

compensation plan

Nu Skin Enterprises
Australia and New Zealand



We offer one of the most rewarding sales compensation plans in the direct selling industry. Our plan is designed to compensate Independent Distributors generously for their hard work and commitment to selling world-class products and services. Your degree of involvement is completely up to you, and your level of financial success is unlimited.

The 6 Step Plan to Success

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|--|---|---|
| <p>1 Enrol Customers and Sponsor Distributors</p> | <p>Retail Customers</p> | <p>Earn up to 43% profit on product sales. Earn retail mark-up profits on products you sell to customers at suggested retail or your own prices.</p> |
| <p>2 Qualify to Become an Executive Leader</p> | <p>Distributors/
Privileged Members</p> | <p>Earn 6% Bonus commission on all Level 1 business activity.</p> |
| <p>3 Build Your Organisation as an Executive Leader</p> | <p>In order to begin qualifying, you must achieve 100 PSV, enrol in ADP and reach 1,000 GSV.</p> | <p>Executive Qualification is a three month process with specific monthly volume requirements. Earn 12% level 1 Bonus Doubler* throughout active Executive Qualification months. One grace month is available if necessary; however, Bonus Doubler will not be paid when using a grace month.</p> |
| <p>4 Build Leaders and qualify to earn the Breakaway Bonus</p> | <p>As an Executive Leader, you can now earn a 9% to 15% commission on your entire Executive Circle Group—the higher your sales, the higher your commissions will climb.</p> | <p>As an Executive builder, you can now qualify to earn up to 5% commission on the GSV of each of the new Executives created throughout your sales organisation down six levels of Executives.</p> |
| <p>5 Earn the Leadership Advancement Bonus and Maintenance Leadership Advancement Bonus</p> | <p>Leadership Advancement Bonus (LAB): a one time bonus paid each time an Executive advances to the next pin title, beginning with Gold Executives.</p> | <p>Maintenance Leadership Advancement Bonus (MLAB): a one time bonus paid after the new pin title has been held for 6 consecutive months.</p> |
| <p>6 Participate in the Americas, Europe and South Pacific Mega Performance Bonus Pool</p> | <p>As a Qualifying Executive or Executive you can earn a share of 1.75% of Americas, Europe and South Pacific commissionable sales through the Americas, Europe and South Pacific Mega Performance Bonus Pool.*</p> | |

* Please refer to the glossary / footnotes of the Sales Compensation Plan for full details.

This document is intended for summary purposes only. The compensation highlights contained within this document are not meant to replace or supercede Nu Skin Enterprises Australia's / New Zealand's comprehensive, market specific Sales Compensation Plans. Complete details are available online by going to www.nuskin.com.au or www.nuskin.co.nz and clicking on 'Opportunity'.

All product purchases are optional. There are no bonuses paid for recruiting. All bonuses are paid only when products are sold. In order to qualify for any bonus, Distributors must meet all Active Requirements of the Sales Compensation Plan including retail sales. Generating meaningful compensation as a Distributor requires considerable time, effort, and commitment.

1 enrol customers and sponsor distributors†

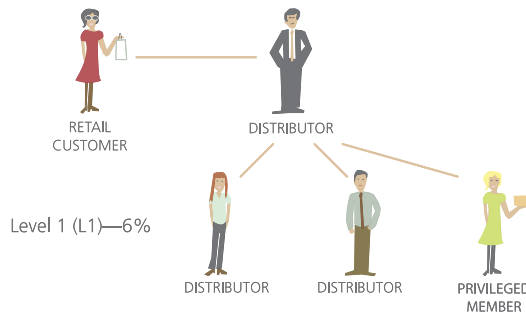
\$ YOU MAY EARN \$

Earn Retail Profit

Find customers and retail the products to them. Earn up to a 43% retail profit* on your retail sales.

Earn level 1 Bonus

Your level 1 is made up of Privileged Members and Distributors sponsored directly by you. Qualify to earn a 6% Bonus on all first level Personal Sales Volume.



