

NU SKIN[®] PRODUCT PURCHASE AGREEMENT—TAIWAN

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PLEASE CAREFULLY READ AND COMPLETE THIS AGREEMENT BEFORE SIGNING MANUALLY

Nu Skin Taiwan, Inc. is an independent, affiliated company of NSE network management company, and the exclusive wholesale distributor of NSE products in Taiwan through its branch operations. NSE Taiwan will offer NSE products for purchase only to independent representatives of NSE Inc. (Resident Representatives of the R.O.C. or duly authorized foreign international sponsors for Taiwan) with whom it enters a product purchase agreement.

Foreign residents should provide a tax identification number as well as a copy of their passport.

IN CONSIDERATION OF THE MUTUAL PROMISES, COVENANTS, AND CONDITIONS CONTAINED IN THE TERMS OF THIS PRODUCT PURCHASE AGREEMENT, TAIWAN AND THE UNDERSIGNED (“REPRESENTATIVE”) AGREE AS FOLLOWS:

I. REPRESENTATIVE IDENTIFICATION INFORMATION:

A. Independent Representative Applying, _____
(Full Name in English — if an individual, surname, first, middle.)

agrees to purchase products exclusively from Taiwan.

B. Representative is (please check one).

- Individual Corporation Partnership Other Business Organization

C. Representative is a (please check one).

- Taiwan Representative Foreign Citizen — International Sponsor

INDIVIDUAL REPRESENTATIVE= OR BUSINESS ORGANIZATION=
REPRESENTATIVE IDENTIFICATION NUMBER (

E. Individual Representative's birth date or Business Organization's Start Date:

Month _____ Day _____ Year _____

F. Representative's address and telephone number:

Address: _____
Telephone Number (Home): _____ Telephone Number (Business): _____
Email: _____

G. REPRESENTATIVE certifies he/she/it is authorized under contract with, NSE Inc. as an Independent REPRESENTATIVE

1. If Representative is a foreign citizen, he/she/it has entered an International Sponsor Agreement with, NSE Network Management Company specific to Taiwan.
2. If an individual, Representative agrees spouse may not enter a separate Product Purchase Agreement. Spouse must be a party to this Agreement and agree to be bound by its terms.

1. Spouse Name: _____
(Surname First)

H. Personal Data: Representative agrees and hereby consents to processing by NSE Network Management and Taiwan and their affiliated companies of his/her personal data by computers as well as to the use and distribution of his/her personal data by NSE Network Management and Taiwan and their affiliated companies for all legitimate purposes

Signature of Representative (Individual or Business Organization signature must be a person formally authorized to sign for and bind the business organization in accordance with applicable law).

