

# POLICIES & PROCEDURES

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## Table of Contents

### CHAPTER 1 | YOUR DIRECT SELLER ACCOUNT

#### 1.1 BECOMING A DIRECT SELLER

- 1.1.1 APPLYING TO BECOME A DIRECT SELLER
- 1.1.2 INDIVIDUAL DIRECT SELLER ACCOUNT
- 1.1.3 BUSINESS ENTITY DIRECT SELLER ACCOUNT
- 1.1.4 AGE REQUIREMENTS
- 1.1.5 LEGAL RESIDENCY
- 1.1.6 FORMER DIRECT SELLERS
- 1.1.7 SPOUSES
- 1.1.8 ACCEPTANCE OF YOUR DIRECT SELLER AGREEMENT
- 1.1.9 TAXPAYER IDENTIFICATION NUMBERS
- 1.1.10 CHANGING THE FORM OF A DIRECT SELLER ACCOUNT
- 1.1.11 MANDATORY TRAINING

#### 1.2 PERSONAL INFORMATION

- 1.2.1 COLLECTION OF PERSONAL INFORMATION
- 1.2.2 AUTHORIZATION TO TRANSFER, DISCLOSE, AND USE YOUR PERSONAL AND/OR CONFIDENTIAL INFORMATION

#### 1.3 MAINTAINING YOUR DIRECT SELLER ACCOUNT

- 1.3.1 KEEPING YOUR DIRECT SELLER ACCOUNT AND RELATED INFORMATION CURRENT
- 1.3.2 ADDING A NEW PARTICIPANT TO A DIRECT SELLER ACCOUNT
- 1.3.3 REMOVING AN EXISTING PARTICIPANT FROM A DIRECT SELLER ACCOUNT
- 1.3.4 STARTING A DIRECT SELLER ACCOUNT UNDER A NEW SPONSOR
- 1.3.5 A BENEFICIAL INTEREST IN ONE DIRECT SELLER ACCOUNT PER INDIVIDUAL
- 1.3.6 ACQUISITION OF BENEFICIAL INTEREST IN AND MERGER OF DIRECT SELLER ACCOUNTS

#### 1.4 TRANSFERRING AND TERMINATING A DIRECT SELLER ACCOUNT

- 1.4.1 TRANSFERRING DIRECT SELLER ACCOUNTS
- 1.4.2 TRANSFERS UPON DEATH

1.4.3 DIVORCE

1.4.4 RIGHT TO TERMINATE DIRECT SELLER ACCOUNT

## **CHAPTER 2 | OPERATING YOUR BUSINESS**

### **2.1 OBLIGATIONS AS A DIRECT SELLER—BUSINESS ETHICS**

2.1.1 DSA CODE OF ETHICS

2.1.2 PURPOSE OF YOUR BUSINESS

2.1.3 BUSINESS ETHICS

2.1.4 COMPLIANCE WITH CONTRACT

2.1.5 COMPLIANCE WITH CODE OF ETHICS

2.1.6 NO FALSE OR MISLEADING CLAIMS

2.1.7 COMPLIANCE WITH LAWS AND REGULATIONS

2.1.8 NO INVENTORY LOADING

2.1.9 COUNSELING SOUND BUSINESS PRACTICES

2.1.10 HARASSMENT AND SEXUAL MISCONDUCT

2.1.11 NO CONTACT OF VENDORS OR SCIENTIFIC ADVISORY BOARD MEMBERS

2.1.12 ANTI-CORRUPTION

2.1.13 MAINTAINING NU SKIN'S REPUTATION

2.1.14 RECORDS REVIEW

### **2.2 INDEPENDENT CONTRACTOR**

2.2.1 DIRECT SELLERS ARE INDEPENDENT CONTRACTORS

2.2.2 TAXES AND INDEMNIFICATION

2.2.3 NO AUTHORITY TO ACT ON BEHALF OF NU SKIN

2.2.4 DESIGNATION AS EMPLOYER PROHIBITED

### **2.3 ORDERING PRODUCTS OR SERVICES**

2.3.1 ORDERING PRODUCTS

2.3.2 TRANSFER OF TITLE

2.3.3 INVENTORY

2.3.4 METHODS OF ORDERING

2.3.5 ISSUING CREDITS

2.3.6 PRICING AND PRODUCT CHANGES

2.3.7 SUBMITTING ORDERS IN THE NAME OF ANOTHER DIRECT SELLER

2.3.8 PAYMENTS WITHOUT SUFFICIENT FUNDS

2.3.9 USE OF ANOTHER INDIVIDUAL'S CREDIT CARD

2.3.10 RETAILING OF PRODUCTS

### **2.4 PRODUCT REFUNDS AND EXCHANGES**

2.4.1 REFUND POLICY

2.4.2 EXCHANGE POLICY FOR PRODUCTS AND MATERIALS PURCHASED DIRECTLY FROM NU SKIN

2.4.3 PROCEDURES FOR OBTAINING A REFUND OR EXCHANGE

### **2.5 RETAIL SALES AND CUSTOMER RETURNS**

2.5.1 RETAIL SALES

2.5.2 NO WHOLESALING OF NU SKIN PRODUCTS

2.5.3 RETAIL SALES RECEIPTS

2.5.4 MONEY-BACK GUARANTEES, CUSTOMER REFUNDS, AND EXCHANGES FOR YOUR RETAIL CUSTOMERS

## **2.6 SALES PERFORMANCE PLAN**

2.6.1 SALES PERFORMANCE PLAN

2.6.2 EXCEPTIONS TO SALES PERFORMANCE PLAN

2.6.3 NO COMPENSATION FOR SPONSORING

2.6.4 NO GUARANTEED INCOME

2.6.5 MANIPULATION OF SALES PERFORMANCE PLAN

2.6.6 BONUSES AND SPECIAL INCENTIVES

2.6.7 RETAIL SALES VERIFICATION

2.6.8 TIMING

2.6.9 BONUS RECOVERY

2.6.10 PAYMENT CORRECTIONS

## **2.7 PRODUCT LIABILITY CLAIMS AND INDEMNIFICATION**

2.7.1 INDEMNIFICATION

2.7.2 REQUIREMENTS FOR INDEMNIFICATION

2.7.3 INDEMNIFICATION BY YOU

## **2.8 GOODS AND SERVICES TAX**

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

# **CHAPTER 3 | ADVERTISING**

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

3.1.1 USE OF BUSINESS SUPPORT MATERIALS

3.1.2 USE OF TRADEMARKS AND COPYRIGHTS

## **3.2 PRODUCT CLAIMS**

3.2.1 GENERAL LIMITATION

3.2.2 NO MEDICAL CLAIMS

3.2.3 NO FSSAI/CDSCO APPROVED CLAIMS

3.2.4 BEFORE AND AFTER PHOTOGRAPHS

3.2.5 TESTIMONIALS

3.2.6 MODIFICATIONS TO PRODUCT PACKAGING OR PRODUCT INSTRUCTIONS

## **3.3 INCOME OPPORTUNITY CLAIMS**

3.3.1 NO MISLEADING INCOME OPPORTUNITY CLAIMS

3.3.2 REQUIREMENTS FOR LIFESTYLE AND INCOME CLAIMS

## **3.4 MASS MEDIA**

3.4.1 PROMOTIONS UTILIZING MASS MEDIA PROHIBITED

3.4.2 MEDIA INTERVIEWS

## **3.5 RETAIL STORE AND SERVICE ESTABLISHMENT SALESPOLICY**

3.5.1 RETAIL STORES

3.5.2 SERVICE ESTABLISHMENTS

3.5.3 NU SKIN'S RIGHT OF FINAL DETERMINATION

### **3.6 ONLINE SELLING AND PROMOTION**

3.6.1 SOCIAL MEDIA

3.6.2 SOCIAL SELLING

3.6.3 ONLINE AUCTION SITES AND ONLINE MARKETPLACES

3.6.4 ADDITIONAL RESTRICTIONS ON INTERNET USE

3.6.5 SPAM

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

3.7.1 LEAD GENERATION SERVICES

3.7.2 MEETINGS AND EVENTS; NO SPEAKING FEES 26

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

## **CHAPTER 4 | SPONSORING**

### **4.1 BECOMING A SPONSOR**

4.1.1 REQUIREMENTS

4.1.2 THE PLACEMENT OF NEW DIRECT SELLERS

### **4.2 RESPONSIBILITIES OF A SPONSOR**

4.2.1 WHO IS THE SPONSOR

4.2.2 TRAINING YOUR TEAM

4.2.3 LINE SWITCHING

4.2.4 NO PURCHASE OF PRODUCTS OR BUSINESS SUPPORT MATERIALS AND SERVICES REQUIRED

4.2.5 CORRECT INFORMATION ON FORMS

4.2.6 YOUR TEAM'S COMMUNICATION WITH NU SKIN

### **4.3 NO INTERNATIONAL BUSINESS**

## **CHAPTER 5 | RESTRICTIVE COVENANTS**

### **5.1 OWNERSHIP OF NETWORK**

### **5.2 RESTRICTIVE COVENANTS**

5.2.1 THIRD-PARTY PRODUCTS

5.2.2 SALES PERFORMANCE PLAN ELIGIBILITY TO BE PAID ON GENERATIONS THREE TO SIX

5.2.3 CONFIDENTIAL INFORMATION

5.2.4 CONFIDENTIALITY OF DIRECT SELLER ACCOUNT INFORMATION

5.2.5 NON-DISPARAGEMENT

### **5.3 REMEDIES**

### **5.4 ENFORCEABILITY**

## **CHAPTER 6 | ENFORCEMENT OF CONTRACT**

### **6.1 THE CONTRACT**

### **6.2 ACTS OF OWNER, PARTICIPANTS, AND OTHERS IN A DIRECT SELLER ACCOUNT**

## **6.3 PROCEDURES FOR INVESTIGATION, DISCIPLINE, AND TERMINATION**

6.3.1 PROCESSING OF ALLEGED VIOLATIONS OF THE CONTRACT BY DIRECT SELLERS

6.3.2 TIME LIMITS FOR NU SKIN ACTION REGARDING ALLEGED VIOLATIONS

6.3.3 BALANCE OF RIGHTS REGARDING ALLEGED VIOLATION MATTERS

6.3.4 CRC PROCEDURES FOR PROCESSING ALLEGED VIOLATIONS

6.3.5 COMPLIANCE APPEALS COMMITTEE

6.3.6 NU SKIN DIRECT ACTIONS FOR VIOLATIONS OF THE CONTRACT OR TO PROTECT NU SKIN DURING INVESTIGATIONS OF ALLEGED VIOLATIONS

6.3.7 IMMEDIATE DIRECT ACTION

## **6.4 REMEDIES**

## **6.5 TERMINATION OF CONTRACTS AND DIRECT SELLER ACCOUNTS**

## **CHAPTER 7 | WAIVER; VOLUNTARY MEDIATION**

### **7.1 WHAT IS MANDATORY ARBITRATION 39**

### **7.2 ARBITRATION IS MANDATORY AND BINDING AS TO ALL DISPUTES**

### **7.3 DEFINITION OF A DISPUTE**

### **7.4 VOLUNTARY MEDIATION**

### **7.5 COMMENCEMENT OF ARBITRATION**

### **7.6 ARBITRATION RULES AND PROCESS**

7.6.1 ARBITRATION LOCATION AND SEAT, AND ARBITRATION RULES

7.6.2 DISPUTES REGARDING ARBITRABILITY SHALL BE DECIDED BY THE ARBITRATOR

7.6.3 ARBITRATION AWARDS

7.6.4 CONFIDENTIALITY

7.6.5 ENFORCEMENT OF JUDGMENT ENTERED ON ARBITRATION AWARD; INJUNCTIVE RELIEF

### **7.7 SURVIVAL**

### **7.8 SEVERABILITY**

## **CHAPTER 8 | INDEMNIFICATION; WAIVERS OF CLAIMS; LIMITATION OF LIABILITY; DEFENSE OF THIRD-PARTY CLAIMS**

### **8.1 INDEMNITY**

### **8.2 WAIVER OF CONSEQUENTIAL AND INDIRECT DAMAGES — BREACH OF CONTRACT**

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

### **8.4 WAIVER OF PUNITIVE DAMAGES**

### **8.5 LIMITATION OF LIABILITY OF THE NU SKIN BENEFICIARIES**

### **8.6 THIRD PARTY CLAIMS**

## **CHAPTER 9 | NU SKIN RESERVATION OF RIGHTS**

## **9.1 SALES TO UNAFFILIATED CUSTOMERS**

## **9.2 SALES THROUGH ONLINE MARKETPLACES AND OTHER NU SKIN PROGRAMS**

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

# **CHAPTER 10 | GENERAL TERMS**

## **10.1 CHANGES TO THE CONTRACT**

## **10.2 WAIVERS AND EXCEPTIONS**

## **10.3 INTEGRATED CONTRACT**

## **10.4 SEVERABILITY**

## **10.5 CHOICE OF LAW**

## **10.6 CHOICE OF VENUE**

## **10.7 WAIVER OF CLASS AND REPRESENTATIVE ACTIONS**

## **10.8 ENGLISH AS PREVAILING LANGUAGE**

## **10.9 THIRD-PARTY BENEFICIARY RIGHTS**

## **10.10 NOTICES**

## **10.11 SUCCESSORS AND CLAIMS**

## **10.12 HEADINGS**

## **10.13 INTERNAL REFERENCES**

## **10.14 PLURALITY AND GENDER**

# **ADDENDUM A GLOSSARY OF DEFINED TERMS**

# **Chapter 1 | Your Direct Seller Account**

## **1.1 BECOMING A DIRECT SELLER**

### **1.1.1 APPLYING TO BECOME A DIRECT SELLER**

You may apply to become a Direct Seller, on a non-exclusive basis, online at [nuskin.com/India](https://nuskin.com/India) by submitting an Application and agreeing to be bound by the terms and conditions of the Direct Seller Agreement. You are not required to purchase any Nu Skin Products or materials to become a Direct Seller. By agreeing to the Direct Seller Agreement, you are agreeing to the terms of the Direct Seller Agreement and the Contract incorporated by reference into the Direct Seller Agreement.

### **1.1.2 INDIVIDUAL DIRECT SELLER ACCOUNT**

Only one individual may apply for an Individual Direct Seller 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 Direct Seller Account of a Spouse as a Participant by submitting an Application and agreeing to a Direct Seller Agreement in connection with participating in such

account. An individual that is a Participant in an Individual Direct Seller Account owned by a Spouse is not an owner of that Individual Direct Seller Account. The owner of an Individual Direct Seller Account, as identified in the Nu Skin Systems, may change the Participants in the Individual Direct Seller 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 Direct Seller Account are Direct Sellers, and the owner may be referred to as a Direct Seller owner, and a Participant may be referred to as a Direct Seller Participant. The actions and decisions of the owner of an Individual Direct Seller Account as communicated to Nu Skin are binding on the owner, Individual Direct Seller Account, and any Spouse Participant. Except for the addition of a Spouse to an Individual Direct Seller Account, if more than one Person wants to participate in a Direct Seller Account, then the Persons must apply for a Business Entity Direct Seller Account as set forth in Section 1.3 of this Chapter 1 or convert their Individual Direct Seller Account into a Business Entity Direct Seller Account as provided in Section 1.10 of this Chapter 1. In addition, the following requirements apply to Individual Direct Seller Accounts:

- (a) Bonuses and any special incentives will be issued in the name of the owner of the Individual Direct Seller Account. Nu Skin will not have any liability to any Participant in an Individual Direct Seller Account if the owner of the Individual Direct Seller Account fails to allocate and pay any portion of the Bonuses or special incentives received by the owner to any Participant in the Individual Direct Seller Account, or for any incorrect allocation or payment;
- (b) Any non-cash special incentives awarded to an Individual Direct Seller Account will be issued in the name of the owner of the Individual Direct Seller Account and delivered to the owner of the Individual Direct Seller Account. Nu Skin will not have any liability to any Participant in an Individual Direct Seller Account if the owner of the Individual Direct Seller Account fails to allocate or deliver any portion of any non-cash special incentives received by the owner to any Participant in the Individual Direct Seller Account, or for any incorrect allocation or delivery; and
- (c) The owner of and any Spouse Participant in an Individual Direct Seller Account shall have the same Sponsor.

#### 1.1.3 BUSINESS ENTITY DIRECT SELLER ACCOUNT

A Business Entity may submit an Application (including a signed Business Entity Form if applying offline, as permitted by Nu Skin in its discretion) and agree to be bound by the terms and conditions of the Direct Seller Agreement to apply for a Business Entity Direct Seller 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 Direct Seller Agreement on behalf of the Business Entity as its authorized agent (a) is deemed to be applying to participate in the Business Entity Direct Seller Account as a Participant and (b) 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 Direct Seller Account. Each Person who will have a Beneficial Interest in the Business Entity or the Business Entity Direct Seller Account or who will engage in Business Activity on behalf of the Business Entity and its Direct Seller Account (including but not limited to partners, members, shareholders, employees, consultants, and independent contractors) must submit an Application and agree to be bound by the terms and conditions of a Direct Seller Agreement in connection with participating in such account. The Primary Participant of a Business Entity Direct Seller 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 Direct Seller Account and none of the Participants is an owner of the Business Entity Direct Seller Account in which they are a Participant. The Business Entity and each Participant in a Business Entity Direct Seller Account are Direct Sellers. The Business Entity may be referred to as a Direct Seller owner, and a Participant may be referred to as a Direct Seller Participant. The actions and decisions of the Primary Participant of a Business Entity Direct Seller Account as communicated to Nu Skin are binding on the Business Entity, the Business Entity Direct Seller Account, and each of its Participants. In addition, the following requirements apply to Business Entity Direct Seller Accounts:

- (a) Bonuses and any special incentives will be issued in the name of the Business Entity, as owner of the Business Entity Direct Seller Account. Nu Skin will not have any liability to any Participant in a Business Entity Direct Seller Account if the Business

Entity, the Primary Participant, any other Participant in the Business Entity Direct Seller 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 Direct Seller Account, or for any incorrect allocation or payment;

(b) Any non-cash special incentives awarded to a Business Entity Direct Seller Account will be issued in the name of the Business Entity and delivered to the Primary Participant of the Business Entity Direct Seller Account. Nu Skin will not have any liability to the Business Entity or any Participant in a Business Entity Direct Seller Account if the Primary Participant of the Business Entity Direct Seller Account fails to allocate or deliver any portion of any non-cash special incentives received by the Primary Participant among the multiple Participants in the Business Entity Direct Seller Account, or for any incorrect allocation or delivery;

(c) The owner of and each Participant in a Business Entity Direct Seller Account shall have the same Sponsor; and

(d) At all times one Participant in the Business Entity Direct Seller Account must be designated by the Business Entity Direct Seller Account as the Primary Participant of the Business Entity Direct Seller Account. If at any time the Nu Skin Systems do not identify a Primary Participant of a Business Entity Direct Seller Account and the Business Entity Direct Seller 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 Direct Seller Account, which will terminate the Direct Seller Agreements and all rights of the Business Entity and all Participants in such Business Entity Direct Seller Account.