Up to 43% profit on Retail Customer purchases*

6% Level 1 Bonus (L1)

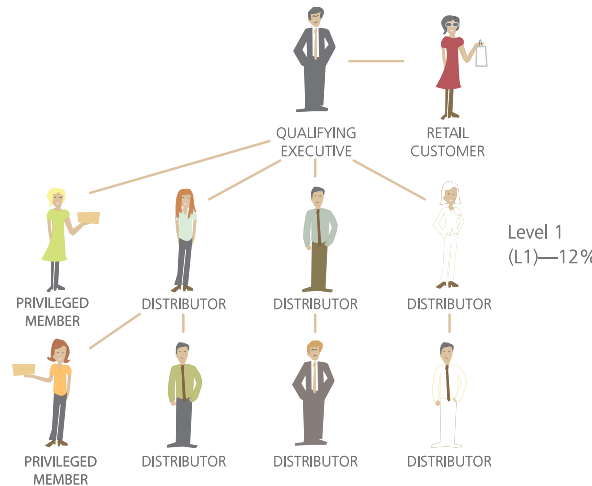
* You are free to set your own resale prices to Retail Customers. The recommended retail price is only a suggested purchase price.

2 qualify to become an executive leader†

\$ YOU MAY EARN \$

Automatically begin Executive Qualification the month you achieve 100 PSV, 1,000 GSV, and enrol in the Automatic Delivery Program (ADP).

During Executive Qualification, the 6% Level 1 Bonus doubles to 12%.



Up to 43% profit on Retail Customer Purchases

12% Level 1 Bonus Doubler

Level 1 Bonus Doubler is paid to Qualifying Executives who meet the monthly Qualifying Executive benchmarks.

In the month a Distributor is unable to meet Qualifying Executive requirements, one grace month will be provided. Doubler is not paid during grace month.

How to Qualify

Begin Executive Qualification by achieving 100 PSV, 1,000 GSV, and enrolling in ADP (LOI month) and then complete the next two months of the qualification Program as outlined.

Month 1 (LOI)**	Month 2	Month 3
100 PSV, ADP, and 1,000 GSV	100 PSV, ADP, and 1,500 GSV	100 PSV, ADP, and 2,000 GSV

** Month 1 (LOI): the month the Distributor successfully achieves 100 PSV, 1,000 GSV, and an ADP order. Distributors must pass the LOI month requirements in order to enter Executive Qualification.

upline title (your title) →

? Whose sales volume can you count during Executive Qualification? The following chart explains how your downline's volume may count toward your GSV requirement while in qualification and as an Executive.

	Distributor	Month 1 (LOI)	Month 2	Month 3	Executive	Requalifying Executive
Distributor	✓	✓	✓	✓	✓	✓
Month 1 (LOI)	✓	✓	✓	✓	✓	✓
Month 2					✓	
Month 3					✓	
Executive						
Requalifying Executive					✓	

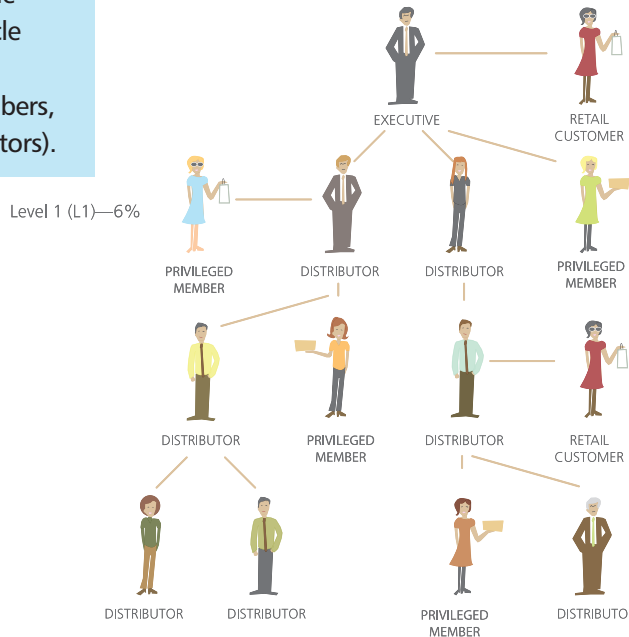
✓ Upline counts Group Sales Volume

† In order to qualify for any bonus, Distributors must meet all Active Requirements (see Glossary). All bonuses are paid only when products are sold.