_____ Date

Spouse Signature _____

_____ Date

NSE TAIWAN _____

_____ Date

NOTE: See sections II through XVII on reverse side

LANGUAGE PREFERENCE Mandarin English

TAIWAN Received
_____/_____/_____

II. Relationship of the Parties:

- A. Representative certifies the information provided above is true and accurate. Representative is legally competent to form a contract in the jurisdiction in which he or she lives.
- B. Representative and Taiwan agree and understand that this agreement constitutes a distinct agreement respecting the [purchase of products in Taiwan. Representative has received and read this agreement. Upon acceptance by Taiwan, this agreement will take effect, thus binding the Representative to its terms and conditions.
- C. If the Representative is not a resident distributor of Taiwan (i.e., an International Sponsor), he or she certifies discovery of and compliance with (prior to submitting this Agreement or conducting, sponsoring or promoting any independent business in Taiwan in any form) all immigration, visa, employment, and registration requirements of Taiwan respecting the transaction of any of such Representative's independent business in Taiwan. In addition, Representative certifies he or she will discover and comply with all applicable laws, regulations, rules, tax requirements, and other due demands of the relevant authorities of Taiwan.
- D. Representative accepts the sole responsibility to conduct his or her independent business lawfully within Taiwan. Accordingly, Representative releases and agrees to indemnify Taiwan and any affiliated Taiwan, and their officers, directors, agents, and employees from all liability arising from any of his or her acts or omissions.
- E. Representative is not (nor will he or she represent in any manner to be) an employee, agent, or legal representative of Taiwan. Representative is an independent contractor and will pay any self-employment, worker's compensation, social security, VAT and other taxes required under applicable Taiwan law.
- F. As the only authorized wholesale distributor of products in Taiwan, Taiwan agrees to sell such products non-exclusively (under the terms of this Agreement) to Representative and Representative agrees to purchase products exclusively from Taiwan.
- G. Representative understands and agrees that only products and products of affiliated product divisions imported by and purchased from Taiwan may be sold in Taiwan. Representative certifies that he or she has not previously (directly or indirectly) and will not in the future import into Taiwan any product or any other product from an affiliated product division. Representative acknowledges that to do so would cause irreparable damage to Taiwan and the affiliated Companies of NSE Network Management Company.
- H. Representative acknowledges that any violation of the terms of this Agreement may result in the termination of his or her eligibility to purchase products in Taiwan, or any other disciplinary action deemed appropriate by Taiwan.
- I. The name and all trade marks and trade names, in English or Chinese, using the words are the exclusive property of NSE Network Management Company and used by Taiwan under separate agreement. Representative will not use, register, claim title to, or in any manner impugn the right of NSE Network Management Company, in or to any such work without its prior written consent.

III. Ordering Products and Sales Aids

- A. A Representative may order products directly from Taiwan. There is no required minimum order amount. Shipping costs may be higher per unit, however, on smaller orders. Representative is responsible for shipping costs on orders with a value of less than [500] points. [nst to confirm this number is correct].
- Before a Representative can order products from Taiwan
 - such Representative must read this Agreement
 - complete and manually sign and submit this Agreement form to Taiwan, and
 - the Agreement must be signed by Taiwan's acceptance of the Agreement.
 - Representatives may enter orders by:
 - Delivering or mailing the completed Product Order Form or Sales Aid Order Form, accompanied by a valid check, bank draft, bank order, or other acceptable means to the order of Taiwan, or by presenting a valid credit or debit card.
 - Telephone or facsimile, provided immediate payment to Taiwan is effective. No paper order forms should be submitted if ordering by telephone or facsimile.
 - Taiwan may issue a credit voucher or effect a product exchange if a Representative has overpaid or if an order cannot be completely filled.
- B. No Representative is required to maintain a product inventory of any specific volume or value. Representative, as an independent contractor, must use his/her own judgment in determining inventory needs based upon reasonably projected retail sales. Representative agrees, however, not to order and maintain more than a reasonable inventory of products (i.e., the amount of products a Representative would reasonably expect to resell to retail customers in a one month period). A material violation of this Subsection IIIB constitutes a breach of this Agreement.
- C. Taiwan retains the right to change [wholesale] product prices without prior notice.
- D. Representative agrees that any tender of a purported payment not supported by sufficient funds constitutes a material breach of the Agreement.
- Taiwan will charge a service fee for any additional collection or handling costs it incurs as a result of such breach, and Taiwan will add that service fee to any outstanding amount due from a Representative.
 - If a single order is placed by more than one Representative, each such Representative will be held jointly and severally liable for any outstanding amount due on such an order.

IV. Product Exchange Policy

- A. Except as provided in Subsection 6.D., Taiwan will exchange products (including audio/video tapes) only if the returned products have been damaged in shipment, have been incorrectly sent, were originally defective, or are otherwise of substandard quality. If feasible, returned products will be replaced with undamaged products. When an exchange is not feasible, Taiwan reserves the right to issue credit vouchers for the wholesale value of the returned products.
- B. To exchange products, a Representative must:
- Deliver to Taiwan a request for exchange in writing within sixty (30) days immediately following the purchase.
 - Obtain from Taiwan authorization (in the form of a return merchandise authorization number) and instructions on the method of return.
 - Pay all shipping costs associated with product exchanges.