#### 1.1.4 AGE REQUIREMENTS

You must be at least 18 years old (21 years old in the State of Maharashtra) to become a Direct Seller.

#### 1.1.5 LEGAL RESIDENCY

The owner of, and all Participants in, a Direct Seller Account must be a citizen of or have a legal right to do business in India. If any Direct Seller (including without limitation the owner of an Individual Direct Seller Account, the Business Entity owner of a Business Entity Direct Seller Account, a Spouse acting as a Participant in an Individual Direct Seller Account, or a Participant in a Business Entity Direct Seller Account) is unable to prove citizenship or the legal right to do business in India, Nu Skin may, at its election, terminate such Direct Seller Account and declare the Direct Seller Agreements of the owner and Participants in the Direct Seller Account void from their inception.

#### 1.1.6 FORMER DIRECT SELLERS

If you have previously been a Direct Seller, you may only apply to become a new Direct Seller 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.

#### 1.1.7 SPOUSES

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

#### 1.1.8 ACCEPTANCE OF YOUR DIRECT SELLER AGREEMENT

Nu Skin reserves the right to reject any Application for a Direct Seller Account or to be added as a Participant in a Direct Seller Account at its own discretion. Once you have submitted a completed Application and agreed to the terms of the Contract, your Application to become a Direct Seller is deemed accepted by Nu Skin when a Direct Seller Account is created for you in the Nu Skin Systems based on the Application or you are identified in the Nu Skin Systems as a Participant in a Direct Seller Account based on



the Application. In the event Nu Skin gets more than one Direct Seller Agreement from an applicant, the first Direct Seller Agreement received by Nu Skin is the one that determines your Sponsor.

#### 1.1.9 TAXPAYER IDENTIFICATION NUMBERS

The owner of and each Participant Spouse in an Individual Direct Seller Account and the Business Entity owner of and each Participant in a Business Entity Direct Seller Account are required to provide Nu Skin with their taxpayer identification numbers. Such taxpayer identification numbers must be provided to Nu Skin before the Direct Seller Account will be eligible to earn any Bonuses, any special incentives, or any non-cash incentives. Nu Skin may place a sales order, Bonus, or special incentives hold on Your Direct Seller Account until such taxpayer identification numbers have been provided to Nu Skin and have been verified.

#### 1.1.10 CHANGING THE FORM OF A DIRECT SELLER ACCOUNT

(a) If you want to change the form of your Direct Seller Account from an Individual Direct Seller Account to a Business Entity Direct Seller 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 Direct Seller Account, and requires (i) the owner of the Individual Direct Seller Account (who will be designated as the initial Primary Participant) and the Business Entity to submit an Application for a Business Entity Direct Seller Account (including a signed Business Entity Form if applying offline, as permitted by Nu Skin in its discretion) and (ii) the Business Entity and each intended Participant (including the Primary Participant) in the Business Entity Direct Seller Account to agree to be bound by the terms and conditions of the Direct Seller Agreement and the Contract in accordance with these Policies and Procedures. By submitting an Application for a Business Entity Direct Seller Account, the owner of the Individual Direct Seller Account that is being converted to a Business Entity Direct Seller Account acknowledges and agrees that such Individual Direct Seller Account will be deleted from the Nu Skin Systems effective upon the acceptance of such Application and the creation of the Business Entity Direct Seller Account in the Nu Skin Systems.

(b) If the Primary Participant of a Business Entity Direct Seller Account wants to change the form of the Direct Seller Account from a Business Entity Direct Seller Account to an Individual Direct Seller Account owned by the Primary Participant as an individual, the Primary Participant 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 an Individual Direct Seller Account, and requires (i) the Primary Participant, as an individual, to submit an Application for an Individual Direct Seller Account and the Primary Participant, as an individual, and any Spouse Participant to agree to be bound by the terms and conditions of the Direct Seller Agreement and the Contract in accordance with these Policies and Procedures, and (ii) requires the Business Entity owner and the Primary Participant of the Business Entity Direct Seller Account to be converted to an Individual Direct Seller Account to consent to the deletion in the Nu Skin Systems of the Business Entity Direct Seller Account effective upon the acceptance of the Application for an Individual Direct Seller Account and the creation in the Nu Skin Systems of an Individual Direct Seller Account.

#### 1.1.11 MANDATORY TRAINING

When you first sign up to become a Direct Seller 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 Performance Plan, these 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 and special incentives and suspending the delivery of any non-cash incentives until such time that the training is completed.

## 1.2 PERSONAL INFORMATION

### 1.2.1 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 Direct Seller. Nu Skin respects your privacy and is committed to protecting the privacy of Direct Sellers. Nu Skin collects from you and holds certain personal information about you in order to provide you with support, the benefits of being a Direct Seller, and communicating with you regarding (a) Nu Skin Products and promotional offers, (b) Your Direct Seller Account and Your Team, (c) Bonuses, and (d) other relevant business issues. All information submitted by you will be held by one or more of the NSE Companies, including at the corporate headquarters of Nu Skin Enterprises, Inc. in the U.S. and/or in the regional offices of certain of its affiliates. You have the right to access and verify your personal information held by the NSE Companies by contacting the call centre in India at +91 120 712 7177 or by contacting Nu Skin's Privacy Office at [privacy@nuskin.com](mailto:privacy@nuskin.com).

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

In order for Nu Skin to provide support for Your Direct Seller Account, and to provide support for the commercial activities and interests of one or more of the NSE Companies both related and unrelated to Your Direct Seller Account, you authorize:

- (a) Nu Skin to transfer and disclose personal and/or confidential information, which (i) you have provided to Nu Skin in connection with Your Direct Seller Account or Your Team, or (ii) that has been developed as a result of your activity as a Direct Seller, to (A) the NSE Companies wherever located, (B) service providers of the NSE Companies, (C) your independent upline and downline Direct Sellers when Nu Skin determines it is appropriate, and (D) applicable government agencies or regulatory bodies if required by law;
- (b) Nu Skin to use your personal information (including your image) for Direct Seller 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 defences 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 Direct Seller Account.

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

### 1.3 MAINTAINING YOUR DIRECT SELLER ACCOUNT

#### 1.3.1 KEEPING YOUR DIRECT SELLER ACCOUNT AND RELATED INFORMATION CURRENT

As a Direct Seller, it is your duty to keep the information contained in your Application, Direct Seller 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 Direct Seller Account or changes to the Primary Participant of a Business Entity Direct Seller Account. Nu Skin may terminate a Direct Seller Account or declare a Direct Seller Agreement void from its inception if Nu Skin determines that false or inaccurate information was provided in any Application to become a Direct Seller. If the owner of or the Participants in a Direct Seller Account fail to update their Application, Direct Seller 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 Direct Seller Account (including the placement of orders, payment of Bonuses and any special incentives, and delivery of non-cash special incentives) or other disciplinary action may be taken by Nu Skin, including termination of the Direct Seller Account and declaration that the Direct Seller Agreements of the owner and Participants in the Direct Seller Account are void from their inception. Nu Skin may charge a fee for processing changes to Direct Seller Account information. Nu Skin may refuse to accept any updates submitted for a Direct Seller

Account, including without limitation the addition or removal of any Participant in such Direct Seller Account or any change to the Primary Participant of a Business Entity Direct Seller Account. Nu Skin may, in its discretion, require the owner or Participants of a Direct Seller Account to submit a new Application and re-agree to be bound by the terms and conditions of the Direct Seller Agreement, as it may be amended from time to time, in connection with any updates submitted for a Direct Seller Account.

### 1.3.2 ADDING A NEW PARTICIPANT TO A DIRECT SELLER ACCOUNT

The owner of an Individual Direct Seller 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 Direct Seller Agreement in connection with such Individual Direct Seller Account. The Primary Participant in a Business Entity Direct Seller 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 Direct Seller Agreement in connection with such Business Entity Direct Seller Account. The addition of a Spouse as a Participant to an Individual Direct Seller Account or the addition of a Participant to a Business Entity Direct Seller Account becomes effective upon Nu Skin's acceptance of such Participant's Application and Direct Seller Agreement and the addition of such Participant in the Nu Skin Systems as a Participant in such Direct Seller Account. Nu Skin, in its sole discretion, may reject any request to add a Participant to a Direct Seller 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 Direct Seller Account. You may not allow any Person other than a Spouse identified by Nu Skin in the Nu Skin Systems as a Participant to engage in any Business Activity for an Individual Direct Seller Account owned by you or to have a Beneficial Interest in such Individual Direct Seller Account. You may not allow any Person other than a Person identified by Nu Skin in the Nu Skin Systems as a Participant to engage in any Business Activity for a Business Entity Direct Seller Account owned by you or to have a Beneficial Interest in such Business Entity Direct Seller Account. You may not allow any Person other than a Person identified by Nu Skin in the Nu Skin Systems as a Participant in the Business Entity Direct Seller Account in which you are a Participant to engage in any Business Activity for the Business Entity Direct Seller Account in which you are a Participant or to have a Beneficial Interest in such Business Entity Direct Seller Account. No Person (whether referred to as an employee, assistant, agent, or otherwise) may engage in Business Activity for a Direct Seller Account or have a Beneficial Interest in a Direct Seller Account unless that Person has submitted an Application and agreed to be bound by the terms and conditions of the Direct Seller Agreement and the Contract and such Application and Direct Seller Agreement has been accepted by Nu Skin and that Person is identified in the Nu Skin Systems as an owner of or a Participant in such Direct Seller Account.

### 1.3.3 REMOVING AN EXISTING PARTICIPANT FROM A DIRECT SELLER ACCOUNT

The owner of an Individual Direct Seller 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 Direct Seller Account may remove an existing Participant in the Business Entity Direct Seller 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 relinquishment of rights or interests in the Individual Direct Seller Account from the Spouse being removed as a Participant in such account, and Nu Skin is not required to receive any notice of relinquishment of rights or interests in a Business Entity Direct Seller Account from any Participants being removed as Participants in such account. The removal of a Spouse as a Participant in an Individual Direct Seller Account or the removal of a Participant in a Business Entity Direct Seller 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 Direct Seller Account, provided, however, if the owner of an Individual Direct Seller Account or the Primary Participant of a Business Entity Direct Seller Account purports to remove a Participant in the Direct Seller Account, thereby terminating the Participant's rights and interests as a Direct Seller, 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 Direct Seller and Nu Skin may exercise its rights and remedies under the Contract against such Person and the Direct Seller Account and all owners of and Participants in the Direct Seller Account for breach of the Contract. However, although deemed a Direct Seller for purposes of Contract enforcement until such Person has terminated their Beneficial Interest in the Direct Seller Account, such Person shall not be an authorized Participant in the Direct Seller Account, shall not be entitled to conduct Business Activities for the Direct Seller Account, and shall not be entitled to have a Beneficial Interest in

the Direct Seller Account. Nu Skin, in its sole discretion, may reject any request to remove Participants from Direct Seller Accounts. If Nu Skin rejects any such request, the Person or Persons shall remain in the Nu Skin Systems as Participants in the Direct Seller Account. You agree that, to the fullest extent permitted by law, you will indemnify and hold harmless each of the Nu Skin Beneficiaries from and against all claims, demands, liabilities, losses, actions, causes of action, costs, or expenses (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 Direct Seller Account then owned by you or in which you were then a Participant based upon Nu Skin's reliance on a request to remove a Participant from that account submitted to Nu Skin by the owner (if an Individual Direct Seller Account) or the Primary Participant (if a Business Entity Direct Seller Account). This indemnity is intended to indemnify and hold harmless each of the Nu Skin Beneficiaries (a) from costs and expenses incurred by the Nu Skin Beneficiary in the absence of any claims being made against the Nu Skin Beneficiary, (b) from claims made by you and any Persons claiming by, through, or under you against the Nu Skin Beneficiary, and (c) from claims made by third parties against the Nu Skin Beneficiary, and with regard to such third-party claims you further agree to defend the Nu Skin Beneficiary against such claims at your expense. You understand and agree that each Nu Skin Beneficiary reserves the right, at your expense, to assume the exclusive defence and control of any claims for which you are required to indemnify the Nu Skin Beneficiary, and you agree to cooperate in such defence. You agree that you will not in any event settle any claim made against a Nu Skin Beneficiary for which you are required to indemnify the Nu Skin Beneficiary without the written consent of the Nu Skin Beneficiary. Each of the Nu Skin Beneficiaries not a party to the Contract are third-party beneficiaries of this agreement to indemnify, defend, and hold harmless.

#### 1.3.4 STARTING A DIRECT SELLER ACCOUNT UNDER A NEW SPONSOR

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

Account type during the 24 months preceding the most recent Business Activity	Inactive Period
If you ever achieved the Title of Brand Representative or higher	12 months
Direct Seller only	6 months

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

#### 1.3.5 A BENEFICIAL INTEREST IN ONE DIRECT SELLER ACCOUNT PER INDIVIDUAL

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

#### 1.3.6 ACQUISITION OF BENEFICIAL INTEREST IN AND MERGER OF DIRECT SELLER ACCOUNTS

(a) Nu Skin Overview. Occasionally, a Direct Seller owner of an Individual Direct Seller Account wishes to form a partnership or joint venture with another existing Direct Seller owner of an Individual Direct Seller Account and merge the two Individual Direct Seller Accounts, or the owners of two separate Business Entity Direct Seller Accounts desire to form a partnership or joint venture or merge the two Business Entity Direct Seller Accounts, or a Direct Seller who has conducted Business Activity for a Direct Seller Account desires to acquire a Beneficial Interest in a Direct Seller Account under a different Sponsor. Except as

provided in this Section 3.6, the formation of a partnership between existing Direct Sellers, the merger of Direct Seller Accounts, or the acquisition of a Beneficial Interest in a Direct Seller Account under a different Sponsor by a Direct Seller who has engaged in any Business Activity for a different Direct Seller Account, is prohibited.

(b) Acquisition of Beneficial Interest in Direct Seller 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 Direct Seller Account, you may not, at any time, acquire a Beneficial Interest in a pre-existing Direct Seller Account under a different Sponsor (whether by purchase, merger, partnership, or otherwise) unless (i) you have terminated your Beneficial Interest in the Direct Seller Account in which you had engaged in Business Activity by terminating the Direct Seller Account, if owned by you, or by relinquishing your rights as a Direct Seller Participant and your Beneficial Interest in the Direct Seller Account, if you were a Participant in the Direct Seller 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 Direct Seller Account in which you want to acquire a Beneficial Interest was initially created in the Nu Skin 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 Direct Seller Accounts in the following limited cases: (i) vertical mergers between (A) a Direct Seller Account and the Direct Seller Account of its immediate upline Sponsor, or (B) a Direct Seller Account and another Direct Seller Account that is on its first level; (ii) horizontal mergers with another Direct Seller Account, provided that (A) only one of the Direct Seller Accounts is a Brand Representative or above, and the other Direct Seller Account is not a Qualifying Brand Representative or Brand Representative (as defined in the applicable Sales Performance Plan) and (B) both Direct Seller Accounts have the same upline Sponsor; and (iii) any other merger as may be approved by 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.

## **1.4 TRANSFERRING AND TERMINATING A DIRECT SELLER ACCOUNT**

### **1.4.1 TRANSFERRING DIRECT SELLER ACCOUNTS**

Only the owner of an Individual Direct Seller Account and only the Business Entity owner and the Primary Participant of a Business Entity Direct Seller Account may transfer the ownership of the Direct Seller Account or any other rights or interests in the Direct Seller 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 Direct Seller Account upon Nu Skin's acceptance of any request by the owner of an Individual Direct Seller Account or the Primary Participant of a Business Entity Direct Seller Account as provided in Section 3.2 of this Chapter 1, any transfer of the ownership or any other right or interest in a Direct Seller 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 (each, a "Transfer Agreement"). In addition, the transfer by any Participant of its Beneficial Interest in a Direct Seller 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 Direct Seller Account described in the Transfer Agreement, and before Nu Skin will make changes in the Nu Skin 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 Direct Seller Account will terminate upon the transfer of ownership or other rights or interests in the Direct Seller Account by the owner of the Direct Seller Account (if an Individual Direct Seller Account or a Business Entity Direct Seller Account) or the Primary Participant of the Direct Seller Account (if a Business Entity Direct Seller Account) unless otherwise provided in the Consent to Transfer Agreement.

#### 1.4.2 TRANSFERS UPON DEATH

(a) Individual Direct Seller Accounts. If you are the owner of an Individual Direct Seller Account, upon your death, your Direct Seller Account may be passed on to your heirs or other beneficiaries qualified under these Policies and Procedures to be a Direct Seller, 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 Direct Seller 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 Direct Seller Account owned by you. Upon the death of a Spouse Participant in an Individual Direct Seller Account, the Direct Seller Agreement of the Spouse Participant and right to be a Participant in the Individual Direct Seller Account terminates. If a Spouse Participant in an Individual Direct Seller Account or that Spouse Participant's heirs were granted by a separate contract made with the Individual Direct Seller Account owner rights or interests in the Bonuses and/or special incentives paid to the Individual Direct Seller Account by Nu Skin after the death of the Spouse Participant, the Individual Direct Seller Account owner may make a written request to Nu Skin to authorize the owner of the Individual Direct Seller 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 Direct Seller 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 Direct Seller Account under these Policies and Procedures. In the event such person is not a Spouse, then the Individual Direct Seller Account must be converted to a Business Entity Direct Seller Account as set forth in Section 1.10 of this Chapter 1 within 60 days.

