NSE Companies reserve the right to offer and sell such products through distribution channels other than the Network and to sell such products using distribution methods other than multi-level marketing. Nothing in the Contract shall prohibit you or another Brand Affiliate from entering into a separate agreement with any of the NSE Companies, to the extent permitted by such NSE Company in its sole discretion, to offer or sell products of such NSE Company under any brands, trade names, or trademarks other than the Nu Skin Brands. However, you will not receive retail profit, Bonuses, or any compensation of any kind under the Contract on any sales by any of the NSE Companies of products or services sold under brands, trade names, or trademarks other than the Nu Skin Brands except as provided in the separate agreement with that NSE Company.

## Chapter 10 General Terms

### 1 CHANGES TO THE CONTRACT

Nu Skin expressly reserves the right to make any modifications to the Contract upon 30 days' notice by publication on Nu Skin's websites, through normal channels of communication with Brand Affiliates, or as provided in Section 10 of this Chapter 10. You understand and agree that 30 days after such notice, any such modifications shall become effective and shall be automatically incorporated into the Contract between you and Nu Skin as an effective and binding provision. By continuing to act as a Brand Affiliate, engaging in any Business Activity, or accepting any Bonuses or other special incentives after such modifications have become effective, you acknowledge acceptance of the new Contract terms. Nu Skin agrees that in making any claims or in taking any actions against you or any Brand Affiliate Account that was or is owned by you or in which you are or were a Participant for breach of the terms or conditions of the Contract, any of your conduct and any conduct for which you or any Brand Affiliate Account that was or is owned by you or in which you are or were a Participant is responsible that occurred prior to the effective date of a modification to the Contract will be judged by the terms and conditions of the Contract in effect at the time of the conduct. Nu Skin and you agree that any dispute (whether or not a Dispute as defined in the Contract) between you and Nu Skin or any of the NSE Companies (whether commenced by you by filing a demand for arbitration as provided in Chapter 7 or a complaint, petition, or other pleading seeking relief in a civil legal



action, or commenced by Nu Skin by delivering notice of an alleged breach of the Contract and action to be taken by Nu Skin as provided in Chapter 6 or by filing a demand for arbitration as provided in Chapter 7, or by filing a complaint, petition, or other pleading seeking relief in a civil legal action) will be governed by and will be subject to the dispute resolution process (including the agreement to arbitrate Disputes, agreements not to file class or representative actions, and agreements as to choice of law, jurisdiction, and venue) and the remedies allowed for breaches of contractual or non-contractual duties (including waivers of damages, limitations of liability, and obligations to indemnify, defend, or hold harmless) of the Contract in effect on the date of the commencement of the dispute as described herein above. Notwithstanding the foregoing sentence and as a limited exception to it, to the fullest extent permitted by law, modifications to the Contract pursuant to written notice as permitted in this Section 1 that by their terms expand the damages that may be recovered from Nu Skin or the NSE Companies by a Brand Affiliate in the resolution of disputes (whether or not a Dispute as defined in the Contract) between the Brand Affiliate and Nu Skin or the NSE Companies shall be effective as to disputes that were commenced before the modifications became effective, were pending further proceedings, and had not been concluded at the time the modification became effective. Except as provided in the foregoing sentence, modifications of the Contract pursuant to written notice as permitted in this Section 1 shall not be effective as to any disputes (whether or not a Dispute as defined in the Contract) between you and Nu Skin or the NSE Companies that were first commenced before the effective date of the modification.

## 2 WAIVERS AND EXCEPTIONS

Nu Skin reserves the right, in its sole discretion, to waive a breach of, or make an exception to, any provision of the Contract. Any waiver by Nu Skin of a breach of any provision of the Contract or any exception made by Nu Skin to any provision of the Contract must be in writing and will not be construed as a waiver of any subsequent or additional breach or an exception for any other Person. Any right or prerogative of Nu Skin under the Contract may be exercised at Nu Skin's sole discretion. Any exception made by Nu Skin, or any failure or delay by Nu Skin in exercising any right or prerogative under the Contract will not operate as a future exception or waiver of that right or prerogative.

## 3 INTEGRATED CONTRACT

The Contract is the final expression of the understanding and agreement between you and Nu Skin concerning your relationship with Nu Skin and any transactions with Nu Skin and supersedes all prior and contemporaneous agreements, discussions, or understanding (in any form, both oral and written) between Nu Skin and you related to your relationship with Nu Skin or any transactions with Nu Skin. The Contract may not be altered or amended except as provided in the Brand Affiliate Agreement and these Policies and Procedures. The existence or terms of the Contract may not be contradicted by evidence of any alleged prior contemporaneous oral or written agreement. Should any discrepancy exist between the terms of the Contract and verbal representations made to you by any Nu Skin employee or another Brand Affiliate, the express written terms and requirements of the Contract will prevail.

## 4 SEVERABILITY

Any provision of the Contract that is prohibited, judicially invalidated, or otherwise rendered unenforceable in any jurisdiction is ineffective only to the extent of the prohibition, invalidation, or unenforceability, and only within that jurisdiction and any jurisdiction required to give full faith and credit to that prohibition, invalidation, or unenforceability. Any prohibited, judicially invalidated or unenforceable provision of the Contract will not invalidate or render unenforceable any other provision of the Contract, nor will that provision of the Contract be invalidated or rendered unenforceable in any other jurisdiction not required to give full faith and credit to that prohibition, invalidation, or unenforceability.

## 5 CHOICE OF LAW

The place of origin of the Contract is the State of Utah, USA. The Contract will be governed by, construed in accordance with, and interpreted pursuant to the substantive laws of the State of Utah, without giving effect to its rules regarding choice of laws, provided, however, the Agreement to Mandatory and Binding in Section E of the Brand Affiliate Agreement and the agreement to arbitration in



Chapter 7 of these Policies and Procedures shall be governed by the Federal Arbitration Act (USA).