V. Termination of this Contract

- A. A Representative may cancel the Representative Agreement and Product Purchase Agreement within 14 days of the execution date of the contracts by submitting a written notice to Company of their intent to cancel the contract.
- B. Taiwan shall accept the application for return of the products within 30 days after the Contract is so cancelled, by means of accepting the return by Representatives of products as well as returning all product purchase amounts to the cancelling Representative at the time the contract is cancelled.
- C. When refunding the payments, Taiwan may deduct therefrom any value of the products damaged or destroyed due to causes attributable to the Representatives, or previously made payments made to collect the product or payments made to the Representatives by Company, in the form of commissions or other compensation.
- D. Representatives who wish to cancel their Contract after the time specified above in item A, may cancel their contract at any time upon serving NSE Network Management a written notice of intent to cancel the product purchase Contract.
- E. Within 30 days after the contract is terminated upon the said withdrawal, Taiwan shall buy back the products from the Representative at 90% of the purchase price of such products, provided that it may deduct therefrom the payments already made to the Representative and the value of the products damaged, or lost, if any; and payments previously paid by Company, to the Representative in the form of commissions or other business payments.
- F. Representatives who cancel their contract according to the procedure outlined in the above Line A and Line D are not required to pay any penalty fees or other compensation fees.
- G. Representatives must follow the guidelines below in order to obtain a refund:
- Provide written notice indicating the intent to cancel the contract and leave the Representative organization, accompanied by the return application, the receipts for the returned product, as well as the signed [stamped? nst to advise] product return form.
 - Obtain from Taiwan the Return Merchandise Authorization (RMA) number as well as the correct information on the return method.
 - Pay for all shipping costs.
 - Return all unopened products, which have not expired and can be resold, back to Taiwan. If the products do not meet the above described requirements, then a refund will not be issued.

VI. Retail Customer Refund Policy

- A. With each retail sale of product, regardless of the amount, a Representative must complete and manually sign the duplicate Retail Sales Receipt Form. In addition, if required by applicable law, tax information must be recorded on the Retail Sales Receipt Form. The Representative must give one copy of the completed Retail Sales Receipt Form to the retail customer and must retain the original.
- B. A Representative agrees to offer a seven-day, money-back guarantee to his/her retail customers. Therefore, a retail customer may, within seven (7) business days of purchasing, for any reason, request a full refund of the purchase price. Provided the retail customer complies with the procedure indicated on the back of the Retail Sales Receipt Form, the Representative must

make the refund within thirty (30) days after the request. At the customer's sole discretion, the Representative may effect a product exchange rather than a refund.

- C. A retail customer's rescission rights, established by applicable law, may override and be more extensive than the above-described rescission rights. In case of a conflict, the applicable law prevails.
- D. Company encourages a Representative to honor any refund or product exchange requests. Company supports this policy by providing replacement products to the Representative during the sixty (60) days immediately following a refund to, or product exchange with, a retail customer. In order for a Representative to receive replacement products, the following steps must be taken:
- A Representative must request a replacement and return the unused portion of product and the completed Retail Order Form for such product to Taiwan within sixty (60) days following the refund or exchange.
 - Taiwan must authorize the replacement, instruct the Representative on return procedures and assign a return merchandise authorization number to accompany the products being returned.
 - The Representative must pay all shipping costs associated with product replacement.

VII. Insurance

Company may, from time to time, obtain product liability insurance that covers applicable claims arising from the use of products. If a claim is asserted against a Representative, he/she should immediately contact Company to ascertain the applicability of any such coverage. In no event, however, will coverage extend to any Representative who

- repackages or alters any product,
- acts negligently, or
- makes any claim in an offer for sale of any product in contravention of the Agreement or in violation of any applicable law

VIII. Product Claims and Representations

- A. Representatives may make only those product claims and representations found in the literature distributed by affiliates of NSE Network Management Company or Taiwan for use in Taiwan and available after the entry date of this Agreement.
- B. While Company makes every effort to comply with all applicable product and labeling laws and regulations, it cannot warrant that its products and labeling have, at all times and without exception, been in compliance with all applicable laws and regulations. No Representative may so warrant or represent at any time.
- C. A Representative may represent only that products are safe for use when used as intended – for the limited purpose of improving personal health and well-being.
- D. A Representative may not make, at any time, any medical or drug claim for or concerning any product, nor may a Representative specifically recommend or prescribe any product as suitable for any specific ailment or condition. To do so would wrongly imply that the product so represented is a drug rather than a food or nutritional product. No product is, or is represented to be, a drug.