3 build your organisation as an executive leader†

\$ YOU MAY EARN \$

Earn Executive Bonuses on the sales in your Executive Circle Group. (Your Executive Circle group consists of all retail customers, Privileged Members, and non-Executive Distributors).



Up to 43% profit on retail customer purchases

6% Level 1 Bonus (L1)

Qualify to earn 9%-15% Executive Bonus on Circle Group Volume as follows:

- 9% — 2,000-2,999 GSV
- 10% — 3,000-3,999 GSV
- 11% — 4,000-4,999 GSV
- 12% — 5,000-9,999 GSV
- 13% — 10,000-24,999 GSV
- 14% — 25,000-49,999 GSV
- 15% — 50,000+ GSV

4 build leaders and qualify to earn the Breakaway Bonus†

\$ YOU MAY EARN \$

Executive Breakaway Bonus

Executive Breakaway Bonus — Increase your earnings potential and earn new pin titles as you help Circle Group Distributors become Executive leaders (Breakaway Executives).

A Breakaway Executive: Any Distributor in an Executive's downline organisation who qualifies as an Executive by successfully completing the Executive Qualification program requirements. He/She becomes a Breakaway Executive under the Upline Executive.

Number of Breakaway Executives

	Gold	Lapis	Ruby	Emerald	Diamond	Blue Diamond
First Level Executives	1	2 3	4 5	6 7	8 9 10 11	12
1	5%	5%	5%	5%	5%	5%
2			5%	5%	5%	5%
3				5%	5%	5%
4					5%	5%
5						5%
6						5%

Up to 43% profit on retail customer purchases

6% Level 1 Bonus (L1)

Qualify to earn 9%-15% Executive Bonus

Up to 5%* commission on the GSV of every Breakaway Executive in your sales organisation**

* To receive a 5% Breakaway Bonus, an Executive must have at least 3,000 GSV. If your GSV falls below 3,000, the Breakaway Bonus will be paid at 2.5% on the Breakaway Executives' GSV for that month.

** The first time GSV falls below 2,000 GSV, a grace month will be provided. In the month an Executive is unable to meet Executive maintenance requirements and has previously used the allotted grace month, he/she will forfeit the Executive title, and their GSV will Roll Up when calculating monthly bonuses. However, the GSV will not count towards the Executive maintenance or qualification requirements of the upline Executive.

Business Builders Position (BBP): A bonus paid to provide additional incentive for Blue Diamond Executives to continue building their business. You may receive an additional 5% payout on the breakaway volume under the BBP six Executive Levels Deep.

† In order to qualify for any bonus, Distributors must meet all Active Requirements (see Glossary). All bonuses are paid only when products are sold.

5 earn the Leadership Advancement Bonus†

\$ YOU MAY EARN \$

The Leadership Advancement Bonus (LAB): Beginning with the Gold Executive Title, the LAB is a one-time bonus paid each time an Executive advances to the next pin title and maintains the new title (or higher) for at least two months without taking a grace month.

The Maintenance Leadership Advancement Bonus (MLAB): Beginning with the Gold Executive title, the MLAB is a one time bonus paid after the new pin title (or higher) has been maintained for a minimum of six consecutive months.

Example:

If an Executive achieves the Gold Executive title in January, the \$500 LAB is paid when the new Gold maintains the Gold title (or higher) without using a grace month during January and February. The bonus will be paid in March.

The \$500 MLAB will be paid when the new Gold maintains the Gold title (or higher) for six consecutive months, January through June. This bonus will be paid in July.

Leadership Advancement Bonuses are paid following the month the bonus is earned.

TITLE	Initial Payment (LAB)	Maintenance LAB (MLAB) (6-month retention of title):
Gold	US\$500	US\$500
Lapis	US\$1000	US\$1000
Ruby	US\$2000	US\$2000
Emerald	US\$3000	US\$3000
Diamond	US\$4000	US\$4000
Blue Diamond	US\$5000	US\$5000

LAB and MLAB bonuses listed in \$US dollars and paid in local currency. The commission amount is equivalent to the local currency value of the \$US dollar bonus amounts at the time the commissions are calculated each month.