## 6 CHOICE OF VENUE

The agreed exclusive venue for the arbitration of any Dispute is in Salt Lake County, State of Utah, as provided in Section 6.1 of Chapter 7. It is further agreed that for any Dispute that is not submitted to arbitration for any reason whatsoever (including, without limitation, the unenforceability of the Agreement to Mandatory and Binding Arbitration in the Brand Affiliate Agreement and/or the agreement to arbitration in Chapter 7 of these Policies and Procedures or the waiver of the Agreement to Mandatory and Binding Arbitration and/or the agreement to arbitration in Chapter 7 of these Policies and Procedures) and that for any claims, disputes, controversies, causes of action, or complaints between you or any Person claiming by, through, or under you and any of the NSE Companies that is not a Dispute, the exclusive venue will be in a court of proper jurisdiction in Salt Lake County, State of Utah. You consent to personal jurisdiction of courts within Salt Lake County, State of Utah, to adjudicate such matters, and you waive any objection to improper venue.

## 7 WAIVER OF CLASS AND REPRESENTATIVE ACTIONS

You waive any right to assert as a class or representative action any claims, disputes, controversies, causes of action, or complaints between you or any Person claiming by, through, or under you, and any of the NSE Companies, whether or not a Dispute, that is adjudicated in any federal or state court and that arises out of or is in any way connected with or related to the Contract or your past or present status (or the past or present status of any Participant in any past or present Brand Affiliate Account owned by you or any past or present Brand Affiliate Account for which you are or were a Participant) as an independent contractor and Brand Affiliate of Nu Skin, including but not limited to, any claims or causes of action arising in contract, tort, products liability, statute, equity, or any other basis or theory of liability. You agree that you will not assert in federal or state courts a class or representative action to resolve such claims, disputes, controversies, causes of action, or complaints, agree that you will submit to the federal or state courts only your individual claims, and you agree that you will not seek to represent the interests of, or to assert claims as the representative of, any other Person.

## 8 ENGLISH AS PREVAILING LANGUAGE

The English language version of the Contract shall be controlling in all respects and shall prevail in case of any inconsistencies between the English language version of any portion of the Contract and any translated version of such portion of the Contract. Any translation of any portion of the Contract in any other language is provided as a courtesy only.

## 9 THIRD PARTY BENEFICIARY RIGHTS

Except as expressly stated in the Contract, no Person who is not a party to the Contract is intended to be a beneficiary of the Contract, and no Person who is not a party or an expressed beneficiary of the Contract shall have any right to enforce any provision of the Contract.

## 10 NOTICES

Unless otherwise provided in the Contract, any notice or other communications requested or permitted to be given under the Contract will be in writing and will be delivered personally, transmitted by email, or sent by first class, certified (or registered) or express mail, postage prepaid. Unless otherwise provided in the Contract, notices will be deemed given (a) when delivered personally, (b) when transmitted by email: (i) if to Nu Skin, to the Nu Skin email addresses provided in these Policies and Procedures or elsewhere in the Contract for such notice or other communication; and (ii) if to the Brand Affiliate, to the Brand Affiliate's email address as recorded in the Brand Affiliate's profile on Nu Skin's systems, or (c) when transmitted by mail: (i) if to Nu Skin, five calendar days after the date of mailing to the address of Nu Skin's headquarters at 75 West Center Street, Provo, Utah 84601; and (ii) if to the Brand Affiliate, five calendar days after the date of mailing to the Brand Affiliate's address as provided in the Brand Affiliate's profile on Nu Skin's systems.

# 11 SUCCESSORS AND CLAIMS

The Contract will be binding upon and inure to the benefit of you, Nu Skin, and any Person identified in the Contract to be a third-party beneficiary of the Contract, and their respective successors and assigns.

# 12 HEADINGS

The headings in the Contract are for convenience of reference only and will not limit or otherwise affect any of the terms or provisions of the Contract.

# 13 INTERNAL REFERENCES

All references to Sections or Chapters herein refer to Sections or Chapters of these Policies and Procedures unless otherwise indicated.

# 14 PLURALITY AND GENDER

All words will be deemed to include the plural as well as the singular and to include all genders.

## Addendum A - Glossary of Defined Terms

### **AAA**

The American Arbitration Association, as discussed in Chapter 7.

### **ADVERTISING MATERIAL**

Any social media content, including recorded and live video presentations, images, posts, and similar material, and Personalized Advertising Material, which is created by a Brand Affiliate for their personal use in the promotion of Nu Skin Products, NSI Local Affiliate Products, or the Nu Skin business opportunity and which makes reference to Nu Skin, the Nu Skin Products, the NSI Local Affiliate Products, the Sales Compensation Plan, or the Nu Skin Brands.

### **AGGREGATE LIABILITY LIMIT**

Defined in Section 5 of Chapter 8.

### **ALLEGED VIOLATIONS**

Defined in Section 3 of Chapter 6.

### **ALLEGED VIOLATION MATTERS**

Defined in Section 3.3 of Chapter 6.

### **APPLICATION**

The information provided by you to Nu Skin during the application process to become a Brand Affiliate (including, in connection with an Individual Brand Affiliate Account, the required Brand Affiliate owner and Spouse (if applicable) information, and, in connection with a Business Entity Brand Affiliate Account, the required Business Entity, Primary Participant, and other Participant information). Upon Nu Skin's acceptance of an Application, the applicant (including, in the case of an Individual Brand Affiliate Account, the Brand Affiliate

owner and any Spouse, and, in the case of a Business Entity Brand Affiliate Account, the Business Entity, the Primary Participant, and the other Participants who have agreed to the terms of the Brand Affiliate Agreement and the Contract) becomes a Brand Affiliate.

#### **ARBITRATION AGREEMENT**

Defined in Section 2 of Chapter 7.

#### **ARBITRATION CLAIM**

Defined in Section 5 of Chapter 7.

#### **ARBITRATING PARTY**

Defined in Section 5 of Chapter 7.

#### **AUTHORIZED COUNTRY**

Any country or other geographic market designated in writing by Nu Skin as officially opened for business for all Brand Affiliates.

#### **BENEFICIAL INTEREST**

As to Brand Affiliate Accounts:

Any interest whatsoever, whether it is direct or indirect, including but not limited to any ownership interest, rights to present or future benefits, financial or otherwise, rights to go on Nu Skin sponsored trips and other events, rights to purchase Nu Skin Products or NSI Local Affiliate Products at wholesale prices, recognition of any type, or other tangible or intangible benefits associated with a Brand Affiliate Account. An individual is considered to have a Beneficial Interest in the Brand Affiliate Account of a Spouse. If a Person is or should be listed as a Participant of a Business Entity Brand Affiliate Account, the Person is considered to have a Beneficial Interest in such Business Entity Brand Affiliate Account. Any individual with a Beneficial Interest in a Business Entity will be deemed to have a Beneficial Interest in the Brand Affiliate Account of that Business Entity.