(b) Business Entity Direct Seller Accounts. If you have a Beneficial Interest in a Business Entity that owns a Business Entity Direct Seller 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 Direct Seller 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 Direct Seller 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 Direct Seller 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 Direct Seller Account without a Beneficial Interest in the Business Entity owner of the Business Entity Direct Seller Account that arises from or is subject to the Business Entity's legal documents of formation, as amended, the Direct Seller Agreement of that Participant and right to be a Participant, or have a Beneficial Interest, in the Business Entity Direct Seller Account terminates. If that Participant in a Business Entity Direct Seller Account or the heirs of that Participant were granted by a separate contract made with the Business Entity owner of the Business Entity Direct Seller Account rights or interests in the Bonuses and/or special incentives paid to the Business Entity Direct Seller Account by Nu Skin after the death of that Participant, the Primary Participant of the Business Entity Direct Seller Account may make a written request to Nu Skin to authorize the Business Entity owner of the Business Entity Direct Seller 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 Direct Seller 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 Direct Seller Account under these Policies and Procedures.

(c) During any time that a Direct Seller 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 Direct Seller Account will be responsible for



operating this Direct Seller Account. As payment for these services, the upline Blue Diamond Director or above Direct Seller Account will be entitled to a service fee. This fee will be a dollar amount equal to 15 percent of the Direct Seller Account's net Bonuses during the period that the Direct Seller Account was without an owner. Nu Skin will deduct the service fee from the Direct Seller Account's net Bonuses.

(d) Any exceptions or waivers Nu Skin has made to the Contract for the benefit of a Direct Seller Account will terminate upon the transfer of ownership or other rights or interests in the Direct Seller Account upon the death of the owner of the Direct Seller Account (if an Individual Direct Seller Account) or the Primary Participant of the Direct Seller Account (if a Business Entity Direct Seller Account) unless otherwise provided in a written agreement executed by Nu Skin and the transferee at the time of the transfer.

#### 1.4.3 DIVORCE

In the event of a divorce between you and your Spouse, Nu Skin will not determine the division of, nor divide the ownership in or the Team of, a Direct Seller Account owned by you or your Spouse or the Beneficial Interest of you or your Spouse as a Participant in a Business Entity Direct Seller Account. Generally, Nu Skin will not divide Bonuses, special incentives, or other incentives or rewards owed to a Direct Seller Account due to a divorce of a Direct Seller. Nu Skin may, however, in its sole discretion, on a case-by-case basis, divide Bonuses and/or special incentives owed to a Direct Seller Account on a simple, fixed-percentage basis, pursuant to a court order or the written consent of the Direct Seller and Spouse getting a divorce and all other owners of or Participants in the Direct Seller Account. If "Nu Skin" agrees to divide "Bonuses" and/or special incentives owed to "Your Direct Seller Account" on a simple, fixed-percentage basis due to a divorce between you and your "Spouse," you agree (a) to indemnify and hold harmless the "Nu Skin Beneficiaries" from any and all liabilities, losses, costs, damages, judgments, or expenses, including reasonable attorney's fees and litigation costs, resulting or arising from, directly or indirectly, the division of the "Bonuses" and/or special incentives, including without limitation any acts or omissions (including negligence) by any of the "Nu Skin Beneficiaries" in dividing the "Bonuses" and/or special incentives, and (b) that "Nu Skin" may condition an agreement to divide "Bonuses" and/or special incentives on the agreement of your "Spouse" and/or the other owners of or "Participants" in the "Direct Seller Account" to similarly indemnifying and holding harmless the "Nu Skin Beneficiaries." Nu Skin has the right to withhold Bonuses, special incentives, and other incentives and rewards in the event of a dispute between you and your Spouse regarding a Direct Seller Account. Nu Skin may charge a fee to Direct Sellers each month as payment for its services in dividing Bonus and/or special incentive payments. Each of the Nu Skin Beneficiaries not a party to the Contract are third-party beneficiaries of the above agreement to indemnify and hold harmless.

#### 1.4.4 RIGHT TO TERMINATE DIRECT SELLER ACCOUNT

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

## Chapter 2 | Operating Your Business

### 2.1 OBLIGATIONS AS A DIRECT SELLER—BUSINESS ETHICS

#### 2.1.1 DSA CODE OF ETHICS

Nu Skin abides by the India Direct Selling Association Code of Ethics (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.idsa.co.in](http://www.idsa.co.in).

#### 2.1.2 PURPOSE OF YOUR BUSINESS

The primary purpose of your Nu Skin Business and Nu Skin is to sell high quality Nu Skin Products to Customers. As part of this process, you may sponsor other Direct Sellers in the business to build your sales organization. However, the recruitment of other Direct Sellers 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 to Customers by Your Team.

#### 2.1.3 BUSINESS ETHICS

As a Direct Seller of Nu Skin, you must operate your Nu Skin Business in an ethical, professional, and courteous manner.

#### 2.1.4 COMPLIANCE WITH CONTRACT

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

#### 2.1.5 COMPLIANCE WITH CODE OF ETHICS

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

#### 2.1.6 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.

#### 2.1.7 COMPLIANCE WITH LAWS AND REGULATIONS

You agree to comply with all laws and regulations in connection with all of your activities as a Direct Seller. 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.

#### 2.1.8 NO INVENTORY LOADING

You agree not to (a) purchase more Nu Skin Products than you can use or sell within a reasonable period of time and/or (b) purchase any Nu Skin Products for the purpose of qualifying for Bonuses or other awards or increasing your Bonus amount or other rewards.

#### 2.1.9 COUNSELING SOUND BUSINESS PRACTICES

You agree you will not counsel, encourage, advise, or assist Direct Sellers or prospective Direct Sellers to (a) breach any of the terms or conditions of the Contract or other contracts between the Direct Seller and one or more of the NSE Companies, including, without limitation, engaging in manipulation of any Sales Performance Plan, acquiring and maintaining concurrent Beneficial Interests in more than one Direct Seller Account unless permitted under Section 3.5 of Chapter 1, or making any false or misleading claims about potential earnings under any Sales Performance Plan or the benefits of Nu Skin Products; (b) operate a Nu Skin Business in a financially irresponsible way, including, but not limited to, buying more Nu Skin Products or Nu Skin 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.

#### 2.1.10 HARASSMENT AND SEXUAL MISCONDUCT

As a Direct Seller 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, colour, religion, national origin, disabilities, sex (including gender, pregnancy, gender identification, or sexual orientation), or age. As a Direct Seller 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 favours, or other physical, verbal, or visual behaviour of a sexual nature, with another Direct Seller, a prospective Direct Seller, an employee of one of the NSE Companies, or a Customer ("collectively, "Sexual Harassment"). Promising or providing benefits to a Direct Seller'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 Direct Seller's Nu Skin Business, including, but not limited to, by excluding a Direct Seller from events or meetings, refusing to provide the same level of support you provide to other Direct Sellers, 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.

#### 2.1.11 NO CONTACT OF VENDORS OR SCIENTIFIC ADVISORY BOARD MEMBERS

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

#### 2.1.12 ANTI-CORRUPTION

You must comply with all anti-corruption laws applicable to your activities as a Direct Seller in all markets where you conduct such activities, including but not limited to the U.S. Foreign Corrupt Practices Act, 15 U.S.C. Sections 78dd-1 et. seq. (the "FCPA"). The FCPA requires that you never, directly or indirectly (i.e. through an agent), make or offer a payment or gift with the purpose of influencing the acts or decisions of foreign officials (as defined in the FCPA), which includes all government officials in all markets where you conduct such activities. Because the rules and any available limited exceptions relating to the FCPA or any other applicable anti-corruption laws or regulations are complex, you should consult with your own legal counsel regarding questions relating to compliance with the FCPA or other anti-corruption laws or regulations.

#### 2.1.13 MAINTAINING NU SKIN'S REPUTATION

You must ensure that your actions and behaviour, including your actions and behaviour outside the scope of your Nu Skin Business and/or Direct Seller Account, are consistent with Nu Skin's high standards and do not have a negative impact on the reputation of Nu Skin, the other NSE Companies, or other Direct Sellers. 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, the other NSE Companies, and/or Direct Sellers, and take action against you and/or Your Direct Seller Account in accordance with Chapter 6. Acts involving moral turpitude, whether committed before becoming a Direct Seller or while a Direct Seller, are not consistent with Nu Skin's high standards, do negatively impact the reputation of Nu Skin, the other NSE Companies, and other Direct Sellers, 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.

#### 2.1.14 RECORDS REVIEW

As a condition to participating as a Direct Seller, you grant Nu Skin the right to review any records related to your Nu Skin Business and Your Direct Seller Account in order to investigate whether you or any owner of or Participant in that Direct Seller Account have been operating their Nu Skin Business or the Direct Seller Account in compliance with the Contract. Nu Skin may request to review your Nu Skin Business records and/or the records of Your Direct Seller Account 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 Your Direct Seller Account by promptly and completely making the true records available for review by Nu Skin.

## **2.2 INDEPENDENT CONTRACTOR**

### **2.2.1 DIRECT SELLERS ARE INDEPENDENT CONTRACTORS**

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

- (a) Be self-employed and have and maintain control of the manner and means of your performance as a Direct Seller, including determining, in your sole discretion, when you work and the number of hours you work;
- (b) Be the owner of or a Participant in a Direct Seller Account that will earn compensation based on the sale of Nu Skin Products and not on the number of hours you work;
- (c) Be subject to entrepreneurial risk and be responsible for all losses that you incur as a Direct Seller;
- (d) Be responsible for obtaining a Permanent Account Number (PAN);
- (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, meals, lodging, office, clerical, legal, equipment, accounting, and general expenses, without advances, reimbursement, or guarantee from Nu Skin;
- (g) Not be treated as an employee for central 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 any of the other NSE Companies or make claims for unemployment or any other employee rights or benefits); and
- (h) Be responsible for paying any self-employment taxes required by central, 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 other NSE Companies and, except as permitted by the Contract, you are not authorized to act on behalf of Nu Skin or any of the other NSE Companies. Nothing in the Contract is intended to create, nor will be deemed to constitute, a partnership, agency, employer-employee, franchisor-franchisee, or a joint venture relationship between Nu Skin or any of the other NSE Companies and you.

### **2.2.2 TAXES AND INDEMNIFICATION**

If you are the owner of an Individual Direct Seller Account, you will receive from Nu Skin a Form 16 reflecting relevant tax information related to payments made to you as owner of the Individual Direct Seller Account. If you are the Primary Participant of a Business Entity Direct Seller Account, you will receive from Nu Skin a Form 16 reflecting relevant tax information related to payments made to the Business Entity owner of the Business Entity Direct Seller Account. The owner of an Individual Direct Seller Account and the owner and Primary Participant of a Business Entity Direct Seller Account are responsible for issuing to any Persons who are Participants in the Direct Seller Account any Form 16 or other tax forms required by applicable law due to payment to such Participants of any portion of the Bonuses, any special incentives, or other incentives or rewards received by the Direct Seller Account. You are personally liable and responsible for any self-employment taxes required by central, state, or local laws, statutes, or regulations to be paid by you or on your behalf. The owner of and each Participant in a Direct Seller Account is responsible for the proper collection and payment of goods and services tax on retail sales if the Direct Seller Account claims an exemption from Nu Skin's pre-collected sales tax program. You agree to indemnify and hold harmless each of the Nu Skin Beneficiaries for any withholding tax, unemployment payments, fees, penalties, assessments, or any other expenses that any of the Nu Skin Beneficiaries may incur as a result of any determination that you are an employee of Nu Skin or any of the other NSE Companies. Each of the Nu Skin Beneficiaries not a party to the Contract are third-party beneficiaries of the above agreement to indemnify and hold harmless.

### 2.2.3 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 other NSE Companies in any manner or represent that you are authorized to act on behalf of Nu Skin or any of the other 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;
- (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, other products or services of the NSE Companies, or any of the NSE Companies' business practices; or
- (d) Establish business or governmental contacts of any kind on behalf of Nu Skin or any of the other NSE Companies.

You agree that to the fullest extent permitted by law, you will indemnify and hold harmless each of the Nu Skin Beneficiaries from and against all claims, demands, liabilities, losses, actions, causes of action, costs, and expenses (including, but not limited to, reasonable attorneys' fees and litigation costs) of any kind, arising or resulting from, directly or indirectly, any improper acts taken on behalf of Nu Skin or any of the other NSE Companies by you or the owner of or the Participants in any Direct Seller 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 any of the Nu Skin Beneficiaries to rectify or mitigate the consequences of such improper acts. This indemnity is intended to indemnify and hold harmless each of the Nu Skin Beneficiaries (i) from costs and expenses incurred by the Nu Skin Beneficiary in the absence of any claims being made against the Nu Skin Beneficiary, (ii) from claims made by you and any Persons claiming by, through, or under you against the Nu Skin Beneficiary, and (iii) from claims made by third parties against the Nu Skin Beneficiary, and with regard to such third-party claims you further agree to defend the Nu Skin Beneficiary against such claims at your expense. You understand and agree that each Nu Skin Beneficiary reserves the right, at your expense, to assume the exclusive defence and control of any claims for which you are required to indemnify the Nu Skin Beneficiary, and you agree to cooperate in such defence. You agree that you will not in any event settle any claim made against a Nu Skin Beneficiary for which you are required to indemnify the Nu Skin Beneficiary without the written consent of the Nu Skin Beneficiary. Each of the Nu Skin Beneficiaries not a party to the Contract are third-party beneficiaries of this agreement to indemnify, defend, and hold harmless. You further agree to immediately assign and to cause the owner of and the Participants in Your Direct Seller Account to immediately assign to Nu Skin or any other NSE Company designated by 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 other products or services of the NSE Companies, or URLs or social media platforms registered or reserved in violation of this Section without reimbursement by Nu Skin or any of the other NSE Companies of any costs incurred by you or any owner of or Participant in Your Direct Seller Account.

### 2.2.4 DESIGNATION AS EMPLOYER PROHIBITED

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

## 2.3 ORDERING PRODUCTS OR SERVICES

### 2.3.1 ORDERING PRODUCTS

You may order Nu Skin Products for personal consumption or for resale in India directly from Nu Skin or its product centres. There is no minimum order. Shipping and handling costs may vary depending on the amount of Nu Skin Products ordered.

### 2.3.2 TRANSFER OF TITLE

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

### 2.3.3 INVENTORY

As a Direct Seller 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.

### 2.3.4 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.

### 2.3.5 ISSUING CREDITS

Credit may be issued by Nu Skin in instances of overpayment, Nu Skin Product exchanges, or in other circumstances when an order cannot be completely filled.

### 2.3.6 PRICING AND PRODUCT CHANGES

Nu Skin maintains the right to change Nu Skin Product prices and the products that are offered and sold in India under the Nu Skin Brands without prior notice.

### 2.3.7 SUBMITTING ORDERS IN THE NAME OF ANOTHER DIRECT SELLER

You are prohibited from submitting orders in the name of another Direct Seller.

### 2.3.8 PAYMENTS WITHOUT SUFFICIENT FUNDS

If any check issued by you to Nu Skin is returned for insufficient funds or if any credit card payment made by you to Nu Skin 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.

### 2.3.9 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.

### 2.3.10 RETAILING OF PRODUCTS

You may only resell Nu Skin Products in India. The Nu Skin Products you resell must be purchased from Nu Skin. You may not sell any products from other NSE Companies in India, and you may not resell Nu Skin Products in any other market.

## 2.4 PRODUCT REFUNDS AND EXCHANGES

### 2.4.1 REFUND POLICY

Subject to the terms of Nu Skin's refund policy, which may be amended from time to time and which is incorporated herein by reference, all unopened, resalable Nu Skin Products and Nu Skin Business Support Materials are eligible for a 100% refund if returned within 30 days of the order date, an 80% refund if returned within 31-60 days of the order date (20% restocking fee), or a 75% refund if returned within 61-90 days of the order date (a 25% restocking fee), in each case less applicable Bonuses or rebates paid on such product purchases. Please view the most current refund policy online at [nuskin.com/India](http://nuskin.com/India). 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 or Nu Skin Business Support Materials 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 purchased from another Direct Seller. You must seek a refund directly from the Direct Seller who sold you such Nu Skin Products.

#### 2.4.2 EXCHANGE POLICY FOR PRODUCTS AND MATERIALS PURCHASED DIRECTLY FROM NU SKIN

Unless otherwise required by applicable law, Nu Skin will exchange Nu Skin Products or Nu Skin Business Support Materials purchased by you directly from Nu Skin 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, Nu Skin may issue (a) a credit for the amount of the exchanged Nu Skin Products or Nu Skin Business Support Materials, which may be used to purchase other Nu Skin Products or Nu Skin Business Support Materials, or (b) a full refund of the purchase price.

#### 2.4.3 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 any return in the form of a Return Merchandise Authorization ("RMA") number before you ship such return to Nu Skin. This approval may be obtained by contacting Customer Support either by telephone or in writing, and the actual return shipment must be accompanied by the RMA number (Return inquiries can be made via telephone at +91 120 7127177) or online at nuskin.com;
- (b) Nu Skin will provide you with the correct procedures and location for returning the Nu Skin Products and/or Nu Skin Business Support Materials. You will not receive a refund of the original shipping costs on Nu Skin Products or Nu Skin Business Support Materials that you return. All return shipping costs must be paid by you;
- (c) Nu Skin Products or Nu Skin Business Support Materials 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.

### 2.5 RETAIL SALES AND CUSTOMER RETURNS

#### 2.5.1 RETAIL SALES

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

#### 2.5.2 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, have resold Nu Skin Products in the past, or you have reason to believe will resell the Nu Skin Products. You are prohibited from selling to Persons, either directly or indirectly, who ultimately (a) resell the Nu Skin Products through a retail store, (b) 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, (c) export the Nu Skin Products into any market outside of India, or (d) use any other method of distribution not authorized in the Contract that violates the primary purpose of your Nu Skin 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.