	January	February	March	April	May	June	July
Title	New Gold	Gold	Gold	Gold	Gold	Gold	Gold
Bonus		Earn LAB	\$500 LAB Paid			Earn MLAB	\$500 MLAB Paid

6 participate in the Americas, Europe and South Pacific mega performance bonus pool†

\$ YOU MAY EARN \$

Qualifying Executives and Executives can earn a share of 1.75% of Americas, Europe and South Pacific commissionable sales through the Mega Performance Bonus Pool*

The Mega Performance Bonus Pool incorporates 1.75% of monthly commissionable volume from the United States, Canada, Europe, including Russia and Israel, and the South Pacific including Australia, New Zealand, Fiji, New Caledonia and French Polynesia. **

- Qualifying Executives must generate a minimum number of 4 shares to participate in this pool - shares are earned monthly.
- Executives must generate a minimum number of 6 shares to participate in this pool - shares are earned monthly.

*In order to qualify, a Qualifying Executive or Executive, must meet the minimum bonus and sales criteria in effect at the end of each commission period as set forth by the Company and fulfil the other Active Requirements of the Sales Compensation Plan.

**This bonus pool is a temporary incentive and not considered a part of the Sales Compensation Plan, and may be modified or discontinued at any time without notice from Nu Skin Enterprises.

A share of 1.75% of Americas, Europe and South Pacific Commissionable Sales

Mega Pool Shares can be accumulated in the following manner:

Qualifying Executives and Executives:

1 share for every 5 new, personally sponsored, active Distributors/ Privileged Members who enrol in ADP.

1 share for each new passed Letter of Intent (**month 1** of the qualification program).

Executives Only:

1 share for each Qualifying Executive who passes **month 2** of the qualification program.

1 share for each Qualifying Executive who passes **month 3** of the qualification program.

† In order to qualify for any bonus, Distributors must meet all Active Requirements (see Glossary). All bonuses are paid only when products are sold.

Glossary

Active Requirements: 100 Personal Sales Volume (PSV), enrol in the ADP program and make five transactions of retail sales per month[†].

Americas, Europe and South Pacific Mega

Performance Bonus Pool: Qualifying Executives and Executives can earn a share of 1.75% of commissionable sales through the Mega Performance Bonus Pool[^]. The Mega Performance Bonus Pool incorporates 1.75% of monthly commissionable volume from the United States, Canada, Europe, Russia, Israel, Australia, New Zealand, Fiji, New Caledonia and French Polynesia.

Automatic Delivery Program (ADP): Select Big Planet services and automatic delivery of all Nu Skin, Pharmanex and Nourish the Children products. To qualify for an ADP discount a minimum order of 35 PSV is required (after the discount).

Breakaway Executive: Any Distributor in an Executive's Downline organisation who qualifies as an Executive under the Compensation Plan becomes a Breakaway Executive to the Upline Executive.

Bonus on BioPhotonic Scanner Certificates: Bonuses are paid to the BioPhotonic Scan Operator for Initial and Subsequent Scans. The following are definitions and explanations of the Scan Bonuses:

1. **Initial Scan:** A Distributor or Customer who scans prior to enrolling in a qualified LifePak[®] and/or g3 ADP program.
2. **Initial Scan Bonus:** A (AU\$13/NZ\$14) bonus is paid to the Scan Operator for every Initial Scan of a Distributor or Customer who enrolls in a qualified LifePak[®] and/or g3 ADP.
3. **Scanner Operator:** The Distributor who is leasing the Scanner.
4. **Subsequent Scan:** A Distributor or Customer who is scanned with a Subsequent Scan certificate following qualified LifePak[®] and/or g3 ADP enrollment.
5. **Subsequent Scan Bonus:** A (AU\$6.50/NZ\$7.50) bonus is paid to the Scanner Operator for every Subsequent Scan, provided that the Distributor or Customer is still enrolled in a LifePak[®] and/or g3 ADP.

Executive Circle Group: Executive Circle Group consists of all Retail Customers, Privileged Members, Distributors and Qualifying Executives in your Circle Group. Your Executive Circle Group does not include sales volume of other Executive-level Distributors.

Executive Maintenance Requirements: 100 Personal Sales Volume, 2,000 Group Sales Volume, and enrolment in ADP. (Qualifies for 2.5% Executive Breakaway Bonus. 5% Executive Breakaway Bonus requires 3,000 GSV plus other Active Requirements.)[†]

Executive Qualification Program: Three month program that Distributors must successfully complete in order to achieve the Executive title. Monthly requirements are outlined in section 2 'Qualify to Become an Executive Leader.'