As to a Business Entity:

Any interest whatsoever, whether it is direct or indirect, including but not limited to any ownership interest, rights to present or future benefits, financial or otherwise, or any rights to management or control of the Business Entity including, without limitation, serving as a director, officer, or manager of the Business Entity.

As to a Direct Sales Company:

Any interest whatsoever, whether it is direct or indirect, including but not limited to any ownership interest, rights to present or future benefits, financial or otherwise, rights to go on Direct Sales Company sponsored trips and other events, rights to purchase the products of a Direct Sales Company at wholesale prices, recognition of any type or other tangible or intangible benefits associated with a distributorship of a Direct Sales Company. An individual is considered to have a Beneficial Interest in a Direct Sales Company distributorship of (i) a Spouse, and (ii) a Business Entity if the individual has a Beneficial Interest in the Business Entity.

#### **BLUE DIAMOND DIRECTOR INTERNET MARKETING SITE**

A website that is (i) owned, operated, or containing material provided by a Brand Affiliate whose current Title is a Blue Diamond Director or higher, and (ii) properly registered with Nu Skin and subject to a current Notice of Registration.

#### **BLUE DIAMOND BUSINESS SUPPORT MATERIALS**

Any electronic, printed, oral, audio, or video presentation or other material used in the promotion of Nu Skin Products, NSI Local Affiliate Products, or the Nu Skin business opportunity, recruitment of prospective Brand Affiliates, or training of Brand Affiliates, which makes reference to Nu Skin, the Nu Skin Products, the NSI Local Affiliate Products, the Sales Compensation Plan, or the Nu Skin Brands and which is created by a Blue Diamond Director for their individual use or for use as a resource by other Brand Affiliates, including without limitation such Blue Diamond Director's Team.

#### **BLUE DIAMOND DIRECTOR BUSINESS SUPPORT MATERIALS AND SERVICES**

This term is used to refer to Blue Diamond Director Business Support Materials and Blue Diamond Business Support Services together.

#### **BLUE DIAMOND DIRECTOR BUSINESS SUPPORT SERVICES**

Any services or business tools supporting the offer or sale of Nu Skin Products or NSI Local Affiliate Products, recruitment of prospective Brand Affiliates, or the training of Brand Affiliates, which are provided by a Blue Diamond Director as a resource for other Brand Affiliates, including without limitation a Blue Diamond Director's Team.

#### **BONUS**

The amounts payable to the Brand Affiliate owner of a Brand Affiliate Account under the terms of the Sales Compensation Plan.

#### **BONUS AND SPECIAL CASH INCENTIVE INCOME**

Defined in Section 5 of Chapter 8.

#### **BRAND AFFILIATE**

An independent contractor authorized by NSEUS and NSI under the Contract to (a) buy Nu Skin Products for personal consumption and for resale; (b) market and sell Nu Skin Products in the United States through person-to-person sales and earn retail profit on such sales; (c) refer and register Customers in the United States to allow them to purchase Nu Skin Products directly from NSEUS; (d) recruit and cause a Brand Affiliate Account to sponsor Brand Affiliates in the United States, (e) recruit and cause a Brand Affiliate Account to sponsor Brand Affiliates and to refer and register Customers in Authorized Countries outside of the United States, and (f) have a Beneficial Interest in the Brand Affiliate Account owned by the independent contractor or in which the independent contractor is a Participant.

#### **BRAND AFFILIATE ACCOUNT**

The business account created with Nu Skin for the Business Activity conducted by a Brand Affiliate, including, without limitation, to receive any special incentives and any Bonuses paid by NSEUS in accordance with the terms and requirements of the Sales Compensation Plan. An individual who signs up as a Brand Affiliate solely in their individual capacity and for their own account will own an Individual Brand Affiliate Account in their name. If an individual signs up to participate as a Brand Affiliate through the Brand Affiliate Account of a Business Entity or Spouse, such individual will not have or own a Brand Affiliate Account but will be a Participant in the Brand Affiliate Account of such Business Entity or such Spouse. NSEUS pays Bonuses and any special incentives to the owner of the Brand Affiliate Account based on the Business Activities of the owner and Participants of such Brand Affiliate Account. In the case of a Business Entity Brand Affiliate Account, the owner of the Brand Affiliate Account is the Business Entity, and the individual who creates a Brand Affiliate Account for a Business Entity is a Participant of such Brand Affiliate Account. Each of the owner, the Primary Participant, and any other Participants of a Brand Affiliate Account is a Brand Affiliate.

#### **BRAND AFFILIATE AGREEMENT**

The Application and the Brand Affiliate Agreement, and if applicable, the Business Entity Form, that must be completed, approved, and submitted to Nu Skin in order to become a Brand Affiliate. The Brand Affiliate Agreement may be amended from time to time as provided in the Contract.

#### **BRAND AFFILIATE ORGANIZATION**

Any organization, formal or informal, established by a Brand Affiliate that offers sales support, motivational or training material, website subscriptions, Blue Diamond Director Business Support Materials and Services, training courses, recognition events, leads or other business promotion tools to a specific group of Brand Affiliates.

#### **BRAND REPRESENTATIVE**

A Brand Affiliate who has completed the formal qualification process outlined in the Sales Compensation Plan to become a Brand Representative.

#### **BUSINESS ACTIVITY**

Any activity that benefits, promotes, or assists the business of a Brand Affiliate Account, including agreeing to be bound by the terms and conditions of a Brand Affiliate Agreement, purchasing Nu Skin Products from or returning Nu Skin Products to Nu Skin or purchasing NSI Local Affiliate Products from NSI Local Affiliates or returning NSI Local Affiliate Products to an NSI Local Affiliate, recruiting and/or causing a Brand Affiliate Account to sponsor new Brand Affiliates, servicing, supporting or training other Brand Affiliates or Customers, use of credit cards, shipping services, or any other activities that Nu Skin, in its sole discretion, determines to be a material promotion of Nu Skin's business.