#### 2.5.3 RETAIL SALES RECEIPTS

You must provide Retail Sales Receipts to your Direct Retail Customers in accordance with the following requirements:

(a) You must provide the Direct Retail Customer with a Retail Sales Receipt at the time of the sale. The Retail Sales Receipt must include the items ordered, the date and amount of the sale, the Customer's name, address, and telephone number, and your name, business address, and business telephone number. The Retail Sales Receipt must also reference the refund policy, or a separate statement of the refund policy must also be provided with the Retail Sales Receipt.

(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 goods and services tax collected must be recorded on the Retail Sales Receipt.

A template Retail Sales Receipt can be found on the Reputation page of [nuskin.com](http://nuskin.com).

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

(a) You must offer a Direct Retail Customer a 30-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 on terms no less favourable than the Nu Skin refund policy. Nu Skin encourages you to honour your Direct Retail Customers' requests for refunds even if made more than 30 days after the date of sale.

(b) If your Customer purchases a Nu Skin Product directly from Nu Skin, then Nu Skin will provide a refund in accordance with Nu Skin's refund policy. Nu Skin's Refund Policy for purchases made directly from Nu Skin can be found on Nu Skin's website at [nuskin.com](http://nuskin.com).

## 2.6 SALES PERFORMANCE PLAN

### 2.6.1 SALES PERFORMANCE PLAN

A complete copy of the Sales Performance Plan has been provided to you. The Sales Performance Plan is a part of the Contract, and you and Your Direct Seller Account are bound to its terms. The Sales Performance Plan may be changed by Nu Skin at any time with 30 days' notice. A copy of the current Sales Performance Plan may be found by logging in to your Nu Skin Account.

### 2.6.2 EXCEPTIONS TO SALES PERFORMANCE PLAN

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

### 2.6.3 NO COMPENSATION FOR SPONSORING

Direct Seller Accounts do not receive any compensation for sponsoring Direct Sellers. The level of compensation paid to Your Direct Seller Account will be based on the hard work of the owner of and the Participants in that Direct Seller Account (including you), the sale of Nu Skin Products by such owner and Participants, and the sales of Nu Skin Products by Your Team.

### 2.6.4 NO GUARANTEED INCOME

You are neither guaranteed a specific income nor assured any level of profit or success. Generating meaningful compensation as a Direct Seller 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 Direct Seller Account or the Primary Participant in a Business Entity Direct Seller Account, you

Direct Seller Account or the Direct Seller Account for which you are the Primary Participant, in a financially responsible and businesslike manner. You should not (a) incur debt to purchase Nu Skin Products or Nu Skin Business Support Materials and Services, (b) quit your current employment, or (c) incur expenses that exceed the amount of your portion of Bonuses and special incentives paid to Your Direct Seller Account. 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 Your Direct Seller Account and the sales of Nu Skin Products by other Direct Sellers within Your Team.

#### 2.6.5 MANIPULATION OF SALES PERFORMANCE PLAN

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

#### 2.6.6 BONUSES AND SPECIAL INCENTIVES

In addition to the retail profits you can earn from your resale of Nu Skin Products to Direct Retail Customers, your Direct Seller Account can also receive a Bonus under the Sales Performance Plan and special incentives, if any, awarded by Nu Skin applicable to Your Direct Seller Account, subject to the following:

- (a) Your Direct Seller Account may not receive any Bonuses or special incentives if any owner of or Participant in the Direct Seller Account (including you) is in violation of the Contract;
- (b) The requirements for receiving a Bonus and any special incentive, and the terms for determining the amount of the Bonus or special incentive, may be changed by Nu Skin at any time upon 30 days’ notice;
- (c) Bonuses and special incentives 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 and special incentives to a bank account that has been established for the owner of the Direct Seller Account within India;
- (e) No interest accrues on Bonuses or special incentives when the payment of Bonuses or special incentives has been delayed by Nu Skin for any reason; and
- (f) Nu Skin will pay no Bonuses or special incentives until the aggregate accrued monthly Bonuses and special incentives are equal to or greater than 1000 INR. If Your Direct Seller Account is terminated, any unpaid accrued Bonuses and special incentives under the 1000 INR minimum will be forfeited.

#### 2.6.7 RETAIL SALES VERIFICATION

You must retain documentation of Customer sales and must make such records available to the Company upon request.

#### 2.6.8 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.

#### 2.6.9 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 Direct Seller Account to repay any Bonuses or special incentives paid to the Direct Seller Account:
  - (i) On Nu Skin Products returned under the applicable refund policy;
  - (ii) On Nu Skin Products returned in relation to any incident of Direct Seller 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 Your Direct Seller Account 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 Your Direct Seller Account and recalculate the Bonuses and special incentives paid to Your Direct Seller Account for the period in which such activities occurred by disregarding the volume from Nu Skin 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 of and the Participants in Your Direct Seller Account must repay any Bonuses and special incentives that were paid to Your Direct Seller Account in excess of the adjusted Bonus or special incentives calculated by Nu Skin as set forth above.

(b) If the owner of or Participants in Your Direct Seller Account (including you) are obligated to repay to Nu Skin any Bonuses or special incentives paid to Your Direct Seller 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 owner of and Participant in the Direct Seller Account, (ii) withholding the amount from present or future Bonus or special incentive payments to Your Direct Seller Account, or (iii) withholding future amounts payable to you under any other agreement between you and Nu Skin or another of the NSE Companies.

(c) Extension of Nu Skin's refund policy, whether required by applicable law or instances in which Direct Seller misconduct, misrepresentation, or other extenuating circumstances necessitate a refund in excess of the applicable 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 the applicable refund policy, Nu Skin may recoup Bonuses and special incentives paid to Your Direct Seller Account on those Nu Skin Products.

#### 2.6.10 PAYMENT CORRECTIONS

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

## 2.7 PRODUCT LIABILITY CLAIMS AND INDEMNIFICATION

### 2.7.1 INDEMNIFICATION

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

### 2.7.2 REQUIREMENTS FOR INDEMNIFICATION

In order to be indemnified and defended in accordance with Section 7.1 of this Chapter 2, 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 or defend you if you have (a) violated the Contract; (b) repackaged, altered, or misused the Nu Skin Product, or made claims or given instructions about the safety, uses, or benefits of the Nu Skin Product which are not included in Nu Skin'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 to assume the sole defence of the claim.



### 2.7.3 INDEMNIFICATION BY YOU

You agree to indemnify and defend the Nu Skin Beneficiaries from any product liability claims by a third party regarding Nu Skin Products that arises directly or indirectly because you or any owner of or Participant in Your Direct Seller Account has (a) violated the Contract in connection with the marketing or sale of the Nu Skin Products at issue; (b) repackaged, altered, or misused the Nu Skin Products at issue, or made claims or given instructions about the safety, uses, or benefits of the Nu Skin Products at issue which are not included in Nu Skin's current approved literature, warnings, or product labels, or (c) settled or attempted to settle a claim without Nu Skin's written approval. Each of the Nu Skin Beneficiaries not a party to the Contract are third-party beneficiaries of this agreement to indemnify and defend.

### 2.8 GOODS AND SERVICES TAX

Nu Skin provides the service of collecting goods and services tax at the time of your purchase of Nu Skin Products and remitting it to your state. The amount of goods and services tax is based upon the price paid for a Nu Skin Product, calculated at the applicable tax rate.

### 2.9 ASSOCIATING OTHER ORGANIZATIONS WITH NU SKIN

The Nu Skin Business opportunity is not based on race, gender, beliefs, or political affiliations. When you are training Your Team, selling Nu Skin Products, or promoting the business opportunity or other Nu Skin-affiliated programs, you may not promote, advocate, sell, or include literature, books, or other material that promotes any individual or non-Nu Skin affiliated organization, whether religious, political, business, or social, or that implies any association between Nu Skin and any non-Nu Skin affiliated organization. Nu Skin and Direct Seller 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

### 3.1 BUSINESS SUPPORT MATERIALS AND TRADEMARK USE

#### 3.1.1 USE OF BUSINESS SUPPORT MATERIALS

You may use Nu Skin Business Support Materials or you may create your own Direct Seller Business Support Materials (a) to present the Nu Skin Business, Nu Skin Products, and the Sales Performance Plan to prospective Direct Sellers in India or for training other Direct Sellers in India and (b) to promote Nu Skin Products in India, provided, however, that any Direct Seller Business Support Materials that you create (i) must comply with these Policies and Procedures, any guidelines and supplemental policies referenced herein, and all applicable laws and regulations, (ii) must appropriately reflect the rules, requirements, sales performance plan structure, and/or product claims applicable to a Direct Seller operating a Nu Skin Business in India, and (iii) must be used in accordance with the requirements set forth in this Chapter 3. You may not sell or offer for sale any Nu Skin Business Support Materials or Direct Seller Business Support Materials. In addition, because laws and regulations differ from market to market, you may only use Nu Skin Business Support Materials that have been specifically approved by Nu Skin for use in India.

#### 3.1.2 USE OF TRADEMARKS AND COPYRIGHTS

(a) Use of Trademarks and Copyrights of the NSE Companies. Trademarks and copyrights of the NSE Companies (including, without limitation, the Nu Skin Brands) are valuable assets of the NSE Companies (including, without limitation, Nu Skin and NSE Products, Inc.), and the NSE Companies (including, without limitation, 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 the NSE Companies or Direct Sellers. You may not use trademarks, copyrights, or other intellectual property of the NSE Companies (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 trademarks or copyrights of the NSE Companies

(including, without limitation, the Nu Skin Brands), including any variations thereof, in any Direct Seller Business Support Materials or other medium.

(b) Damages. You are liable to Nu Skin and the other NSE Companies for any damages arising out of your misuse of trade names, trademarks, copyrights, logos, and other intellectual property of the NSE Companies (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.

## **3.2 PRODUCT CLAIMS**

### **3.2.1 GENERAL LIMITATION**

You may only make claims or representations related to Nu Skin Products that have been approved by Nu Skin for use in India, including without limitation in any Direct Seller Business Support Materials for India. Approved claims or representations may be found on Nu Skin's India website for India at nuskin.com.

### **3.2.2 NO MEDICAL CLAIMS**

You may not make medical claims or state or imply that any Nu Skin 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 to drugs or make drug or medical claims. Any such representations, claims, or comparisons by you may result in your personal liability.

### **3.2.3 NO FSSAI/CDSCO APPROVED CLAIMS**

You should not state or imply that any Nu Skin Product is registered or approved by the Food Safety and Standards Authority of India ("FSSAI"), Central Drugs Standards Control Organization ("CDSCO"), or any other regulatory authority. The FSSAI and the CDSCO do not require or grant specific approval for the individual cosmetic or nutritional products sold by Nu Skin. 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 Food Safety and Standards Authority of India (FSSAI) or any other regulatory 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 any regulatory authority but must be truthful and not misleading.

### **3.2.4 BEFORE AND AFTER PHOTOGRAPHS**

Only those pictures and videos that have been previously approved and/or published by Nu Skin for use in India may be used to demonstrate benefits of Nu Skin Products, except as otherwise directed in the business advisories, Social Sharing Guidelines, and Product Testimonial Guidelines for India, which may be found here.

### **3.2.5 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 for India, found here, whenever sharing your experience with any Nu Skin Product.

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

You may not modify any packaging, labels, literature, or instructions for use for any Nu Skin Product. You may not give instructions to use a Nu Skin Product not contained in current Nu Skin literature for India. Any such modifications or instructions by you may

result in your personal liability.

### **3.3 INCOME OPPORTUNITY CLAIMS**

#### **3.3.1 NO MISLEADING INCOME OPPORTUNITY CLAIMS**

It is important that all Direct Sellers are fully informed and have realistic expectations concerning the income opportunity associated with being a Direct Seller. To help make sure all Direct Sellers 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.

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

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

- (a) The information must be accurate and not misleading; and
- (b) The information must comply with all the current rules and conditions that Nu Skin has published in the Opportunity Testimonial Guidelines for India, which can be found [here](#).

### **3.4 MASS MEDIA**

#### **3.4.1 PROMOTIONS UTILIZING MASS MEDIA PROHIBITED**

You may not use any form of mass media or other mass communication advertising to promote Nu Skin Products 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 and the Nu Skin Business opportunity may be promoted only by personal contact, by literature produced and distributed by Nu Skin or the other NSE Companies, or by Direct Seller Business Support Materials created by you in accordance with these Policies and Procedures.

#### **3.4.2 MEDIA INTERVIEWS**

You may not promote Nu Skin Products or the Nu Skin Business opportunity through interviews with the media, articles in publications, news reports, or any other information source available to the general public or to a specific trade or industry unless specifically authorized in writing by the Public Relations Department of the NSE Companies. This includes private, paid membership, or "closed group" publications. You may not speak to the media on behalf of Nu Skin or any of the other NSE Companies, and you may not represent that you have been authorized by Nu Skin or any of the other NSE Companies to speak on their behalf. All media contacts or inquiries should be immediately referred to the Public Relations Department of the NSE Companies by calling +91 120 712 7177.

### **3.5 RETAIL STORE AND SERVICE ESTABLISHMENT SALESPOLICY**

#### **3.5.1 RETAIL STORES**

You may not sell Nu Skin Products or promote 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. However, you may, with the prior consent of a retail establishment, place Nu Skin Business Support Materials or Direct Seller Business Support Materials promoting

Nu Skin Products within a retail establishment. However, such materials must not be visible to the general public in a manner as to attract the general public into the retail establishment.

### 3.5.2 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.

(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) Direct Sellers may only sell Nu Skin Products through service-related establishments that provide services related to Nu Skin Products.

(c) Direct Seller Business Support Materials for Nu Skin Products may be displayed within or on the exterior or outside of a service-related establishment, subject to the owner's prior approval.

### 3.5.3 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.

## 3.6 ONLINE SELLING AND PROMOTION

### 3.6.1 SOCIAL MEDIA

You may use social networking sites, personal blogs, social media platforms, and other sites that have content that is based on user participation and communication to (a) communicate information about Nu Skin and your involvement with Nu Skin as a Direct Seller, (b) post approved information about Nu Skin Products and the Nu Skin Business opportunity, (c) direct users to a Company Site, and (d) post Direct Seller Business Support Materials. You must know and comply with all the current rules and conditions published in the Social Sharing Guidelines for India, which can be found here. You are also required to comply with the terms and conditions, community standards, rules, and other requirements of any such sites or platforms that you use.

### 3.6.2 SOCIAL SELLING

You may sell Nu Skin 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 published in the Social Sharing Guidelines for India, which can be found here.

### 3.6.3 ONLINE AUCTION SITES AND ONLINE MARKETPLACES

Nu Skin Products may not be sold via any online marketplace or auction site (e.g., Indiamart, Flipkart, Amazon, eBay, 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.

### 3.6.4 ADDITIONAL RESTRICTIONS ON INTERNET USE

All websites, apps, and other tools created by a Direct Seller must comply with the following additional restrictions:

(a) You may not include any of the NSE Companies' or a third party's (unless you have written permission from such 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; and

(b) 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 prior written permission from the owner of such intellectual property or proprietary information.

Nu Skin has the right to make the determination, in its sole discretion, whether your online activities are permitted under this Section 6 or whether any website, app, tool, or platform is considered a Direct Seller Business Support Material. 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.

#### 3.6.5 SPAM

You must comply with all laws regarding the sending of text messages and email messages, 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 Direct Seller Account to individuals who have not specifically requested information regarding the Nu Skin Business opportunity and/or Nu Skin Products. In the event an individual who has formerly agreed to receive email or text messages concerning the Nu Skin Business opportunity and/or Nu Skin Products later requests that you cease sending them texts or email, you must honour this request immediately.

### 3.7 LEAD GENERATION SERVICES; MEETINGS AND EVENTS

#### 3.7.1 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 compliance with "Do Not Call" lists in the 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 and the other Nu Skin Beneficiaries for any costs or damages arising from regulatory or personal challenges to the use of the lead.

#### 3.7.2 MEETINGS AND EVENTS; NO SPEAKING FEES

You may not charge a fee to speak at any Direct Seller 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 Direct Seller meeting. In the event you are organizing a meeting or other function to be attended by Direct Sellers, you may charge a fee to Direct Sellers 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, the Nu Skin Business opportunity, or other Nu Skin-affiliated programs, you may not promote such events using Nu Skin's Network or contacts.

### 3.8 RECORDING OF NU SKIN EVENTS AND EMPLOYEES

You may record any event sponsored by Nu Skin or another of the NSE Companies or any speech or other presentation made by an employee or other representative of Nu Skin or another of the NSE Companies 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 Direct Sellers, prospective Direct Sellers, or Customers regardless of the setting. Except for recordings for private use as described in this Section 8,

you may not record any event sponsored by Nu Skin or another of the NSE Companies or record any speech or other presentation made by an employee or other representative of Nu Skin or another of the NSE Companies at any meeting, event, or otherwise without the prior written consent of Nu Skin.

## **Chapter 4 | Sponsoring**

### **4.1 BECOMING A SPONSOR**

#### **4.1.1 REQUIREMENTS**

You may only cause Your Direct Seller Account to be a Sponsor of a new Direct Seller if you meet all the requirements and accept all the responsibilities described in the Contract.

#### **4.1.2 THE PLACEMENT OF NEW DIRECT SELLERS**

You may refer Persons to become Direct Sellers of Nu Skin by having them submit an Application and Direct Seller Agreement to Nu Skin. Upon acceptance by Nu Skin of the Application and Direct Seller Agreement, the applicants become new Direct Sellers and are placed in the Nu Skin Systems directly below the Direct Seller Account of the Sponsor they identify at sign-up. Although a newly sponsored Direct Seller may be referred to as part of Your Team or the Team of Your Direct Seller Account, this does not create in you or in any Direct Seller Account owned by you or in which you are a Participant any form of ownership interest in the Direct Seller Account of the newly sponsored Direct Seller or with respect to any information regarding that Direct Seller Account. All Direct Sellers 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 its affiliated companies and not the Sponsor or any other Direct Seller.