IX. General Business Ethics

Each Representative agrees that he/she will not make, by any means, misleading, unfair, inaccurate or disparaging comparisons, claims, representations or statements about other persons (including competitors), their products, or their commercial activities. Each Representative also agrees that he/she will not make unfair, misleading, or inaccurate claims about NSE Network Management Company, products, or the commercial activities of NSE Network Management Company or its affiliated companies.

X. Agreement Changes

Taiwan expressly reserves the right to make any modifications to the Agreement upon thirty (30) days notice pursuant to Section XVI herein. Representative agrees that thirty (30) days after notification, any such modifications become effective and are automatically incorporated into this Agreement as an effective and binding provision. By continuing to purchase products after such modifications have become effective, Representative acknowledges acceptance of the new Agreement terms.

XI. Waiver

Except to the extent that any applicable law may dictate a contrary result, the waiver by Taiwan of any breach of any provision of the Agreement must be in writing and will not be construed as a waiver of any subsequent or additional breach. The failure by Taiwan to exercise any right or prerogative under the Agreement will not operate as a waiver of such right or prerogative.

XII. Integrated Agreement

- A. The Agreement is the final expression of the understanding and agreement between Taiwan and Representative concerning all matters touched upon in the Agreement and supersedes all prior or contemporaneous agreements or understandings (both oral and written) between the parties and invalidates all prior or contemporaneous notes, memoranda, demonstrations, and descriptions relating to the subject matter of the Agreement. The Agreement may not be altered or amended except as provided herein. The existence of the Agreement may not be contradicted by evidence of any alleged prior or contemporaneous oral or written agreement.
- B. Should any discrepancy exist between the terms of the Agreement and verbal representations made to Representative by any Independent Representative or any Taiwan employee, the terms and requirements of the Agreement will prevail.

XIII. Severance

Any provision of the Agreement that is prohibited, judicially invalid or otherwise rendered unenforceable in any jurisdiction is ineffective only to the extent of such prohibition, invalidation or unenforceability in that jurisdiction, and only within that jurisdiction. Any prohibited, judicially invalidated or unenforceable provision of the Agreement will not invalidate or render unenforceable any other provision of the Agreement, nor will such provision of the Agreement be invalidated or rendered unenforceable in any other jurisdiction.

XIV. Governing Law

This Agreement is to be construed, with respect to its validity and performance obligations thereunder, in accordance with the laws of Taiwan applicable to contracts made and wholly performed in such jurisdiction.

XV. Applicable Language

The language of this version of the Agreement, shall control all questions of interpretation and performance. All notices and other communications required under the Agreement shall be made in the language of this version of the Agreement

XVI. Notices

Any notice or other communication requested or permitted to be given under the Agreement shall be in writing and shall be delivered personally, transmitted by facsimile or sent by First Class, certified (or registered) or express mail, postage prepaid, and unless otherwise provided in the Agreement, shall be deemed given when delivered personally; or if transmitted by facsimile, one day after the date of such facsimile, or if mailed, 5 days after the date of mailing, to the address of Taiwan's branch offices, or principal place of business in Taiwan, or to Representative's address as provided herein, unless notice of a change thereof has been received. Taiwan shall have the right, as an alternative method of notice under this Section XVI, to use mailers or other normal channels of communications with Representatives.

XVII. Successors and Assigns

The Agreement shall be binding upon and inure to the benefit of the parties thereto and their respective successors and assigns.

XVIII. Headings

The headings in the Agreement are for convenience only and shall not limit or otherwise affect any of the terms or provisions of the Agreement.