#### **BUSINESS DEVELOPMENT ACTIVITY**

Any activity that benefits, promotes, assists, or supports in any way the business, development, sales, or sponsorship of a Direct Sales Company, including but not limited to, selling products or services, promoting the business opportunity, appearing on behalf of a Direct Sales Company or one of its representatives, allowing your name or likeness to be used to market a Direct Sales Company, its products, services, or opportunity, sponsoring or recruiting on behalf of a Direct Sales Company, servicing, supporting, or training other representatives of the Direct Sales Company, acting as a member of the board of directors, as an officer, or a representative or distributor of a Direct Sales Company, having an ownership interest, or any other beneficial interest, whether the interest is direct or indirect, in a Direct Sales Company.

#### **BUSINESS ENTITY**

Any business entity such as a corporation, partnership, limited liability company, trust, or other form of business organization legally formed under the laws of the jurisdiction in which it was organized.

#### **BUSINESS ENTITY BRAND AFFILIATE ACCOUNT**

A Brand Affiliate Account created in the Nu Skin systems in the name of and owned by a single Business Entity. The Business Entity and each Participant in a Business Entity Brand Affiliate Account are Brand Affiliates. The Business Entity may be referred to as a Brand Affiliate owner, and a Participant may be referred to as a Brand Affiliate Participant. The actions and decisions of the Primary Participant of a Business Entity Brand Affiliate Account as communicated to Nu Skin are binding on the Business Entity, the Business Entity Brand Affiliate Account, and each of its Participants.

#### **BUSINESS ENTITY FORM**

A supplemental document considered part of the hard copy Application and Brand Affiliate Agreement for a Business Entity applying offline, as permitted by Nu Skin in its sole discretion. The Business Entity Form must be completed and signed by a Business Entity applying to become a Brand Affiliate, as well as each individual that will be a Participant in the Brand Affiliate Account of the Business Entity. The Business Entity Form must list all Persons who are partners, shareholders, principals, officers, directors, members, managers, or anyone else with a Beneficial Interest in the Business Entity or who will engage in Business Activity on behalf of the Business Entity and its Brand Affiliate Account.

#### **CAC**

Compliance Appeals Committee whose duties are described in Chapter 6.

#### **CAR**

The Commercial Arbitration Rules of the American Arbitration Association, as discussed in Chapter 7.

#### **CONFIDENTIAL INFORMATION**

All private, confidential and/or proprietary information disclosed to or discovered by you regarding Nu Skin, the Nu Skin Products, the NSI Local Affiliate Products, or the Nu Skin Brands including, without limitation, intellectual property rights, trade secrets, the Network, personal information, sales volumes and genealogy, manuals, protocols, policies, procedures, marketing, and strategic information, computer software, training materials, nonpublic financial information, and any copies, notes or abstracts of any such information, or any other information that Nu Skin considers proprietary, highly sensitive, or valuable to its business.

#### **CONTRACT**

The agreement between Nu Skin and you composed of the Brand Affiliate Agreement, the Business Entity Form (if applicable), these Policies and Procedures, the Sales Compensation Plan, and all guidelines and supplemental policies referenced in the Brand Affiliate Agreement, these Policies and Procedures, or the Sales Compensation Plan and made available to Brand Affiliates on Nu Skin's website at [www.nuskin.com](http://www.nuskin.com), each of which is incorporated herein by reference, as each may be amended from time to time.

#### **CRC**

Compliance Review Committee whose duties are described in Chapter 6.

#### **CUSTOMER**

A Person who is not a Brand Affiliate who purchases Nu Skin Products and/or NSI Local Affiliate Products, including unregistered customers (including Unaffiliated Customers) and registered customers (including Retail Customers and Members).

#### **DIRECT RETAIL CUSTOMER**

A Customer who purchases Nu Skin Products sold by Nu Skin to a Brand Affiliate and resold directly by the Brand Affiliate to the Customer for consumption or use, and not for resale.

#### **DIRECT SALES COMPANY**

A company that is not one of the NSE Companies that uses a sales force of independent contractors who sell products and services and that compensates the independent contractors through a single-level or multi-level compensation plan for (i) their own sales, and/or (ii) the sales of other independent contractors who have signed up under the independent contractors to distribute the same products and services.

#### **DISPUTE**

Defined in Section 3 of Chapter 7.

#### **FAA**

The Federal Arbitration Act, as discussed in Section 6.4 of Chapter 7.

#### **FCPA**

The Foreign Corrupt Practices Act, as discussed in Section 1.12 of Chapter 2.

#### **FDA**

The United States Food and Drug Administration, as discussed in Section 2.3 of Chapter 3.

#### **INDIVIDUAL BRAND AFFILIATE ACCOUNT**

A Brand Affiliate Account created in the Nu Skin systems in the name of and owned by a single individual. An individual may participate in an Individual Brand Affiliate Account owned by a Spouse as a Participant. The owner and any Participant in an Individual Brand Affiliate Account are Brand Affiliates, and the owner may be referred to as a Brand Affiliate owner and a Participant may be referred to as a Brand Affiliate Participant. The actions and decisions of the owner of an Individual Brand Affiliate Account as communicated to Nu Skin are binding on the owner, the Individual Brand Affiliate Account, and each of its Participants.

#### **INTERNATIONAL SPONSOR**

A Brand Affiliate in good standing, authorized under an International Sponsor Agreement or the Brand Affiliate Agreement to recruit and cause a Brand Affiliate Account to sponsor a new Brand Affiliate in an Authorized Country outside the country, market, territory, or other political jurisdiction in which the recruiting Brand Affiliate first established a Brand Affiliate Account with Nu Skin.

#### **INTERNET MARKETING SITE**

An Internet Marketing Site is (a) any location on the Web, other than social media platforms, that is used primarily (or to which a significant portion is used) to post or communicate information about Nu Skin, Nu Skin Products, NSI Local Affiliate Products, the

Sales Compensation Plan, or the Nu Skin business opportunity, or (b) any location on the web that contains Nu Skin Business Support Materials or Blue Diamond Director Business Support Materials. An Internet Marketing Site is considered to be a Blue Diamond Director Business Support Material and must be submitted for registration in accordance with the Requirements for Blue Diamond Director Business Support Materials document found on your Resident Country's website at nuskin.com and in accordance with Section 3 of Addendum B of these Policies and Procedures.

#### **LICENSE AGREEMENT**

The agreement between Nu Skin and a Blue Diamond Director that governs the Blue Diamond Director's right to use certain Nu Skin trademarks and trade names in Blue Diamond Director Business Support Materials and Services and on the internet.