Executive Requalification: If an Executive fails to meet the Executive maintenance requirements (100 PSV with an ADP and 2000 GSV) after the Grace Month has been used, the Executive Requalification program allows the Distributor to regain Executive status and recapture rolled up Executives. A Distributor is eligible to participate in the program in the three months immediately following the month the Distributor fails to meet the Executive maintenance requirements. The Requalification benefit is only available once per Executiveship.

Grace Month: A month where you do not need to meet qualification requirements is referred to as a Grace Month. While in qualification you are allowed one Grace Month, then as an Executive you are allowed one Grace Month per calendar year.

Group Sales Volume (GSV): Group Sales Volume represents the cumulative volume of all PSV, Retail Customers, Privileged Members, and Distributors in your Circle Group.

Executive-level Distributors may also count qualifying Executives' volume in their GSV.

Leadership Advancement Bonus (LAB): Beginning with the Gold Executive title, the LAB is a one-time bonus paid each time an Executive advances to the next pin title and maintains the new title for at least two months without taking a grace month.

Letter of Intent (LOI): Letter showing the Company of intent to become an Executive. A Distributor will automatically meet their requirements for Month 1 (LOI Month) the first month they achieve 100 PSV, 1,000 GSV Distributors who have never previously been Qualifying Executives are not required to mail or fax an LOI to the Company, and enrol in ADP with no further paperwork to submit.

If a Distributor has been a Qualifying Executive or Executive in the past and wishes to enter Executive Qualification again, the Distributor must submit a signed LOI to the Company.

Level 1 (L1) Bonus: A bonus paid based on the PSV of all personally sponsored Distributors and Privileged Members. L1 Bonus is paid only to Distributors that fulfil the Active Requirement. When personally sponsored Distributors (L1) are inactive for six months, compression occurs. Compression is the process by which the PSV of a level 2 Distributor counts as your L1 PSV for bonus calculation purposes.*

L1 Bonus Doubler: While in qualification to become an Executive leader, Distributors receive 12% commissions on all Level 1 Personal Sales Volume (Bonus Doubler is not paid during a grace month).*

Maintenance Leadership Advancement Bonus (MLAB): Beginning with the Gold Executive title, the MLAB is a one time bonus paid after the new pin title has been maintained for a minimum of six consecutive months.

Personal Sales Volume (PSV): The monthly Point Value of the products and services you purchase from the Company primarily for retail sale.**

Point Value (PV): The Point Value assigned to the purchase of products and services upon which bonuses are calculated.

Privileged Member: A non-Distributor who qualifies for product purchases at wholesale prices. Privileged Members must complete the registration process to receive wholesale pricing and they are placed on the first level of the Distributor sponsor.

Retail Customer: A Retail Customer is a non-Distributor who purchases products at retail from a Distributor or from the Company. Product purchases are counted towards a Distributors PSV.[†]

Roll Up: At the time a Distributor qualifies as an Executive-level Distributor, they and their Circle Group (Breakaway Executive Group) move permanently past non-Executive Distributors to the first qualified upline Executive or Qualifying Executive who successfully completes their qualification process that was in progress at the time the downline Distributor qualified as Executive. Roll Up also occurs when a Distributor drops back from Executive to Distributor status (fall out Executives). However, an ex-Exec may recapture downline Breakaway Executive Groups that have rolled past him/her once through the Executive Requalification Program.

* All bonuses are calculated on a monthly basis, and mailed by the 25th of the following month.

**80% of PSV must be sold or consumed prior to your next order.

[†] Qualification for all bonuses requires retail sales to at least five individuals on a monthly basis. You must keep all records of retail sales for at least four years. Compliance with the retail sales requirements of the Company is randomly monitored. Each product purchased through ADP orders by non-Distributors or Customers is automatically counted on a monthly basis toward retail sales requirements. Bonuses are never paid for recruiting. The only way to earn bonuses is through the sale of products.

[^] In order to qualify, a Qualifying Executive must meet the minimum bonus and sales criteria in effect at the end of each commission period as set forth by the Company and fulfil the other Active Requirements of the Sales Compensation Plan.