### **4.2 RESPONSIBILITIES OF A SPONSOR**

#### **4.2.1 WHO IS THE SPONSOR**

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

#### **4.2.2 TRAINING YOUR TEAM**

You must supervise, train, support, and have ongoing communication with (a) any Direct Seller that you recruit and cause to be sponsored by Your Direct Seller Account and (b) 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 Direct Sellers in Your Team properly understand and comply with the terms and conditions of their Direct Seller Agreement and Contract with Nu Skin to conduct Business Activities as a Direct Seller, as well as 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 sales and opportunity meetings conducted by Your Team are conducted in accordance with the Contract, current Nu Skin literature, and in accordance with any applicable laws, ordinances, and regulations;
- (f) Monitor the activities of those Direct Sellers you personally recruit and cause to be sponsored by Your Direct Seller Account and those in Your Team, and work in good faith with Nu Skin to prevent the violation of these Policies and Procedures or manipulation of the Sales Performance Plan;
- (g) Supervise and assist Your Team's efforts to sell Nu Skin Products to Customers; and
- (h) Cooperate with Nu Skin or another of the NSE Companies regarding investigations of you or Your Team, be truthful and forthright regarding statements made to Nu Skin or another of the NSE Companies in connection with investigations of you or Your Team, and, upon request from Nu Skin or another of the NSE Companies, provide all relevant documents and other information pertaining to any investigation conducted by Nu Skin or another of the NSE Companies regarding the Network, whether an investigation of you or Your Team or otherwise.

#### 4.2.3 LINE SWITCHING

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

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

There is no required purchase to become a Direct Seller. You may not require any Direct Seller or prospective Direct Seller to purchase any Nu Skin Products, Nu Skin Business Support Materials and Services, or Direct Seller Business Support Materials, or imply that any such purchase is required.

#### 4.2.5 CORRECT INFORMATION ON FORMS

You may not encourage or assist any Direct Seller or prospective Direct Seller to provide false or inaccurate information in their Application, Direct Seller Agreement, or any other form provided to Nu Skin or any of the other NSE Companies.

#### 4.2.6 YOUR TEAM'S COMMUNICATION WITH NU SKIN

You may not discourage, attempt to prevent, or prevent, for any reason, any Direct Seller from directly contacting Nu Skin or discourage, attempt to prevent, or prevent, for any reason, Nu Skin from directly contacting any Direct Seller. It is your duty to facilitate communication between any Direct Seller on Your Team and Nu Skin at the request of such Direct Seller or at the request of Nu Skin.

### 4.3 NO INTERNATIONAL BUSINESS

You may not conduct Business Activity as a Direct Seller in any market outside of India.



# Chapter 5 | Restrictive Covenants

## 5.1 OWNERSHIP OF NETWORK

You acknowledge and agree that: (a) the Network is protected as a valuable, proprietary, trade secret asset that is owned by Nu Skin and its affiliated companies; (b) Direct Sellers do not have an ownership interest or any other interest or rights in the Network; (c) Direct Sellers are authorized to utilize the Network solely to engage in authorized Business Activities and to promote Nu Skin Products through the Network; and (d) the protection of the Network from unauthorized use by Direct Sellers is fundamental to the ongoing success of Nu Skin, the other NSE Companies, and Direct Sellers.

## 5.2 RESTRICTIVE COVENANTS

### 5.2.1 THIRD-PARTY PRODUCTS

(a) Sales of Third-Party Products; Promotion of Business Opportunity of Selling Third-Party Products. Subject to the restrictions set forth in paragraph (b) below, you are permitted while a Direct Seller (but not as Business Activity as a Direct Seller) to promote, market, or sell products or services of an individual or Business Entity that is not one of the NSE Companies (collectively, "Third-Party Products"), including Third-Party Products that may be similar to and may compete with Nu Skin Products in the health, beauty, and wellness marketplace, to Direct Sellers, Customers, and/or other Persons in and out of the Network. However, you may not, while a Direct Seller (i) promote or offer the business opportunity of selling Third-Party Products to a Direct Seller, Customer, or other Person in the Network, (ii) promote or offer the business opportunity of selling Third-Party Products to any Person in conjunction with the sale of Nu Skin Products or the promotion or offering of the Nu Skin Business opportunity of selling Nu Skin Products, (iii) package Third-Party Products with Nu Skin Products, or (iv) offer or promote Third-Party Products or the business opportunity of selling Third-Party Products at or during meetings, calls, or any other Nu Skin-related functions organized or sponsored by Nu Skin or any of the other NSE Companies. For clarity, the restrictions set forth in this paragraph shall not apply to Partner Products.

(b) Non-Solicitation for a Direct Sales Company. You may not in any manner while a Direct Seller, directly or indirectly, recruit, solicit, or sponsor any Direct Seller, Customer, or any other Person in the Network 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 Direct Seller, Customer, or any other Person in the Network to do so or to alter or terminate their relationship with Nu Skin or any of the other NSE Companies.

### 5.2.2 SALES PERFORMANCE PLAN ELIGIBILITY TO BE PAID ON GENERATIONS THREE TO SIX

(a) The Sale Performance Plan provides that the owner of and Participants in a Direct Seller Account must not be involved in Business Development Activities for another Direct Sales Company in order for the Direct Seller Account to be eligible to be paid on Generations 3 through 6 of its Team and to be recognized as a Ruby Title or higher. You acknowledge and agree that the level of compensation payable on Generations 3 through 6 to a Direct Seller Account is intended to compensate the Direct Seller Account as a key Direct Seller leader who has elected to exclusively promote the Nu Skin Business opportunity and to train Direct Sellers on its Team to promote the Nu Skin Business. Therefore, as a condition to Your Direct Seller Account receiving ongoing breakaway compensation on Brand Representative Levels 3 through 6 on its Team, and recognition of Your Direct Seller Account or any owner of or Participant in Your Direct Seller Account (including you) as a Ruby or higher Direct Seller leader at Nu Skin events and events of other NSE Companies, each owner of and Participant in Your Direct Seller Account (including you) may not be engaged in any Business Development Activity for any Direct Sales Company other than the NSE Companies.



(b) If any owner of or Participant in Your Direct Seller Account (including you) engages in Business Development Activity for any Direct Sales Company while Your Direct Seller Account has a Title of Ruby or higher, then Your Direct Seller Account will not be eligible to receive any Leading Bonus (as this term is defined in the Sales Performance Plan) on Brand Representative Generations 3 to 6 on its Team during any period in which any owner of or Participant in Your Direct Seller Account (including you) (i) engages in any Business Development Activity for any Direct Sales Company, or (ii) maintains a Beneficial Interest in any form with respect to a Direct Sales Company, regardless of the number of Brand Representatives on the first Generation of Your Direct Seller Account, the number of Leadership Teams (as this term is defined in the Sales Performance Plan) of Your Direct Seller Account, or other qualifications for payment on Generations 3 to 6 of Your Direct Seller 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 Your Direct Seller Account, you agree to notify Nu Skin that you or any owner of or Participant in Your Direct Seller Account is engaged in such Business Development Activity. You further agree that upon engaging in such Business Development Activity, if Your Direct Seller Account has a Title of Ruby or higher, then Your Direct Seller Account will no longer be eligible to receive Leading Bonuses on Brand Representative Generations 3 through 6 as set forth in the preceding paragraph (b). You further agree that you and each owner of and Participant in Your Direct Seller Account (i) will be liable to refund to Nu Skin any such Leading Bonuses paid to Your Direct Seller 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 or special incentives, past, present, or future, that may be payable to Your Direct Seller Account under the Sales Performance 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 Your Direct Seller Account will be considered a violation of these Policies and Procedures and may result in other action being taken by Nu Skin or another of the NSE Companies, including termination of Your Direct Seller Account and your right to be a Direct Seller.

### 5.2.3 CONFIDENTIAL INFORMATION

As a result of your position as a Direct Seller, you have access to Confidential Information that you acknowledge to be proprietary, highly sensitive, and valuable to the business of Nu Skin and the other NSE Companies, which information is available to you solely and exclusively for purposes of furthering the sale of Nu Skin Products and prospecting, training, and sponsoring individuals and Business Entities that wish to become Direct Sellers, and to further build and promote your Nu Skin Business. You and Nu Skin acknowledge and agree 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 Direct Seller, the termination of Your Direct Seller Account, or the sale or other transfer of Your Direct Seller Account, 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 Direct Seller Agreement. During any term of the Direct Seller Agreement, and for a period of two years after the termination or expiration of the Direct Seller 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 a Direct Seller or an employee of Nu Skin or another of the NSE Companies 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 Nu Skin Systems or any other computer systems of Nu Skin or another of the NSE Companies; or
- (c) Without the prior written consent of Nu Skin, use Confidential Information to compete with Nu Skin or another of the NSE Companies (including, but not limited to, using Confidential Information to solicit other Direct Sellers and Customers), or for any purpose other than promoting Nu Skin and Nu Skin Products during the term of the Direct Seller Agreement.

### 5.2.4 CONFIDENTIALITY OF DIRECT SELLER ACCOUNT INFORMATION

As a result of your position as a Direct Seller, you may, at the sole discretion of Nu Skin, be provided access to information about other Direct Seller Accounts and their Teams for the sole purpose of allowing you to provide business support to these Direct Seller

Accounts and their Teams. This information is highly confidential, and you may not disclose information about another Direct Seller Account or its Team to any Person that is not an employee of Nu Skin or another of the NSE Companies or that is not an owner of or a Participant in Your Direct Seller Account. 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 Direct Seller Accounts and their Teams available to you. You agree that your obligations under this Section 2.4 continue through the term of your Direct Seller Agreement and for a period of two years after the termination or expiration of your Direct Seller Agreement.

#### **5.2.5 NON-DISPARAGEMENT**

In consideration of Nu Skin's recognitions, Bonuses, and other compensation received by Your Direct Seller Account, you agree not to make any misleading, unfair, inaccurate, or disparaging statements about Nu Skin, another of the NSE Companies, or the Nu Skin business, about other Direct Sellers or employees of Nu Skin or another of the NSE Companies, about Nu Skin Products or other products or services of the NSE Companies, or about the Sales Performance Plan or any policies and procedures (including these Policies and Procedures) of Nu Skin or the other NSE Companies. Violation of this non-disparagement agreement may result in termination of Your Direct Seller Account and your right to be a Direct Seller. This non-disparagement agreement is not intended to provide any third-party rights or benefits to other Direct Sellers or to allow other Direct Sellers 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 (a) cooperating with or participating in an inquiry, investigation, audit, subpoena, or similar action sanctioned by Nu Skin, another of the NSE Companies, or a governmental authority, or (b) 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 Direct Seller Agreement and for a period of two years after the termination or expiration of your Direct Seller Agreement.

### **5.3 REMEDIES**

You acknowledge and agree that a violation of your obligations under this Chapter 5: (a) will damage the competitive business interest and integrity of Nu Skin and the other NSE Companies; (b) will inflict irreparable harm to Nu Skin and the other NSE Companies and that monetary damages will be insufficient to compensate Nu Skin and the other NSE Companies for such harm; and (c) will entitle Nu Skin and the other NSE Companies 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 or another of the NSE Companies, 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 and the other NSE Companies, you waive all bonding or other security requirements otherwise applicable to a temporary restraining order and/or injunction.

### **5.4 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**

## **6.1 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 (a) 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, (b) has been modified or amended verbally by an officer or employee of Nu Skin or another of the NSE Companies, or (c) that there is a quasi-contract or an implied in fact contract between you and Nu Skin. The rights of a Direct Seller under the Contract depend on the Direct Seller, the owner of and each Participant in the Direct Seller Account of the Direct Seller, and each Person for whose acts the Direct Seller and/or the Direct Seller Account are responsible meeting all of the obligations of the Contract.

## **6.2 ACTS OF OWNER, PARTICIPANTS, AND OTHERS IN A DIRECT SELLER ACCOUNT**

The acts of any Person conducting Business Activity for a Direct Seller Account (including, without limitation, the Direct Seller owner of an Individual Direct Seller Account, a Spouse authorized to be a Direct Seller Participant in an Individual Direct Seller Account, the Business Entity owner and the Direct Seller Participants in a Business Entity Direct Seller Account, or a Spouse, partner, employee, or agent of a Direct Seller not recognized in the Nu Skin Systems as the owner of or a Participant in the Direct Seller Account), or any Person with a Beneficial Interest in the Direct Seller Account, will be considered to be the acts of the Direct Seller Account, the Direct Seller Account owner, and each Participant in the Direct Seller Account, and will be subject to the terms and conditions of the Contract. Nothing in the foregoing sentence authorizes any Person not a Direct Seller owner of or a Direct Seller Participant in a Direct Seller Account to engage in any Business Activity for or to have a Beneficial Interest in a Direct Seller Account.

## **6.3 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 you as a Direct Seller and/or Your Direct Seller Account for an alleged violation of the Contract by you, for an alleged violation of the Direct Seller Agreement or Contract between Nu Skin and any owner of or Participant in Your Direct Seller Account ("Other Direct Seller Account Contract") by any such owner or Participant, or for an alleged violation of the Contract or any Other Direct Seller Account Contract by any Person for which you, Your Direct Seller Account, or any owners of or Participants in Your Direct Seller Account may be responsible. Alleged violations of the terms or conditions of the Contract or any Other Direct Seller Account Contract for which you, the owners of or Participants in Your Direct Seller Account, or Your Direct Seller Account may be responsible may be brought to the attention of the Compliance Department (as such term is defined below) by Direct Sellers, Customers, and/or other sources, including, without limitation, through resources and investigations of Nu Skin or another of the NSE Companies ("Alleged Violations"). Except as otherwise provided in this Section 3 with respect to Alleged Violations referred to the legal department of Nu Skin or another of the NSE Companies providing legal representation of Nu Skin regarding an Alleged Violation (the "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 Direct Seller 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 Direct Seller (including you) regarding an Alleged Violation not commenced by Nu Skin's notice to the Direct Seller of an Alleged Violation pursuant to Section 3.4 of this Chapter 6 and/or Nu Skin's notice to the Direct Seller of direct action to be taken by Nu Skin because of an Alleged Violation pursuant to Section 3.6 or 3.7 of this Chapter 6 and processed by Nu Skin through this Section 3, either Nu Skin or the Direct Seller may assert claims against the other for breaches of the Contract or any Other Direct Seller Account Contract or for any other causes of action through (a) 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 (b) the commencement of any civil proceedings for relief afforded by the Contract, any Other

Direct Seller Account Contract, or 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.

#### 6.3.1 PROCESSING OF ALLEGED VIOLATIONS OF THE CONTRACT BY DIRECT SELLERS

The Compliance Department of Nu Skin or another of the NSE Companies providing services to Nu Skin regarding contract compliance issues (the "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: (a) upon determination a violation of the terms or conditions of the Contract or any Other Direct Seller Account Contract has occurred, take immediate direct action in accordance with Section 3.7 of this Chapter 6, (b) upon determination a violation of the terms or conditions of the Contract or any Other Direct Seller Account Contract has occurred or, if without determining a violation of the Contract or any Other Direct Seller Account Contract has occurred, the Compliance Department 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, (c) upon determination that there has been or may have been a violation of the Contract or any Other Direct Seller Account 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 (d) upon determination that there has been or may have been a violation of the Contract or any Other Direct Seller Account Contract, refer the Alleged Violation to the Legal Department for an internal investigation and potential action to be overseen by the Legal Department or a designee of the Legal Department. If the Alleged Violation is referred to the Legal Department for internal investigation and potential action, the 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 the Legal Department for internal investigation and possible action, and if the Compliance Department determines there has been a violation of the Contract by you or a violation of any Other Direct Seller Account Contract by an owner of or Participant in Your Direct Seller Account, or there has been a violation of the Contract or any Other Direct Seller Contract for which Your Direct Seller Account is responsible, in addition to the remedies available to Nu Skin for direct action under Sections 3.6 and 3.7 of this Chapter 6, Nu Skin may commence arbitration pursuant to Chapter 7 for an adjudication authorizing Nu Skin to terminate Your Direct Seller Account, the Contract, and the Other Direct Seller Account Contracts after giving 10 business days advance written notice of the Alleged Violation and Nu Skin's intended filing of a demand for arbitration to the Direct Seller owner of Your Direct Seller Account (in the case of an Individual Direct Seller Account) or the Primary Participant of Your Direct Seller Account (in the case of a Business Entity Direct Seller Account).

#### 6.3.2 TIME LIMITS FOR NU SKIN ACTION REGARDING ALLEGED VIOLATIONS

(a) In order to prevent stale claims of changes in the "Sponsor" of a "Direct Seller" or a "Direct Seller Account" alleged to violate the terms and conditions of the "Contract" or any other contract or agreement between "Nu Skin" and a "Direct Seller" (collectively "Line Switch Claims") from disrupting the "Business Activities" of "Direct Sellers" and "Direct Seller Accounts" and the business of "Nu Skin," "Nu Skin" will not take action on any alleged "Line Switch Claim" not submitted in writing to the "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" or any other contract or agreement between "Nu Skin" and a "Direct Seller" 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 or regarding the "Alleged Violation" of the terms or conditions of any other contract or agreement between "Nu Skin" and a "Direct Seller" or for which a "Direct Seller" or a "Direct Seller Account" may be responsible.

#### 6.3.3 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 Direct Sellers 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 Direct Sellers 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 Direct Seller 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 (a) the complexity of the Alleged Violation Matter and (b) 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.