#### **LIMITATION OF LIABILITY BENEFICIARIES**

Defined in Section 5 of Chapter 8.

#### **LINE SWITCH CLAIM**

Defined in Section 3.2 of Chapter 6.

#### **MEMBER**

A Customer who signs up through Nu Skin's systems based on a Brand Affiliate invitation to purchase Nu Skin Products and/or NSI Local Affiliate Products at Member prices. Members are sometimes referred to as preferred customers. Members cannot resell Nu Skin Products or NSI Local Affiliate Products, register Customers, or sponsor Brand Affiliates.

#### **NETWORK**

The Brand Affiliate and Customer network of Nu Skin and all compilations of various lists describing that network or members thereof, including but not limited to any and all contact or personal information collected by Nu Skin regarding the Brand Affiliates and Customers.

#### **NON-RESIDENT COUNTRY**

An Authorized Country other than your Resident Country.

#### **NSE COMPANIES**

Collectively Nu Skin Enterprises, Inc. and each of its direct and indirect subsidiaries and affiliated companies, including Nu Skin Enterprises United States, Inc., Nu Skin International, Inc., and the NSI Local Affiliates.

#### **NSEUS**

Nu Skin Enterprises United States, Inc., a Delaware corporation, with its principal place of business at 75 West Center Street, Provo, Utah 84601.

#### **NSI**

Nu Skin International, Inc., a Utah corporation, with its principal place of business at 75 West Center Street, Provo, Utah 84601.

#### **NSI LOCAL AFFILIATES**

The direct and indirect subsidiary companies of Nu Skin Enterprises, Inc. (other than NSEUS) that have been licensed by NSI to utilize the sales network of NSI and/or its Sales Compensation Plan and related systems to market Nu Skin Products and NSI Local Affiliate Products.

#### **NSI LOCAL AFFILIATE PRODUCTS**

The products and services offered and sold by the NSI Local Affiliates under the Nu Skin Brands in an Authorized Country outside of the United States. NSI Local Affiliate Products do not include products or services offered or sold by one or more of the NSE Companies under any brands, trade names, logos, and/or trademarks that are not Nu Skin Brands.



## **NU SKIN**

Collectively, Nu Skin Enterprises United States, Inc. and Nu Skin International, Inc.

## **NU SKIN BUSINESS SUPPORT MATERIALS**

Any electronic, printed, oral, audio, or video presentation or other material used in the promotion of Nu Skin Products, NSI Local Affiliate Products, or the Nu Skin business opportunity, recruitment of prospective Brand Affiliates, or training of Brand Affiliates, which is created by Nu Skin as a resource for the individual use of its Brand Affiliates.

## **NU SKIN BUSINESS SUPPORT MATERIALS AND SERVICES**

This term is used to refer to Nu Skin Business Support Materials and Nu Skin Business Support Services together.

## **NU SKIN BUSINESS SUPPORT SERVICES**

Any services or business tools supporting the offer or sale of Nu Skin Products or NSI Local Affiliate Products, recruitment of prospective Brand Affiliates, or the training of Brand Affiliates, which are provided by Nu Skin as a resource for the individual use of its Brand Affiliates.

## **NU SKIN BRANDS**

The brands, trade names, logos, and trademarks owned by NSE Products, Inc., including but not limited to AGELOC, EPOCH, NU SKIN, PHARMANEX, NU COLOUR, NUTRICENTIALS, and SCION.

## **NU SKIN PRODUCTS**

The products and services offered and sold by NSEUS in the United States under the Nu Skin Brands. Nu Skin Products do not include products or services offered or sold by one or more of the NSE Companies under any brands, trade names, logos, and/or trademarks that are not Nu Skin Brands.

## **PARTICIPANT**

A Brand Affiliate who is authorized to engage in Business Activities for and to have a Beneficial Interest in a Brand Affiliate Account owned by another Person. Each Participant is required to have agreed to the terms of a Brand Affiliate Agreement and to be bound by the terms and conditions of the Contract.

## **PERSON**

An individual or Business Entity.

## **PERSONALIZED ADVERTISING MATERIAL**

Business cards, letterhead, stationery, envelopes, note pads, self-stick labels, name badges or Direct Selling Association cards imprinted with Nu Skin names or logos and an independent Brand Affiliate designation, which could include name, address, telephone number, and other personal contact information.

## **POLICIES AND PROCEDURES**

These Policies and Procedures of NSEUS, as they are amended from time to time, and which, along with the Brand Affiliate Agreement and the remainder of the Contract, govern how Brand Affiliates may conduct their Nu Skin businesses and define the rights and relationships of the Brand Affiliate, Nu Skin, and the NSI Local Affiliates.

## **PRIMARY PARTICIPANT**

A single individual Participant in a Business Entity Brand Affiliate Account that is the authorized representative of the Business Entity and is designated in the Nu Skin systems as the Primary Participant based on the Application and any subsequent information submitted to Nu Skin. Nu Skin may rely and act on information provided by the Primary Participant of a Business Entity Brand Affiliate Account, and the actions and decisions of the Primary Participant as communicated to Nu Skin are binding on the Business Entity, the

Business Entity Brand Affiliate Account and each of its Participants.

#### **PUNITIVE DAMAGES WAIVER**

Defined in Section 6.4(c) of Chapter 7.

#### **RESIDENT COUNTRY**

If you are an individual, then it is the country, market, territory, or other political jurisdiction in which you are a citizen or a lawful resident and whose country's, market's, territory's, or other political jurisdiction's Brand Affiliate Agreement you have executed. If you are a Business Entity, such as a corporation, partnership, limited liability company, or any other form of business organization, then it is the country, market, territory, or other political jurisdiction in which you are legally formed and in which each person having a Beneficial Interest in the Business Entity has proper legal authorization to conduct business, and whose country's, market's, territory's, or other political jurisdiction's Brand Affiliate Agreement you have executed.

#### **RETAIL CUSTOMER**

A Customer who signs up through Nu Skin's systems to purchase Nu Skin Products and/or NSI Local Affiliate Products at retail prices. Retail Customers cannot resell Nu Skin Products or NSI Local Affiliate Products, register Customers, or sponsor Brand Affiliates.

#### **RMA**

Defined in Section 4.3 of Chapter 2.