#### 6.3.4 CRC PROCEDURES FOR PROCESSING ALLEGED VIOLATIONS

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

- (a) Written Notice. The Direct Seller owner (in the case of an Individual Direct Seller Account) or the Primary Participant (in the case of a Business Entity Direct Seller Account) of the Direct Seller Account owned by the Direct Seller alleged to have violated the Contract or any Other Direct Seller Account Contract or to be responsible for a violation of the Contract or any Other Direct Seller Account Contract or in which that Direct Seller was or is a Participant will receive written notice from the Compliance Department that a Direct Seller or a Person for whom a Direct Seller or a Direct Seller Account is responsible has violated or may have violated the Contract or any Other Direct Seller Account Contract, along with a brief description of the Alleged Violation. The Compliance Department or 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 Direct Sellers 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 Direct Seller owner (in the case of an Individual Direct Seller Account) or the Primary Participant (in the case of a Business Entity Direct Seller Account) will have 10 business days from the date of the Compliance Department’s written notice during which to present in writing to the CRC all the information that the Direct Seller owner or the Primary Participant, as applicable, or any others having an interest in the Direct Seller Account consider relevant to the Alleged Violation. Relevant information possessed by those having an interest in the Direct Seller Account other than the Direct Seller owner (in the case of an Individual Direct Seller Account) or the Primary Participant (in the case of a Business Entity Direct Seller Account) is to be submitted to the CRC through the Direct Seller owner or Primary Participant, as applicable. The Direct Seller owner (in the case of an Individual Direct Seller Account) or the Primary Participant (in the case of a Business Entity Direct Seller 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 emailed to [indiacompliance@nuskin.com](mailto:indiacompliance@nuskin.com).
- (c) If the Direct Seller owner (in the case of an Individual Direct Seller Account) or the Primary Participant (in the case of a Business Entity Direct Seller 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 Direct Seller alleged to have violated the Contract or any Other Direct Seller Account Contract or alleged to be responsible for the acts of another who violated the Contract or any Other Direct Seller Account Contract, the Direct Seller Account owned by that Direct Seller or in which that Direct Seller was or is a Participant, and/or the Participants in the Direct Seller Account (including, without limitation, placing orders for Nu Skin Products, sponsoring, receiving Bonuses, etc.) from the time the written notice is sent of the Alleged Violation to the Direct Seller owner (in the case of an Individual Direct Seller Account) or the Primary Participant (in the case of a Business Entity Direct Seller Account) until a final resolution of the Alleged Violation.



(d) CRC Decision. The CRC will review any information submitted within the 10-day period by the Direct Seller owner (in the case of an Individual Direct Seller Account) or the Primary Participant (in the case of a Business Entity Direct Seller Account) and any information that the Compliance Department, 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 Direct Seller owner (in the case of an Individual Direct Seller Account) or the Primary Participant (in the case of a Business Entity Direct Seller Account) a written notice and copy of the final decision of the CRC. The CRC or Nu Skin may, in their sole discretion and without any requirement under the Contract to do so, provide a copy of the decision of the CRC to other Direct Sellers that may be adversely affected by the CRC decision.

#### 6.3.5 COMPLIANCE APPEALS COMMITTEE

(a) Right to Appeal Nu Skin Direct Action and CRC Final Decision. If the Compliance Department or Nu Skin gives written notice that Nu Skin will take immediate direct action regarding an Alleged Violation as provided in Section 3.7 of this Chapter 6, if the Compliance Department or Nu Skin gives written notice that Nu Skin 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 Direct Seller owner (in the case of an Individual Direct Seller Account) or the Business Entity owner acting through the Primary Participant (in the case of a Business Entity Direct Seller Account) or any Participant in the Direct Seller Account adversely affected by Nu Skin's direct action or the CRC decision will have 10 business days from the date of the Compliance Department's or 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 Direct Seller owner's (in the case of an Individual Direct Seller Account), the Business Entity owner's (acting through the Primary Participant, in the case of a Business Entity Direct Seller Account), or the adversely affected Direct Seller Participant's appeal to Nu Skin's Compliance Appeals Committee ("CAC"), including all submissions in support of the appeal. The written appeal must include a description of the Direct Seller owner's (in the case of an Individual Direct Seller Account), the Business Entity owner's (acting through the Primary Participant, in the case of a Business Entity Direct Seller Account), or the adversely affected Direct Seller 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 emailed to [indiacompliance@nuskin.com](mailto:indiacompliance@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 Direct Sellers and Direct Seller Account that are the subject of the Alleged Violation, the owner and all Participants in that Direct Seller Account, and the Team of that Direct Seller 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 Direct Sellers and Direct Seller Account that are the subject of the Alleged Violation, the owner and all Participants in that Direct Seller Account, and the Team of that Direct Seller Account.

(c) CAC Actions Regarding an Appeal. Within 90 calendar days of receipt of a timely written appeal to the CAC by the Direct Seller owner (in the case of an Individual Direct Seller Account), the Business Entity owner acting through the Primary Participant (in the case of a Business Entity Direct Seller Account), and/or an adversely affected Direct Seller Participant, the CAC will review the appeal and provide written notice to the Direct Seller owner (in the case of an Individual Direct Seller Account), the Primary Participant (in the case of a Business Entity Direct Seller Account), and/or any adversely affected Direct Seller Participant that submitted an appeal (provided information sufficient for providing notice was submitted in the appeal of the adversely affected Direct Seller 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 Direct Sellers 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 Direct Seller owner (in the case of an Individual Direct Seller Account), the Business Entity owner acting through the Primary Participant (in the case of a Business Entity Direct Seller Account), or any Direct Seller Participant in the Direct Seller Account adversely affected by Nu Skin's direct action or the CRC final decision (whether or not such adversely affected Direct Seller 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 Direct Seller owner (in the case of an Individual Direct Seller Account) or the Business Entity owner acting through the Primary Participant (in the case of a Business Entity Direct Seller Account), nor an adversely affected Direct Seller 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 Direct Sellers and Direct Seller Account that are the subject of the Alleged Violation, the owner and all Participants in that Direct Seller Account, and the Team of that Direct Seller 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 Direct Sellers and Direct Seller Account that are the subject of the Alleged Violation, the owner and all Participants in that Direct Seller Account, and the Team of that Direct Seller Account.

(e) CAC Final Decision. When the CAC has made a final decision regarding an Alleged Violation, it will send the Direct Seller owner (in the case of an Individual Direct Seller Account), Primary Participant (in the case of a Business Entity Direct Seller Account), and any adversely affected Direct Seller Participant that submitted an appeal (provided information sufficient for providing notice was submitted in the appeal of the adversely affected Direct Seller Participant) written notice and a copy of the final decision. The CAC or 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 Direct Sellers that may be adversely affected by the CAC final decision.

(f) Right to Commence Arbitrations Regarding CAC Final Decisions. The Direct Seller owner (in the case of an Individual Direct Seller Account), the Business Entity owner acting through the Primary Participant (in the case of a Business Entity Direct Seller Account), or any Direct Seller Participant in the Direct Seller Account adversely affected by the CAC final decision (whether or not such adversely affected Direct Seller 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 Direct Sellers and Direct Seller Account that are the subject of the Alleged Violation, the owner and all Participants in that Direct Seller Account, and the Team of that Direct Seller 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.

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

If the Compliance Department determines that a violation of the Contract or any Other Direct Seller Account Contract has occurred, Nu Skin may, in its sole discretion, take action without consideration of the Alleged Violation by the CRC (as used throughout this Chapter 6, "direct action") to terminate the Direct Seller Account, the Contract, and the Other Direct Seller Account Contracts of each owner of and Participant in the Direct Seller Account. In addition to, or in lieu of, terminating the Direct Seller Account, the Contract, and the Other Direct Seller Account Contracts of each owner of and Participant in the Direct Seller Account by direct action, if the Compliance Department determines that a violation of the Contract or any Other Direct Seller Account Contract has occurred, or if without determining a violation of the Contract or any Other Direct Seller Account Contract has occurred, the Compliance Department 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 Direct Seller owner (in the case of an Individual Direct Seller Account) or the Primary Participant (in the case of a Business Entity Direct Seller Account) with written notice of Nu Skin's concerns and of Nu Skin's intent to terminate the Direct Seller Account, the Contract, and the Other Direct Seller Account Contracts of each owner of and Participant in the Direct Seller Account if the violations of the Contract or any Other Direct Seller Account Contract continue;
- (b) Suspend the rights under the Contract or any Other Direct Seller Account Contract of the owner and/or one or more of the Participants in a Direct Seller Account, and/or suspend the payment of Bonuses and any special incentives to a Direct Seller Account;
- (c) Monitor the future performance of the owner and/or one or more of the Participants in a Direct Seller Account over a specified period of time;
- (d) Provide the Direct Seller owner (in the case of an Individual Direct Seller Account) or the Primary Participant (in the case of a Business Entity Direct Seller Account) with written notice of specific actions the owner and/or one or more of the Participants in the Direct Seller Account must take to correct the violations of the Contract or any Other Direct Seller Account Contract and require the Direct Seller owner (in the case of an Individual Direct Seller Account) or the Primary Participant (in the case of a Business Entity Direct Seller Account) provide Nu Skin with a written description of what the owner of and Participants in the Direct Seller Account intend to do to meet contractual obligations;
- (e) Stop performing Nu Skin's obligations under the Contract or any Other Direct Seller Account Contract or terminate or suspend the privileges under the Contract or any Other Direct Seller Account Contract of the owner and/or one or more of the Participants in a Direct Seller Account, including, without limitation: terminating or suspending the rights of the owner and/or one or more of the Participants in the Direct Seller Account to receive awards; terminating or suspending the rights of the owner and/or one or more of the Participants in the Direct Seller 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 Direct Seller Account to participate in events sponsored by Nu Skin, any of the other NSE Companies, or Direct Sellers; terminating or suspending the rights of the owner and/or one or more of the Participants in the Direct Seller Account to place orders for Nu Skin Products; terminating or suspending the rights of the owner and/or one or more of the Participants in the Direct Seller Account to receive promotions within the Sales Performance Plan applicable to the Direct Seller Account; terminating or suspending the rights of the owner and/or one or more of the Participants in the Direct Seller Account to recruit and sponsor Direct Sellers; reducing the Title of the Direct Seller and/or Direct Seller Account and/or terminating or suspending the rights of the owner and/or one or more of the Participants in the Direct Seller 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 Direct Seller Account to be recognized and compensated as a "Brand Representative" under the Sales Performance Plan;
- (f) Reduce the payment of all or any part of the Bonuses payable to a Direct Seller Account based on sales made by the owner of or Participants in the Direct Seller Account and/or all or any part of their Team;
- (g) Reassign all or part of the Team of the Direct Seller and/or Direct Seller Account to a different Sponsor;
- (h) Recover from the owner and/or one or more of the Participants in a Direct Seller Account any damages to Nu Skin caused by the violation of the Contract or any Other Direct Seller Account Contract;
- (i) Take any action that Nu Skin deems appropriate to protect Nu Skin and the Network; and/or
- (j) Seek injunctive relief or any other remedies available at law or in equity.

Nu Skin will provide the Direct Seller owner (in the case of an Individual Direct Seller Account) and the Primary Participant (in the case of a Business Entity Direct Seller 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 Direct Sellers that may be adversely affected by the direct action. The Direct Seller owner (in the case of an Individual Direct Seller Account), the Business Entity owner acting through the Primary Participant (in the case of a Business Entity Direct Seller Account), or any Participant in the Direct Seller 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.

#### **6.3.7 IMMEDIATE DIRECT ACTION**

If the Compliance Department determines that a violation of the Contract or any Other Direct Seller Account 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 Direct Seller in violation of the Contract or any Other Direct Seller Account Contract and/or the owner of the Direct Seller Account (for an Individual Direct Seller Account) or the Primary Participant of the Direct Seller Account (for a Business Entity Direct Seller Account) in which the Direct Seller in violation of the Contract or any Other Direct Seller Account 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 Direct Seller Account and the rights of each owner of and Participant in the Direct Seller Account to act as Direct Sellers, and the right of the Direct Seller Account to receive any Bonuses or special incentives. Nu Skin will provide the Direct Seller owner (in the case of an Individual Direct Seller Account) or the Primary Participant (in the case of a Business Entity Direct Seller 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 Direct Sellers that may be adversely affected by the direct action. The Direct Seller owner (in the case of an Individual Direct Seller Account), the Business Entity owner acting through the Primary Participant (in the case of a Business Entity Direct Seller Account), or any Participant in the Direct Seller 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.

### **6.4 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.

### **6.5 TERMINATION OF CONTRACTS AND DIRECT SELLER ACCOUNTS**

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

(b) If the Direct Seller owner of an Individual Direct Seller Account terminates the Direct Seller Account such Direct Seller owner owns or if the Primary Participant of a Business Entity Direct Seller Account and the Business Entity owner of such Business Entity Direct Seller Account terminate such Business Entity Direct Seller 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 Direct Seller Account; (ii) the date specified in the written notice of and agreement to termination; or (iii) the date the termination of the Direct Seller Account is entered in the Nu Skin Systems.

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

(d) Upon termination of a Direct Seller Account for whatever reason, if there is any pending investigation of and/or unresolved legal issue related to the Direct Seller Account, which includes any alleged breach or actual breach of the Contract or any Other Direct Seller Account Contract, then the Team of the applicable Direct Seller 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 Direct Seller Account who is a Participant in such Individual Direct Seller Account or a Participant in a Business Entity Direct Seller Account who desires to terminate their contracts and agreements with Nu Skin and their rights and interests in a Direct Seller Account without causing the termination of the Direct Seller 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 Direct Seller Account, and Nu Skin accepting such submission and removing such Participant from such account in the Nu Skin Systems. If the individual terminating their contracts and agreements with Nu Skin and their rights and interests in a Direct Seller Account is the Primary Participant of a Business Entity Direct Seller Account, the remaining Participants of such Business Entity Direct Seller Account must designate a new Primary Participant in connection with such submission.

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

(g) After a Direct Seller Account has been terminated, thereby terminating the contracts and agreements with Nu Skin of the owner of and Participants in the Direct Seller Account, their status as Direct Sellers, and their rights and interests in the Direct Seller Account, or after a Participant in a Direct Seller Account terminates the Participant's contracts and agreements with Nu Skin, status as a Direct Seller, and rights and interests in a Direct Seller Account (without causing the termination of the Direct Seller Account), the terminated Direct Seller may apply to become a Direct Seller again as follows: (i) if the Direct Seller or the Direct Seller Account in which the Direct Seller was the owner or a Participant was not terminated by Nu Skin for a breach by the Direct Seller of contracts or agreements with Nu Skin, by submitting to Nu Skin a new Direct Seller Agreement (which includes the Application), and (ii) if the Direct Seller or the Direct Seller Account in which the Direct Seller was the owner or a Participant was terminated by Nu Skin for a breach by the Direct Seller of contracts or agreements with Nu Skin, by (A) submitting a written request to Nu Skin

requesting authorization to submit a new Direct Seller Agreement notwithstanding the prior termination for breach of contract, and (B) if Nu Skin gives written authorization to submit a new Direct Seller Agreement, submitting to Nu Skin a new Direct Seller Agreement (which includes the Application). Nu Skin shall have no obligation to accept the Application. The requirement to submit a new Direct Seller Agreement is mandatory regardless of whether applying to be a Direct Seller 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 Direct Seller Agreement or elsewhere in the Contract.

## **Chapter 7 | Waiver; Voluntary Mediation**

### **7.1 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.

### **7.2 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 "Direct Seller 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 New Delhi, India, 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" or another of the "NSE Companies" and you, including, without limitation, the terms or conditions of the mandatory and binding arbitration agreement in the "Direct Seller Agreement" or in any terms of use agreement regarding the use of any software provided by "Nu Skin" or another of the "NSE Companies" or access to any "Company Sites" or any electronic platform hosted or provided by "Nu Skin" or another of the "NSE Companies," 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" or another of the "NSE Companies" and you, but only for those claims, disputes, controversies, causes of action, or complaints.

### **7.3 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, (a) arising out of or in any way connected with or related to the "Contract" or any "other direct seller account contract," or any alleged breach thereof, (b) between other past or present "Direct Sellers" and you or your successors or assigns arising out of or in any way connected with or

related to your past or present “Direct Seller Account” or any other “Direct Seller Account” (including a “Direct Seller Account” for which you are or were a “Participant” or have or had a “Beneficial Interest”), or your business relationships as independent contractors of one or more of the “NSE Companies” (each such other past or present “Direct Seller” and each of the “NSE Companies” not a party to the “Contract” shall be a third-party beneficiary of this “Arbitration Agreement”), (c) between any of the “NSE Companies” and you or your successors or assigns, (d) 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 the “Contract” shall be a third-party beneficiary of this “Arbitration Agreement”), (e) arising out of or in any way connected with or related to “Nu Skin Products” or other products or services of the “NSE Companies,” (f) regarding any investigations, decisions, actions, or inactions of any of the “NSE Companies” that impacted or impacts your past or present “Direct Seller Account” or a “Direct Seller Account” for which you are or were a “Participant” or have or had a “Beneficial Interest,” or (g) that arises out of or is related to the business of any of the “NSE Companies,” including, without limitation, any disagreement with the disciplinary actions of any of the “NSE Companies” or interpretations of the “Contract” or any “Other Direct Seller Account Contract” by any of the “NSE Companies.” 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.

#### **7.4 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 New Delhi, India, 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.

#### **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 defences 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 New Delhi, India, 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 the Compliance Department or Nu Skin of an Alleged Violation of the Contract or any Other Direct Seller Account 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.

## **7.6 ARBITRATION RULES AND PROCESS**

### **7.6.1 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 Delhi International Arbitration Centre, Delhi High Court ("DIAC"), or its designated successor, in accordance with the DIAC Arbitration Rules as amended, and judgment on the award rendered by the arbitrator may be entered by any District Court or High Court located in Delhi, India, having jurisdiction. The National Capital Territory ("NCT") of Delhi shall be the place and seat of the arbitration, and any District Court in NCT of Delhi or the Delhi High Court 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 District Court in NCT of Delhi or the Delhi High Court 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 NCT of Delhi at the offices of Nu Skin's outside counsel unless the parties agree to a different location, or the arbitrator orders a different location in the NCT of Delhi. If the DIAC 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.

### **7.6.2 DISPUTES REGARDING ARBITRABILITY SHALL BE DECIDED BY THE ARBITRATOR**

The arbitrator, and not any central, 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.

### **7.6.3 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 central court with jurisdiction located within Delhi, India. All upline Direct Sellers 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.

### **7.6.4 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: (a) to be disclosed to regulating governmental authorities or in public filings required by regulating governmental authorities or applicable law; and (b) 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 DIAC may disclose the existence, content, or results of any arbitration proceeding without the prior written consent of all the Arbitrating Parties.

#### **7.6.5 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 Delhi, India, 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 any District Court or High Court located in Delhi, India, (a) to seek a temporary restraining order, preliminary injunction, other injunctive relief, or an order compelling arbitration; or (b) 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.

### **7.7 SURVIVAL**

The Arbitration Agreement will survive any termination or expiration of the Contract including, without limitation, the Direct Seller Agreement.

### **7.8 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**

### **8.1 INDEMNITY**

You agree to the fullest extent permitted by law to indemnify and hold harmless each of the Nu Skin Beneficiaries 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 Direct Seller Account owned by you at the time of the act or omission, or any Participant in a Direct Seller Account in which you were a Participant at the time of the act or omission, related in any way to conducting the 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, breach of any Other Direct Seller Account Contract, 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 agreement to indemnify and hold harmless is intended to indemnify and hold harmless each of the Nu Skin Beneficiaries (a) from costs and expenses incurred by such Nu Skin Beneficiary in the absence of any claims being made against such Nu Skin Beneficiary or



any of the other Nu Skin Beneficiaries, (b) from claims made by you or any Persons claiming by, through, or under you against such Nu Skin Beneficiary, and (c) from claims made by third parties against such Nu Skin Beneficiary, and with regard to such third-party claims you further agree to defend such Nu Skin Beneficiary against such claims at your expense. This agreement to indemnify and hold harmless is not intended to indemnify or hold harmless any Nu Skin Beneficiary to the extent the damages or loss are found in a final award, judgment, or order in an adjudication on the merits to have been caused by such Nu Skin Beneficiary's own negligence or fault.

You further understand and agree that each Nu Skin Beneficiary reserves the right, at your expense, to assume the exclusive defence and control of any claims made by third parties for which you are required to indemnify such Nu Skin Beneficiary, and you agree to cooperate in such defence. You agree that you will not in any event settle any claim made against a Nu Skin Beneficiary for which you are required to indemnify such Nu Skin Beneficiary without the written consent of such Nu Skin Beneficiary. Each of the Nu Skin Beneficiaries not a party to the Contract is a third-party beneficiary of this agreement to indemnify, defend, and hold harmless.

## **8.2 WAIVER OF CONSEQUENTIAL AND INDIRECT DAMAGES – BREACH OF CONTRACT**

Nu Skin 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 Nu Skin and you, including, without limitation, loss of personal or business reputation, loss of business opportunity, or loss of future revenue or income. This waiver also does not waive your damages for loss of future revenue or income from Nu Skin when such loss is determined to be a direct damage of the breach of contract. This waiver does not waive Nu Skin'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 Nu Skin and you that only direct damages may be recovered against a breaching party for a breach of the Contract or any other agreement between Nu Skin and you. The past and present affiliated companies, owners, officers, directors, employees, and agents of Nu Skin and you are third-party beneficiaries of this waiver of consequential and indirect damages.

## **8.3 WAIVER OF CONSEQUENTIAL AND INDIRECT DAMAGES – BREACH OF NON-CONTRACTUAL DUTIES**

With the exception of consequential or indirect damages found in a final award, judgment, or order in an adjudication on the merits to have been caused by gross negligence or intentional misconduct, Nu Skin 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 Direct Seller Account owned by you or any past or present Direct Seller Account for which you are or were a Participant) as a Direct Seller of Nu Skin. It is the intention of Nu Skin and you that, subject to the Limitation of Liability of Section 5 of this Chapter 8, (a) 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 Direct Seller Account owned by you or any past or present Direct Seller Account for which you are or were a Participant) as a Direct Seller of Nu Skin if the consequential and indirect damages are found to have been caused by gross negligence or intentional misconduct, and (b) 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 Direct Seller Account owned by you or any past or present Direct Seller Account for which you are or were a Participant) as a Direct Seller of Nu Skin. The past and present affiliated companies, owners, officers, directors, employees, and agents of Nu Skin and you are third-party beneficiaries of this waiver of consequential and indirect damages.

## **8.4 WAIVER OF PUNITIVE DAMAGES**

Nu Skin 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 central 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 of these Policies and Procedures. The past and present affiliated companies, owners, officers, directors, employees, and agents of Nu Skin and you are third-party beneficiaries of this waiver of punitive damages.

## **8.5 LIMITATION OF LIABILITY OF THE NU SKIN BENEFICIARIES**

You agree that, to the fullest extent permitted by law, the entire aggregate liability of the "Nu Skin 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," any "Other Direct Seller Account Contract," or your past or present status (or the past or present status of any "Participant" in any past or present "Direct Seller Account" owned by you or any past or present "Direct Seller Account" for which you are or were a "Participant") as a "Direct Seller" of "Nu Skin" (the "Limitation of Liability Claims"), will be limited to (the "Liability Limit") the greater of:

- (a) The total amount of all "Bonus and Special Cash Incentive Income" (as such term is defined below) received by you for the "Business Activity" of a past or present "Direct Seller Account" owned by you, a past or present "Direct Seller Account" for which you are or were a "Participant," or a past or present "Direct Seller Account" in which you have or had a "Nu Skin" approved "Beneficial Interest," and received by you during the six full calendar month period immediately preceding the first written assertion of a claim or cause of action by you or any "Person" or entity claiming by, through, or under you against one or more of the "Nu Skin Beneficiaries" that forms any portion of the basis for the liability of any one or more of the "Nu Skin Beneficiaries" for any "Limitation of Liability Claims;" or
- (b) The cost of "Nu Skin Products" that you or any past or present "Direct Seller Account" owned by you or in which you are or were a "Participant" have purchased from "Nu Skin."

This "Liability Limit" shall apply regardless of the nature of such "Limitation of Liability Claims," 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 further agree that recovery of the "Liability Limit" will be the exclusive remedy collectively of you and any "Person" or entity claiming by, through, or under you against the "Nu Skin Beneficiaries," or any one or more of them, for any and all "Limitation of Liability Claims" if liability is established and the awarded recoverable damages exceed the "liability limit."

Each of the "Nu Skin Beneficiaries" not a "Party" to the "Contract" is a third-party beneficiary of this agreement to limitation of liability.

For purposes of this Section 5 and the "Contract," "Bonus and Special Cash Incentive Income" means the portion of the "Bonuses" and any special cash incentives paid by "Nu Skin" to a past or present "Direct Seller Account" owned by you, a past or present "Direct Seller Account" in which you are or were a "Participant," or a past or present "Direct Seller Account" in which you have or had a "Nu Skin" approved "Beneficial Interest" that was received by you for your "Business Activities" as a "Direct Seller" for the benefit of that "Direct Seller Account" and that has been or will be treated by you as income (before the deduction of any expenses) for tax purposes.

Notwithstanding anything to the contrary in the "Contract," this agreement to limitation of liability (i) shall not limit the liability of the "Nu Skin Beneficiaries" for any liability found in a final award, judgment, or order in an adjudication on the merits to have been caused by their gross negligence or intentional misconduct, and (ii) shall not limit the liability of "Nu Skin" to indemnify and defend you pursuant to the terms of Sections 7.1 and 7.2 ("Product Liability Claims and Indemnification") of Chapter 2 of these "Policies and Procedures."

## **8.6 THIRD PARTY CLAIMS**

In order to protect Nu Skin and each of the other NSE Companies, their assets, and their reputation from claims or disputes created by outside (non-Direct Seller) 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 Direct Seller) arising from any of Nu Skin'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 Direct Seller) related to Business Activity as a Direct Seller or any other action that directly or indirectly negatively affects or puts Nu Skin 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. Nu Skin 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 defence and settlement or other resolution of that claim and suit. If Nu Skin 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**

## **9.1 SALES TO UNAFFILIATED CUSTOMERS**

Nu Skin reserves the right of Nu Skin and the other NSE Companies to make sales to Customers who (a) purchase Nu Skin Products and/or other products or services directly from Nu Skin or any of the other NSE Companies on Company Sites, other than through a Nu Skin Program (as such term is defined below), and (b) have not been registered as the Customer of a Direct Seller Account or, if registered as the Customer of a Direct Seller Account, complete such purchases (i) through a new Customer account as a registered Customer of Nu Skin or another of the NSE Companies, (ii) through guest checkout, or (iii) otherwise without logging into their Customer account registered to a Direct Seller Account (each, an "Unaffiliated Customer"). In connection with the first sale by Nu Skin or any of the other NSE Companies to an Unaffiliated Customer, Nu Skin or such other of the NSE Companies making the sale will give the Unaffiliated Customer the option of consenting to be contacted by a Direct Seller (the "Leads Pool Opt-In"). If the Unaffiliated Customer consents to be contacted by a Direct Seller, Nu Skin or such other of the NSE Companies making the sale will provide the Unaffiliated Customer's contact information to a Direct Seller Account selected by one of the NSE Companies in its discretion from the appropriate leads pool and will register the Unaffiliated Customer to such Direct Seller Account. Nu Skin and the other NSE Companies are not obligated to pay retail profit, Bonuses, or compensation of any kind under the Contract or otherwise to any Direct Seller Account on the first sale to an Unaffiliated Customer or, if the Unaffiliated Customer does not consent to be contacted by a Direct Seller, on any future sales to that Unaffiliated Customer.

## **9.2 SALES THROUGH ONLINE MARKETPLACES AND OTHER NU SKIN PROGRAMS**

In addition to the rights reserved in Section 1 of this Chapter 9, Nu Skin reserves the right of Nu Skin and the other NSE Companies to sell Nu Skin Products and other products and services, either directly or through third parties, to any Persons in any and all markets through various Nu Skin initiatives (the "Nu Skin Programs") without being obligated to pay retail profit, Bonuses, or any compensation of any kind under the Contract or otherwise to any Direct Seller Account on such sales. The general right set forth in this Section 2 shall include, but not be limited to, the right of Nu Skin and the other NSE Companies (i) to sell, either directly or through third parties, Nu Skin Products through online marketplaces such as Amazon, (ii) to make sales of Nu Skin Products to Persons referred to Company Sites to purchase such products by Influencers (as such term is defined below), and (iii) to make sales of Nu Skin Products on Company Sites to Persons attracted or directed to Company Sites by any Company Advertising. If a purchase generated by a Nu Skin

Program is concluded through a Company Site, Nu Skin may, in its sole discretion, provide such Customer with a Leads Pool Opt-In, provided, however, that the same process and restrictions with respect to such leads pool as set forth in Section 1 above shall apply.

Nu Skin may, in its sole discretion, implement temporary promotional programs from time to time to share a portion of the retail profit, if any, generated on sales of Nu Skin Products by Nu Skin and/or the other NSE Companies to Unaffiliated Customers and/or to Persons purchasing such products under one or more of the Nu Skin Programs. The duration of, rules and requirements for participating in, and any other terms and conditions applicable to any such temporary promotional program may vary and shall be set forth in the official rules for each such temporary promotional program.

Nothing in the Contract shall prohibit you or another Direct Seller from entering into a separate agreement with any of the NSE Companies or with any third-party vendor (including affiliate marketing platform vendors) of the NSE Companies, to the extent permitted by such NSE Company or third-party vendor in its sole discretion, to become an Influencer under a Nu Skin Program to promote the sale of Nu Skin Products and/or products or services offered or sold by one or more of the NSE Companies under brands, trade names, and trademarks other than the Nu Skin Brands by referring potential customers to purchase products on Company Sites through trackable shopping links. However, you will not, nor will any other Direct Seller, receive retail profit, Bonuses, or any compensation of any kind under the Contract on any such sales of Nu Skin Products or such other products or services of the NSE Companies made through such trackable shopping links by any of the NSE Companies to customers referred to Company Sites by you or any other Direct Seller as an Influencer. You will only receive compensation, if any, as provided in the separate agreement with that NSE Company or third-party vendor governing your activities as an Influencer. Further, the Contract does not govern your conduct or activities in the promotion of Nu Skin Products and/or other products or services of the NSE Companies as an Influencer, nor any obligations owed to you as an Influencer by any of the NSE Companies or their third-party vendors. Your conduct and activities as an Influencer in the promotion of Nu Skin Products and/or other products or services of the NSE Companies and any obligations owed to you as an Influencer by any of the NSE Companies or their third-party vendors, is governed by the separate agreement between you and that NSE Company and/or its third-party vendor engaging you as an Influencer. Notwithstanding the foregoing, you shall comply with, and be subject to, the provisions of Chapter 3 of these Policies and Procedures regarding the marketing of Nu Skin Products, as well as any guidelines governing the marketing and online promotion and selling of Nu Skin Products applicable to you as a Direct Seller, whenever you promote Nu Skin Products, even if such promotion is done by you in your capacity as an Influencer under a Nu Skin Program unless and to the extent your agreement to be an Influencer expressly states otherwise.

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

You understand and agree that the Contract provides you the right to purchase, market, and sell Nu Skin Products, and that you have no right under the Contract to (a) purchase, market, or sell any products or services (other than Nu Skin Products) offered or sold by any of the NSE Companies, or (b) 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 offered or sold under brands, trade names, and trademarks other than the Nu Skin Brands, including products and services that may be similar to and may compete with Nu Skin Products in the health, beauty, and wellness marketplace. You understand and agree that the NSE Companies reserve the right to offer and sell such products and services through distribution channels other than the Network and to sell such products and services using distribution methods other than multi-level marketing. Nothing in the Contract shall prohibit you or another Direct Seller 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 or services 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. You will only receive compensation, if any, as provided in the separate agreement with that NSE Company.

# Chapter 10 | General Terms

## 10.1 CHANGES TO THE CONTRACT

Nu Skin expressly reserves the right to make any modifications to the Contract upon 30 days' notice by publication on the Company Sites, through normal channels of communication with Direct Sellers, 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 Direct Seller, engaging in any Business Activity, or accepting any Bonuses or 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 Direct Seller 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 Direct Seller 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 other 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 or any Other Direct Seller Account 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 other NSE Companies by a Direct Seller in the resolution of disputes (whether or not a Dispute as defined in the Contract) between the Direct Seller and Nu Skin or the other 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 other NSE Companies that were first commenced before the effective date of the modification.

## 10.2 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.

## 10.3 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 Direct Seller 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 Direct Seller, the express written terms and requirements of the Contract will prevail.

#### **10.4 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.

#### **10.5 CHOICE OF LAW**

The place of origin and acceptance of the Contract is the NCT of Delhi, India. The Contract will be governed by, construed in accordance with, and interpreted pursuant to the substantive laws of the NCT of Delhi, India, without giving effect to its rules regarding choice of laws, provided, however, the Agreement to Mandatory and Binding Arbitration in Section C of the Direct Seller Agreement and the Arbitration Agreement in Chapter 7 of these Policies and Procedures shall be governed by the DIAC Arbitration Rules.

#### **10.6 CHOICE OF VENUE**

The agreed exclusive venue for the arbitration of any Dispute is in Delhi, India, 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 Direct Seller Agreement and/or the Arbitration Agreement in Chapter 7 of these Policies and Procedures or the waiver of the Agreement to Mandatory and Binding Arbitration and/or the Arbitration Agreement 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 Delhi, India. You consent to personal jurisdiction of courts within Delhi, India, to adjudicate such matters, and you waive any objection to improper venue.

#### **10.7 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 central 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 Direct Seller Account owned by you or any past or present Direct Seller Account for which you are or were a Participant) as a Direct Seller 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 central 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 central 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.

#### **10.8 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.

#### **10.9 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.

#### **10.10 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 Direct Seller, to the Direct Seller's email address as recorded in the Direct Seller's profile on the Nu Skin 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 Unit 1, Level – 7, Wing – B, Satellite Gazebo, Guruhargovidji Marg, Andheri Ghatkopar Link Road, Chakala, Andheri (E), Mumbai – 400093; and (ii) if to the Direct Seller, five calendar days after the date of mailing to the Direct Seller's address as provided in the Direct Seller's profile on the Nu Skin Systems.

#### **10.11 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.

#### **10.12 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.

#### **10.13 INTERNAL REFERENCES**

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

#### **10.14 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



# Addendum A Glossary of Defined Terms

**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 to Nu Skin during the application process to become a Direct Seller in India (including, in connection with an Individual Direct Seller Account, the required Direct Seller owner and Spouse (if applicable) information, and, in connection with a Business Entity Direct Seller 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 Direct Seller Account, the Direct Seller owner and any Spouse, and, in the case of a Business Entity Direct Seller Account, the Business Entity, the Primary Participant, and the other Participants who have agreed to the terms of the Direct Seller Agreement and the Contract) becomes a Direct Seller.

**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.

**AUTOMATIC DELIVERY PROGRAM:** The Nu Skin Automatic Delivery Program, as discussed in Section 3.10 of Chapter 2.

**BENEFICIAL INTEREST:**

As to **Direct Seller 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 at Direct Seller prices, recognition of any type, or other tangible or intangible benefits associated with a Direct Seller Account. An individual is considered to have a Beneficial Interest in the Direct Seller Account of a Spouse. If a Person is or should be listed as a Participant of a Business Entity Direct Seller Account, the Person is considered to have a Beneficial Interest in such Business Entity Direct Seller Account. Any individual with a Beneficial Interest in a Business Entity will be deemed to have a Beneficial Interest in the Direct Seller 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 (a) a Spouse, and (b) a Business Entity if the individual has a Beneficial Interest in the Business Entity.

**BONUS:** The amounts payable to the Direct Seller owner of a Direct Seller Account under the terms of the applicable Sales Performance Plan.

**BONUS AND SPECIAL INCENTIVE INCOME:** Defined in Section 5 of Chapter 8.

**BRAND AFFILIATE:** A Direct Seller who sells at least ₹10,000 worth of Nu Skin Products in India to their Customers and Direct Sellers through Nu Skin Systems within a single calendar month. A Direct Seller who achieves Brand Affiliate status can, in addition to all the other rights authorized by Nu Skin under the Contract to a Direct Seller, purchase Nu Skin Products at the Brand Affiliate price and is only eligible to earn the Marketing Bonus and the first tier of the Developing Bonus under the Sales Performance Plan. The term Brand Affiliate may also be used as a general reference to refer to all Brand Affiliates and Brand Representatives. For example, a Gold or Emerald can be referred to as a Brand Affiliate as a general reference when talking about all Brand Affiliates.

**BRAND REPRESENTATIVE:** A Direct Seller or Brand Affiliate who has completed the formal qualification process outlined in the Sales Performance Plan to become a Brand Representative.