#### **SALES COMPENSATION PLAN**

The compensation plan that has been adopted and implemented by NSEUS for Brand Affiliates in the United States, as it may be amended from time to time, which allows a Brand Affiliate Account to earn Bonuses through sales of Nu Skin Products generated personally by Brand Affiliates and through a network of sponsored Brand Affiliates, and through sales of NSI Local Affiliate Products generated through a network of sponsored Brand Affiliates.

#### **SALES VOLUME**

A point system Nu Skin uses to compare the relative value of Nu Skin Products and NSI Local Affiliate Products across various currencies and markets. Each Nu Skin Product and NSI Local Affiliate Product is assigned a specific amount of points of Sales Volume. Please see the Sales Compensation Plan for more details regarding Sales Volume and the calculation and payment of the different Bonuses based on Sales Volume.

#### **SEXUAL HARASSMENT**

Defined in Section 1.10 of Chapter 2.

#### **SPONSOR**

The Brand Affiliate Account under which another Brand Affiliate Account is placed in the Nu Skin systems. The Sponsor is originally assigned at the time a Brand Affiliate Account is created in the Nu Skin systems but the Sponsor of a Brand Affiliate Account may change from time to time as provided in Sales Compensation Plan and these Policies and Procedures.

#### **SPOUSE**

An individual legally married to another individual or an individual living in the same dwelling with another individual in a marriage-like relationship or as a domestic partner.

#### **SUBSCRIPTION PROGRAM**

The NSEUS Subscription Program, as discussed in Section 3.10 of Chapter 2.

#### **TEAM**

The Team of a Brand Affiliate Account consists of all Generations (as such term is defined in the Sales Compensation Plan) on which

the Brand Affiliate Account is eligible to be paid a Leading Bonus (as such term is defined in the Sales Compensation Plan). The Title of the Brand Affiliate Account owned by you or in which you are a Participant determines the number of Generations of Brand Representatives and their Consumer Groups (as such term is defined in the Sales Compensation Plan) on your Team. A Team does not include the Consumer Group of the Brand Affiliate Account.

#### **THIRD-PARTY PRODUCTS**

Defined in Section 2.1 of Chapter 5.

#### **TITLE**

The title achieved under the Sales Compensation Plan by a Brand Affiliate Account once it is a Brand Representative based on the number of its first generation Brand Representatives (for those Brand Affiliate Accounts grandfathered under the prior Title requirements) or based upon the number of its first generation Brand Representatives and its Leadership Teams (as this term may be defined in the Sales Compensation Plan) for those Brand Affiliate Accounts whose Title is determined under the Title requirements in the Sales Compensation Plan, depending upon which title determination requirements are applicable to the Brand Affiliate Account.

#### **TRANSFER AGREEMENT**

Defined in Section 4.1 of Chapter 1.

#### **UNAFFILIATED CUSTOMER**

Customers who (i) purchase Nu Skin Products directly from Nu Skin or NSI Local Affiliate Products directly from an NSI Local Affiliate, or who register directly as a Customer with Nu Skin or an NSI Local Affiliate, and (ii) have not been registered as the Customer of a Brand Affiliate or, if registered as the Customer of a Brand Affiliate, purchase such products from, or register directly with, Nu Skin or an NSI Local Affiliate through a new, unregistered Customer account or purchase such products without logging in to their registered Customer account.

#### **UNOPENED COUNTRY**

Any country, market, territory, or other political jurisdiction that is not an Authorized Country.

#### **YOU AND YOUR**

The Person who enters a Brand Affiliate Agreement (or that has authorized others to enter a Brand Affiliate Agreement on their behalf) to become a Brand Affiliate, including with respect to a Business Entity Brand Affiliate Account, the corporation, partnership, or other legal entity applying for a Brand Affiliate Account and the individual applicant that enters the Brand Affiliate Agreement on its behalf.

#### **YOUR TEAM**

The Team of the Brand Affiliate Account you own or in which you are a Participant.

# Addendum B - Policies for Blue Diamond Director Business Support Materials and Services

## 1 BLUE DIAMOND DIRECTOR BUSINESS SUPPORT

# MATERIALS

## 1.1 COMPLIANCE WITH LAW AND POLICIES AND PROCEDURES

Blue Diamond Director Business Support Materials must comply with these Policies and Procedures and with all applicable laws and regulations, including any intellectual property rights of other Persons. You bear full responsibility for the content of your Blue Diamond Director Business Support Materials. The registration of your Blue Diamond Director Business Support Materials is for tracking purposes only, and Nu Skin has no obligation for ensuring that your Blue Diamond Director Business Support Materials comply with applicable laws and regulations. The registration process is not legal advice from Nu Skin and you are strongly advised to seek the advice of independent legal counsel with regard to the legality and regulatory compliance of your Blue Diamond Director Business Support Materials.

## 1.2 IDENTIFICATION OF PUBLISHER

Blue Diamond Director Business Support Materials must prominently indicate (a) that the materials are “Independent Brand Affiliate Produced,” and such other designation as may be required by Nu Skin to identify the materials as distributor-produced, and (b) the name and address of the Blue Diamond Director publishing the Blue Diamond Director Business Support Material. For example: “This was produced by John Doe, an independent distributor of Nu Skin Enterprises United States, Inc., 7777 Lexington Avenue, New York, NY”. You may not state, suggest, or imply that the Blue Diamond Business Support Materials were produced, approved, endorsed, offered, or recommended by Nu Skin.

## 1.3 USE OF COMPANY-PRODUCED CONTENT

Blue Diamond Director Business Support Materials may use Nu Skin-produced content such as pictures, videos, and descriptions of Nu Skin Products, NSI Local Affiliate Products, and the Sales Compensation Plan that have been designated by Nu Skin as available for use in (i) Blue Diamond Director Business Support Materials, and (ii) the Authorized Country you intend to use such materials. The use of any Nu Skin trademarks, trade names, slogans, or copyrighted materials and any Nu Skin-produced content in Blue Diamond Director Business Support Materials must comply with the terms set forth in the Business Support Materials Authorization Agreement. If you use Nu Skin-produced content, you must not alter the content and must clearly designate Nu Skin’s copyright in such content. Nu Skin reserves the right to revoke the right to use any Nu Skin-produced materials at any time in its sole discretion.