**BUSINESS ACTIVITY:** Any activity that benefits, promotes, or assists the business of a Direct Seller Account, including agreeing to be bound by the terms and conditions of a Direct Seller Agreement, purchasing Nu Skin Products from or returning Nu Skin Products to Nu Skin, recruiting and/or causing a Direct Seller Account to sponsor new Direct Sellers, servicing, supporting, or training other Direct Sellers or Customers, using credit cards, using or providing shipping services, or engaging in any other activities that Nu Skin, in its sole discretion, determines to be a material promotion of the business of selling products under the Nu Skin Brands, including the recruiting of new Direct Sellers.

**BUSINESS DEVELOPMENT ACTIVITY:** Any activity that (a) organizes, forms, or creates a Direct Sales Company, whether or not the Direct Sales Company sells products that compete with Nu Skin Products or other products or services of the NSE Companies, or (b) benefits, promotes, assists, or supports the business opportunity of selling products of and/or recruiting sales personnel for a Direct Sales Company, including but not limited to marketing and selling products for the Direct Sales Company, recruiting or attempting to recruit and/or sponsoring or attempting to sponsor Persons to promote the products and/or business opportunity of a Direct Sales Company, appearing on behalf of a Direct Sales Company or one of its representatives to promote the business opportunity or products of a Direct Sales Company, allowing your name or likeness to be used to market or promote the business opportunity or products of a Direct Sales Company, servicing, supporting, or training sales representatives of a Direct Sales Company, acting as a member of the board of directors or as an officer of a Direct Sales Company, or 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 is organized.

**BUSINESS ENTITY DIRECT SELLER ACCOUNT:** A Direct Seller 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 Direct Seller Account are Direct Sellers. The Business Entity may be referred to as a Direct Seller owner, and a Participant may be referred to as a Direct Seller Participant. Each Person who will have a Beneficial Interest in the Business Entity or the Business Entity Direct Seller Account or who will engage in Business Activity on behalf of the Business Entity and its Direct Seller Account must submit an Application and agree to be bound by the terms and conditions of a Direct Seller Agreement and be added as a Participant in the Business Entity Direct Seller Account in the Nu Skin Systems. The actions and decisions of the Primary Participant of a Business Entity Direct Seller Account as communicated to Nu Skin or another of the NSE Companies are binding on the Business Entity, the Business Entity Direct Seller Account, and each of its Participants.

**BUSINESS ENTITY FORM:** The Business Entity Form must be completed and signed by a Business Entity applying to become a Direct Seller, as well as each individual that will be a Participant in the Direct Seller 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 Direct Seller Account.

**CAC:** Compliance Appeals Committee whose duties are described in Chapter 6.

**CDSCO:** The Central Drugs Standards Control Organization, as discussed in Section 2.3 of Chapter 3.

**COMPANY ADVERTISING:** Advertising or promotion of any kind on any platforms of any kind (including without limitation digital advertising (including but not limited to paid search, search engine, targeted, and social media advertising), print advertising, and broadcast advertising) of Nu Skin Products and/or the Nu Skin Brands by any of the NSE Companies.

**COMPANY SITES:** E-commerce sites hosted by one or more of the NSE Companies.

**COMPLIANCE DEPARTMENT:** The compliance department of Nu Skin providing services to Nu Skin regarding Contract compliance issues.

**CONFIDENTIAL INFORMATION:** All private, confidential, and/or proprietary information disclosed to or discovered by you regarding Nu Skin, the other NSE Companies, the Nu Skin Products, other products and services of the NSE Companies, 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, non-public financial information, and any copies, notes or abstracts of any such information, or any other information that Nu Skin or the other NSE Companies consider proprietary, highly sensitive, or valuable to its business.

**CONSENT TO TRANSFER AGREEMENT:** Defined in Section 4.1 of Chapter 1.

**CONTRACT:** The agreement between Nu Skin and a Direct Seller composed of the Direct Seller Agreement, the Business Entity Form (if applicable), these Policies and Procedures, the Sales Performance Plan, and all guidelines and supplemental policies referenced in the Direct Seller Agreement, these Policies and Procedures, or the Sales Performance Plan and made available to Direct Sellers on Nu Skin's website at [www.nuskin.com/India](http://www.nuskin.com/India), 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 Direct Seller who purchases Nu Skin 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 Direct Seller and resold directly by such Direct Seller to the Customer for consumption or personal 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.

**DIRECT SELLER:** An independent contractor authorized by Nu Skin under a Contract to (a) buy Nu Skin Products for personal consumption and resale in India; (b) market and sell Nu Skin Products in India through person-to-person sales and earn retail profit on such sales; (c) refer and register Customers in India with Nu Skin to allow them to purchase Nu Skin Products directly from Nu Skin; (d) cause their Direct Seller Account to sponsor other Direct Sellers in India; and (e) have a Beneficial Interest in their Direct Seller Account but who has not yet achieved the qualifications to become a Brand Affiliate or Brand Representative under the Sales Performance Plan. Direct Sellers who have not achieved Brand Affiliate or Brand Representative status can purchase Nu Skin Products at the Member Price and are only eligible to earn the Marketing Bonus under the Sales Performance Plan. The term "Direct Seller" is also used to refer generally to all Direct Sellers, Brand Affiliates, and Brand Representatives.

**DIRECT SELLER ACCOUNT:** The business account created in the Nu Skin Systems for the Business Activity conducted by a Direct Seller, including without limitation for Direct Sellers to receive any Bonuses paid in accordance with the terms and requirements of the Sales Performance Plan and any special incentives paid in accordance with the special incentives requirements. When a Direct Seller Account is created for a Direct Seller, such Direct Seller is also assigned a Direct Seller ID and issued a Direct Seller Identification Card. An individual who signs up as a Direct Seller solely in their individual capacity and for their own account will own an Individual Direct Seller Account in their name. If an individual signs up to participate as a Direct Seller through the Direct Seller Account of a Spouse or Business Entity, such individual will not have or own a Direct Seller Account but will be a Participant in the Direct Seller Account of such

Spouse or Business Entity. In the case of a Business Entity Direct Seller Account, the owner of the Direct Seller Account is the Business Entity, and the individual who creates a Direct Seller Account for a Business Entity is a Participant of such Direct Seller Account. Each of the owner, the Primary Participant, and any other Participants of a Direct Seller Account is a Direct Seller. Bonuses and any special incentives will be paid to the owner of the Direct Seller Account based on the Business Activities of the owner and Participants of such Direct Seller Account. Any special non-cash incentives will be awarded to the owner of the Direct Seller Account based on the Business Activities of the owner and Participants of such Direct Seller Account.

**DIRECT SELLER AGREEMENT:** The Application and the Direct Seller Agreement, and if applicable, the Business Entity Form, that must be completed, approved, and submitted to Nu Skin in order to become a Direct Seller. The Direct Seller Agreement may be amended from time to time as provided in the Contract.

**DIRECT SELLER BUSINESS SUPPORT MATERIALS:** Any electronic, printed, oral, audio, or video content, presentation, or other material, including without limitation any social media content (including posts, images, recorded and live video presentations, and similar material), personalized business cards, websites, mobile apps, and tools, created by a Direct Seller for their personal use in the promotion of Nu Skin Products or the Nu Skin Business opportunity, the recruitment of prospective Direct Sellers, and/or the training of other Direct Sellers that makes reference to Nu Skin, the Nu Skin Products, the Sales Performance Plan, and/or the Nu Skin Brands.

**DISPUTE:** Defined in Section 3 of Chapter 7.

**DOWNLINE:** A “downline” is the network of independent contractors sponsored by another independent contractor, and the independent contractors sponsored by those sponsored independent contractors, and so forth.

**FCPA:** The U.S. Foreign Corrupt Practices Act, as discussed in Section 1.12 of Chapter 2.

**FSSAI:** The Food Safety and Standards Authority of India, as discussed in Section 2.3 of Chapter 3.

**INDIVIDUAL DIRECT SELLER ACCOUNT:** A Direct Seller Account created in the Nu Skin Systems in the name of and owned by a single individual. An individual may participate in an Individual Direct Seller Account owned by a Spouse as a Participant. The owner and any Participant in an Individual Direct Seller Account are Direct Sellers, and the owner may be referred to as a Direct Seller owner, and a Participant may be referred to as a Direct Seller Participant. The actions and decisions of the owner of an Individual Direct Seller Account as communicated to Nu Skin or another of the NSE Companies are binding on the owner, the Individual Direct Seller Account, and any Participant.

**INFLUENCER:** A Person or Business Entity engaged in affiliate advertising that has a separate marketing agreement (other than a Direct Seller Agreement) with one or more of the NSE Companies or their third-party vendors (including affiliate marketing platform vendors) to create advertising content to market Nu Skin Products on various promotion sites (including but not limited to websites, social media channels and sites, apps, platforms, and other similar forums) as set forth in such marketing agreement and to place trackable shopping links on such promotion sites that direct potential customers to Company Sites to purchase Nu Skin Products. An Influencer may also be authorized under a separate marketing agreement to market and promote the sale of 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.

**LEADS POOL OPT-IN:** Defined in Section 1 of Chapter 9.

**LIABILITY LIMIT:** Defined in Section 5 of Chapter 8.

**LIMITATION OF LIABILITY CLAIMS:** 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 the Nu Skin Systems to purchase Nu Skin Products at the Member price. Members are sometimes referred to as preferred customers. Members cannot resell Nu Skin Products, register Customers, or sponsor Direct Sellers.

**NETWORK:** The Direct Seller and Customer network owned by Nu Skin and its affiliated entities and all compilations of various lists describing such network or members thereof, including but not limited to any and all contact or personal information collected by any

of the NSE Companies regarding the Direct Sellers and/or Customers of such network.

**NSE COMPANIES:** Collectively Nu Skin Enterprises, Inc. and each of its direct and indirect subsidiaries and affiliated companies, including but not limited to Nu Skin India Private Limited, Rhyz India Private Limited, NSE Asia Products Pte. Ltd., Nu Skin International, Inc., and NSE Products, Inc.

**NU SKIN OR THE COMPANY:** Nu Skin India Private Limited, a company organized under the laws of the State of Delhi, India.

**NU SKIN BENEFICIARIES:** Each of the NSE Companies (including Nu Skin) and each of their respective past and present affiliated companies, owners, officers, directors, employees, and agents.

**NU SKIN BRANDS:** The brands, trade names, logos, and trademarks owned or licensed by NSE Products Inc. or its affiliates, including without limitation Nu Skin and Rhyz India Private Limited, including but not limited to ageLOC®, LumiSpa®, Galvanic Body Spa®, LifePak®, Epoch®, Nu Skin®, Pharmanex®, Nutricentials®, Scion®, MYND360™, Tru Face™, Sunright™, TRME™, SereNu™, and Prysm iO™.

**NU SKIN BUSINESS:** The business of promoting and selling products and services under the Nu Skin Brands as a Direct Seller and promoting to Persons who are not Direct Sellers the business opportunity of becoming a Direct Seller and operating a Nu Skin Business.

**NU SKIN BUSINESS SUPPORT MATERIALS:** Any electronic, printed, oral, audio, or video content, presentation, or other material, including without limitation any social media content (including posts, images, recorded and live video presentations, and similar material), websites, mobile apps, and tools, created by Nu Skin or another of the NSE Companies as a resource for the individual use of Direct Sellers in the promotion of Nu Skin Products or the Nu Skin Business opportunity, the recruitment of prospective Direct Sellers, and/or the training of other Direct Sellers.

**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, recruitment of prospective Direct Sellers, or the training of Direct Sellers, which are provided by Nu Skin or another of the NSE Companies as a resource for the individual use of Direct Sellers.

**NU SKIN PARTNER:** An individual or Business Entity that is not one of the NSE Companies but that has a contractual relationship with one or more of the NSE Companies whereby Direct Sellers may offer or sell Partner Products of such individual or Business Entity pursuant to a separate agreement entered into between participating Direct Sellers and such individual or Business Entity and/or the applicable NSE Companies. For clarity, participating Direct Sellers must be approved by the Nu Skin Partner and/or the applicable NSE Companies to offer or sell Partner Products, and participating Direct Sellers will only receive compensation, if any, for the offer or sale of Partner Products as set forth in such separate agreement. No Direct Seller will receive retail profit, Bonuses, or any compensation of any kind under the Contract on any offer or sale of Partner Products.

**NU SKIN PRODUCTS:** The products and services offered and sold by Nu Skin in India 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.

**NU SKIN PROGRAMS:** Defined in Section 2 of Chapter 9.

**NU SKIN SYSTEMS:** The systems used by the NSE Companies to create and maintain a record of each Direct Seller Account and any information associated with such Direct Seller Account, including but not limited to the names and contact information of the owner of and any Participants in a Direct Seller Account, the bank account information for receiving any Bonuses and special cash incentives paid to such Direct Seller Account, the Title and Team of such Direct Seller Account, any Customers registered to such Direct Seller Account, the volume of sales of products sold under such Direct Seller Account, and any Bonuses or special incentives owed to such Direct Seller Account.

**OTHER DIRECT SELLER ACCOUNT CONTRACT:** The agreement between Nu Skin and any owner of or Participant in Your Direct Seller Account.

**OTHER NSE COMPANY PRODUCTS:** Products or services offered or sold by one or more of the NSE Companies under brands, trade names, and trademarks other than the Nu Skin Brands.

**PARTICIPANT:** A Direct Seller who is authorized to engage in Business Activities for and to have a Beneficial Interest in a Direct Seller Account owned by another Person. Each "Participant" is required to have agreed to the terms of the Direct Seller Agreement and to be bound by the terms and conditions of the Contract to which the owner of the Direct Seller Account is bound.

**PARTNER PRODUCTS:** Products or services offered or sold by a Nu Skin Partner.

**PERSON:** An individual or Business Entity.

**POLICIES AND PROCEDURES:** These Policies and Procedures of Nu Skin applicable to Direct Sellers in India, as they are amended from time to time, and which, along with the Direct Seller Agreement adopted and implemented by Nu Skin for Direct Sellers in India and the remainder of such Direct Sellers' Contracts, govern how Direct Sellers in India may conduct their Nu Skin Business and define the rights and relationships of the Direct Seller and Nu Skin.

**PRIMARY PARTICIPANT:** A single individual Participant in a Business Entity Direct Seller 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 of the Business Entity Direct Seller 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 Direct Seller Account, and the actions and decisions of the Primary Participant as communicated to Nu Skin or another of the NSE Companies are binding on the Business Entity, the Business Entity Direct Seller Account, and each of its Participants. It is the responsibility of the Primary Participant to ensure that any Person who has a Beneficial Interest in the Business Entity or the Business Entity Direct Seller Account or who will engage in Business Activity on behalf of the Business Entity and its Direct Seller Account submits an application to become a Direct Seller and is added as a Participant in the Business Entity Direct Seller Account in the Nu Skin Systems, subject to Nu Skin accepting such application.

**PUNITIVE DAMAGES WAIVER:** Defined in Section 4 of Chapter 8.

**RETAIL CUSTOMER:** A Customer who signs up through the Nu Skin Systems to purchase Nu Skin Products at retail prices. Retail Customers cannot resell Nu Skin Products, register Customers, or sponsor Direct Sellers.

**RMA:** Defined in Section 4.3 of Chapter 2.

**SALES PERFORMANCE PLAN:** The compensation plan, as it may be amended from time to time, that has been adopted and implemented for Direct Sellers in India and incorporated into the Direct Seller Agreement, and which allows a Direct Seller Account to earn Bonuses through sales of products sold under the Nu Skin Brands generated personally by Direct Sellers and through a network of sponsored Direct Sellers.

**SEXUAL HARASSMENT:** Defined in Section 1.10 of Chapter 2.

**SPONSOR:** The Direct Seller Account under which another Direct Seller Account is placed in the Nu Skin Systems. The Sponsor is originally assigned at the time a Direct Seller Account is created in the Nu Skin Systems, but the Sponsor of a Direct Seller Account may change from time to time as provided in the Sales Performance Plan and these Policies and Procedures.

**SPOUSE:** An individual legally married to another individual as per the applicable law enforced.

**TEAM:** A Team consists of all Generations of Brand Representatives and their Groups as determined by the Brand Representative's Title (see Table 2.B in the Sales Performance Plan). A Team does not include the Direct Seller or their Group.

**THIRD-PARTY PRODUCTS:** Defined in Section 2.1 of Chapter 5.

**TITLE:** Titles are achieved as a Brand Representative based on their Group Sales, Leadership Teams, and

Leadership Team Sales. A Brand Representative's Title determines the number of Generations on which that Brand Representative can earn a Leading Bonus (see Table 2.B in the Sales Performance Plan).

**TRANSFER AGREEMENT:** Defined in Section 4.1 of Chapter 1.

**UNAFFILIATED CUSTOMER:** Customers who (a) purchase Nu Skin Products or other products and services directly from Nu Skin or the other NSE Companies on Company Sites, other than through a Nu Skin Program, and (b) have not been registered as the Customer of a Direct Seller Account or, if registered as the Customer of a Direct Seller Account, complete such purchases (i) through a new Customer account as a registered Customer of Nu Skin or another of the NSE Companies, (ii) through guest checkout, or (iii) otherwise without logging into their Customer account registered to a Direct Seller Account.

**SALES PERFORMANCE PLAN:** The compensation plan, as it may be amended from time to time, that has been adopted and implemented for Direct Sellers in India and incorporated into the Direct Seller Agreement, and which allows a Direct Seller Account to earn Bonuses through sales of products sold under the Nu Skin Brands generated personally by Direct Sellers and through a network of sponsored Direct Sellers.

**YOU and YOUR:** The Person who enters a Direct Seller Agreement (or that has authorized others to enter a Direct Seller Agreement on their behalf) to become a Direct Seller, including with respect to a Business Entity Direct Seller Account, the Business Entity applying for a Direct Seller Account and the individual applicant that enters the Direct Seller Agreement on its behalf.

**YOUR DIRECT SELLER ACCOUNT:** The Direct Seller Account owned by you or in which you are a Participant. May also appear as "your Direct Seller Account."

**YOUR TEAM:** The Team of Your Direct Seller Account.