# 2 SALE OF BLUE DIAMOND DIRECTOR BUSINESS SUPPORT MATERIALS AND SERVICES

## 2.1 REGISTRATION REQUIRED PRIOR TO SALE

You must register the Blue Diamond Director Business Support Materials and Services with Nu Skin and receive a Notice of Registration in accordance with the provisions of Section 3 of this Addendum B prior to selling them to other Brand Affiliates.

## 2.2 PRIMARY FOCUS IS SELLING PRODUCTS

Your principal business focus must always be on the sale of Nu Skin Products for consumption. The sale of Blue Diamond Director Business Support Materials and Services must not become a material profit center for you. Nu Skin recommends that Blue Diamond Director Business Support Materials and Services generally should be sold at cost, and must, in any event, be sold at reasonable prices. Consistent with this principle, you also may not offer any incentives to other Brand Affiliates in connection with any sale of Blue Diamond Director Business Support Materials and Services to other Brand Affiliates and Customers. For example, you cannot offer to pay a bonus, directly or indirectly, to a Brand Affiliate for selling Blue Diamond Director Business Support Materials and Services to other Brand Affiliates or Customers or for referring a potential purchaser of Blue Diamond Director Support Materials and Services to you.

## 2.3 NO REQUIRED PURCHASES; NO SALE TO PROSPECTIVE BRAND AFFILIATES

You may not require any prospective Brand Affiliate to purchase Blue Diamond Director Business Support Materials and Services as a precondition to signing up as a Brand Affiliate. You also may not state, suggest, or imply that

- a. Nu Skin or Blue Diamond Director Business Support Materials and Services are required or necessary to join or succeed in the business;
- b. Nu Skin or Blue Diamond Director Business Support Materials and Services are required or necessary to receive upline support and training;
- c. the Blue Diamond Director Business Support Materials and Services were produced by Nu Skin or are being offered or sold by Nu Skin; or
- d. Nu Skin approves, endorses, or recommends the Blue Diamond Director Business Support Materials and Services.

You may not sell any Nu Skin or Blue Diamond Director Business Support Materials and Services to a prospective Brand Affiliate before the prospective Brand Affiliate has submitted an Application to become a Brand Affiliate to Nu Skin and agreed to be bound by the terms and conditions of a Brand Affiliate Agreement.

## 2.4 RETURN POLICY

In connection with the sale of Blue Diamond Director Business Support Materials and Services, you must offer the same return policy that is offered by Nu Skin for its Nu Skin Products and Nu Skin Business Support Materials. You must refund 90 percent of the purchase price of the Blue Diamond Director Business Support Materials and Services for a period of 12 months.

## 2.5 DISCLOSURE STATEMENT

You must provide a Business Support Materials Disclosure Statement to a Brand Affiliate before the first sale of Blue Diamond Director Business Support Materials and Services to that Brand Affiliate. You may obtain a copy of the required Disclosure Statement from the My Office website. You should regularly check the website to ensure you have the most recent version of the Disclosure Statement. Delivery of a receipt in compliance with Section 2.6 below will satisfy the obligation set forth in this Section 2.5 if such receipt is delivered simultaneously with the purchase of the Blue Diamond Director Business Support Materials and Services.

## 2.6 RECEIPT

You must provide a receipt for all purchases of Blue Diamond Director Business Support Materials and Services. The receipt must comply with Section 5.3 of Chapter 2 and also include the following disclosure:

“You are not required to purchase any business support materials or services in order to become a Nu Skin Brand Affiliate.

These business support materials or services are produced and distributed by an independent distributor of Nu Skin Enterprises United States, Inc. and not by Nu Skin Enterprises United States, Inc. Although some distributors may have found these products and services to be helpful in their Nu Skin business, they are not required in order to be a distributor and no success is guaranteed because you purchase them. Your refusal to purchase these items will not affect your upline’s responsibility to provide you with training and support. Nu Skin Enterprises United States, Inc. does not approve, endorse, recommend, or support these materials and services. Your expenditures on these items should be reasonable and the amount you spend should be in relation to your business and sales volume.

In the event you desire to return the business support materials or services, you may obtain a refund only from the independent distributor who sold you the business support materials or services. You may cancel your purchase at any time prior to midnight of the third business day after the date of your purchase for a full refund of the purchase price. After the third day, you are entitled to a refund of 90 percent of the purchase price if you return the business support materials or services to the seller at the address listed on this receipt within 12 months of the date of purchase.”

In the event that you provide Blue Diamond Director Business Support Materials and Services on a subscription basis or other method in which the Brand Affiliate does not have to affirmatively request each purchase (e.g., a monthly web access fee), then you must include the following sentence in the receipt described above for the initial subscription or order and any subsequent receipts: “You may terminate your [order/subscription, etc.] at any time by providing written or electronic notice to [insert name and contact information(including e-mail)].”

## 2.7 COMPLIANCE WITH LAWS

The sale of Blue Diamond Director Business Support Materials and Services and the performance of any Blue Diamond Director Business Support Services must comply with these Policies and Procedures and with all applicable laws and regulations, including but not limited to laws related to consumer privacy, data protection, do not call regulations, anti-spam regulations, and any related consumer protection laws. You bear full responsibility for ensuring that you comply with all applicable laws and you and the owner and Participants of the Brand Affiliate Account in which you are an owner or Participant will be liable to Nu Skin in the event Nu Skin incurs any liability as a result of your non-compliance. You are encouraged to consult with your own legal counsel regarding your compliance with these laws and regulations. While Nu Skin may review Blue Diamond Director Business Support Materials and Services and may request modifications to such materials, Nu Skin’s review of, and its permission to sell, such Blue Diamond Director Business Support Materials and Services are neither legal advice from Nu Skin nor a representation in any form that the materials comply with all applicable laws.

## 2.8 AFFORDABILITY

You must ensure that the quantity and cost of any Blue Diamond Director Business Support Materials and Services that you sell to another Brand Affiliate is reasonably related to the sales volume and Bonus level of that Brand Affiliate. You may not encourage a Brand Affiliate to go into debt to purchase either Nu Skin or Blue Diamond Director Business Support Materials and Services.

## 2.9 NO SELLING ACTIVITY AT CORPORATE EVENTS

You may not display, promote, or sell any Blue Diamond Director Business Support Materials and Services at meetings or events sponsored and conducted, in whole or in part, by Nu Skin.

## 2.10 WEB SITES

Although you may allow other Brand Affiliates to use your website and assess a reasonable charge to cover your costs for providing the service; you may not sell replicating or template websites to other Brand Affiliates without the prior written approval of Nu Skin.

## 2.11 COMPANY RETAINED RIGHTS; RESTRICTIVE COVENANTS

a. Your right to sell Blue Diamond Director Business Support Materials and Services to other Brand Affiliates is conditioned upon your agreement that all information relating to Brand Affiliates who purchase the Blue Diamond Director Business Support Materials and Services remains the property of Nu Skin, including their contact information. You agree that in the event you terminate your Brand Affiliates Account that you will: (i) immediately return to Nu Skin, or destroy, all such information and any copies thereof; and (ii) not utilize this information for any purpose.

b. In consideration of Nu Skin allowing you to market and sell Blue Diamond Director Business Support Materials and Services to its Brand Affiliates you hereby agree that during the period in which you are a Brand Affiliate and for a period of two years thereafter, you will not, in any manner, directly or indirectly, recruit, solicit, or sponsor any Brand Affiliate (including any who purchase Blue Diamond Director Business Support Materials and Services from you), to (i) form a relationship with, (ii) promote, sell or purchase the products or services of, (iii) participate as a salesperson of, (iv) or otherwise associate with, a Direct Sales Company, or encourage any Brand Affiliate or Customer to do so or to terminate their relationship with Nu Skin. This obligation survives the termination of the Contract.

## 2.12 RECORDS

You must maintain accurate and complete records with respect to any sales of Blue Diamond Director Business Support Materials and Services, including financial records documenting production costs and profits generated from the sale of the Blue Diamond Director Business Support Materials and Services. At the request of Nu Skin, you must make these records available for review by Nu Skin to confirm whether you have been complying with these Policies and Procedures with respect to the sale of any Blue Diamond Director Business Support Materials and Services. You must comply with any request to review your Brand Affiliate Account records promptly and completely.

# 3 REGISTRATION OF BLUE DIAMOND DIRECTOR BUSINESS SUPPORT MATERIALS AND SERVICES

## 3.1 APPLICATION FOR REGISTRATION

a. In order to register Blue Diamond Director Business Support Materials and Services, you must file an Application for Registration with Nu Skin together with a copy of the proposed Blue Diamond Director Business Support Materials and Services with supporting documentation. The Application for Registration contains additional terms and conditions that govern your production and distribution of your Blue Diamond Director Business Support Materials and Services. A Notice of Registration issued pursuant to an Application for Registration will expire two years from the date of issuance. Until its expiration, any additional proposed Blue Diamond Director Business Support Materials and Services will be treated as an addendum to the current Application of Registration on file with Nu Skin. Upon expiration of a Notice of Registration, you must submit a new Application for Registration for the continued use of any previously submitted Blue Diamond Director Business Support Materials and Services or with the submission of any new Blue Diamond Director Business Support Materials and Services.



b. The Application for Registration may be obtained from the My Office website or by calling Compliance or your Account Manager. Nu Skin could require you to make changes to your proposed Blue Diamond Director Business Support Materials and Services, so you should not produce multiple copies of the materials or incur other significant costs until you have received a Notice of Registration from Nu Skin. Failure to do so may require you to destroy such copies, pay for the reprint the Blue Diamond Director Business Support Materials, or otherwise incur unnecessary or duplicative expenses which will not be reimbursed by Nu Skin.

## 3.2 ADDITIONAL DOCUMENTATION; RIGHT OF REVIEW; MODIFICATIONS

Upon receipt of an Application for Registration, Nu Skin will review the application and related submissions and provide you with any required modifications to the Blue Diamond Director Business Support Materials and Services that it deems appropriate in its sole discretion. Nu Skin may ask for additional documentation, support, and legal opinions as it determines to be appropriate. Nu Skin also has the right to review your Blue Diamond Director Business Support Materials and Services at any time, including additional reviews after the issuance of a Notice of Registration. You must provide Nu Skin with any passwords or IDs as may be necessary for Nu Skin to review the Blue Diamond Director Business Support Materials and Services. Based upon any such review, Nu Skin may require you to make modifications to the Blue Diamond Director Business Support Material and Services as Nu Skin determines appropriate in its sole discretion. If Nu Skin notifies you of any required modifications, you must promptly make such changes to the Blue Diamond Director Business Support Materials and Services and may no longer use, offer, sell, or perform any Blue Diamond Director Business Support Materials and Services that have not been modified in accordance with the instructions of Nu Skin.

## 3.3 APPLICATION FEES

The Company may impose a reasonable fee for registering Blue Diamond Director Business Support Materials and Services.

## 3.4 NOTICE OF REGISTRATION

Following a review of the Application for Registration, Nu Skin will decide whether to issue a Notice of Registration with respect to the Blue Diamond Director Business Support Materials and Services covered by the application. Nu Skin has the right to make this decision in its sole discretion and has no obligation to issue a Notice of Registration for an Application for Registration and may refuse to issue a Notice of Registration in its sole discretion. In such event, you may not use, offer, sell, or perform the Blue Diamond Director Business Support Materials and Services covered by the Application for Registration. In the event Nu Skin decides to issue a Notice of Registration, it will deliver the Notice of Registration to you at the address indicated on the application.

## 3.5 RENEWAL OF REGISTRATION; REVOCATION

a. The Notice of Registration will indicate the date on which such Notice of Registration expires. You may not continue to use, offer, sell, or perform any Blue Diamond Director Business Support Materials and Services for which the Notice of Registration has expired unless you have re-submitted the materials for registration with Nu Skin and have received a new Notice of Registration from Nu Skin for such Blue Diamond Director Business Support Materials and Services. The materials you wish to renew will be submitted as part of your current Application for Registration that is on file with Nu Skin and handled in accordance with the same procedure. If your Application of Registration has expired, then you must file a new Application for Registration together with any Blue Diamond Director Business Support Materials and Services that you wish to renew.

b. Notwithstanding anything to the contrary in these Policies and Procedures, Nu Skin reserves the right to terminate and revoke any

Notice of Registration at any time in its sole discretion. If the Notice of Registration is revoked, then you must immediately cease using or distributing the specified Blue Diamond Director Business Support Materials and Services. Nu Skin is not liable for and will not reimburse you for any costs incurred by you for the production of your Blue Diamond Director Business Support Materials and Services that are the subject of the revoked Notice of Registration.

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