

## FAQs

### WHAT IS NOURISH THE CHILDREN?

Nourish the Children (NTC) is an initiative that applies business principles to address the problem of childhood hunger in a sustainable manner. The program begins with a nutrient-dense food developed by Nu Skin scientists known as VitaMeal. The company's brand affiliates, customers and employees can purchase VitaMeal and choose to donate the food to a third-party nonprofit organization that specializes in distributing relief to those suffering from malnutrition and famine. Since 2002, Nu Skin and its sales leaders, customers and employees have donated more than 650 million meals to malnourished children around the world.

### WHAT HAS BEEN THE IMPACT OF THE NTC INITIATIVE?

Since Nourish the Children was created in 2002, we have provided 650 million servings of VitaMeal to children in more than 60 countries and have given them an opportunity to thrive. In 2018 alone, the Nourish the Children initiative has provided more than 44 million meals, helping nourish 120,000 children every day.

### AS WE TEST PILOT THIS NEW PROGRAM IN THE UNITED STATES FOR THREE MONTHS, WHAT ARE THE NEW ENHANCEMENTS THAT ARE BEING MADE?

To make the program easier than ever and to allow for more people to participate, we've made some enhancements: VitaMeal is available in two sizes – a 10-meal bag and a 30-meal bag (previously only available in the 30-meal bag size). And with every purchase of VitaMeal, a donation now goes to the Nu Skin Force for Good Foundation, making your donation more powerful. Nu Skin will donate a \$1 to the Foundation for every 10 meal-bag, and \$2 for every 30-meal bag. The formula has also been updated to contain more protein to benefit malnourished children.

### HOW WILL THE NEW AMBASSADOR PROGRAM WORK?

The new additions in the Ambassador Recognition Program are titles of Friend and Long Time-Friend. To become a Friend you must purchase and donate 30 meals in a month. If you want to become a Long-Time Friend, you must do this consistently for 12 months. In addition to Friend and Long-Time Friend you can qualify as an Ambassador or Chief Ambassador. These requirements have stayed the same other than the fact that the requirements will be based on the number of "meals" donated rather than the number of "bags".

### WHAT ARE THE AMBASSADOR AND CHIEF AMBASSADOR QUALIFICATIONS UNDER THE NEW PROGRAM?

Under the new program, Ambassador qualifications will be based on the number of meals donated. Under the old qualification program the requirement was to purchase and

donate 16 bags of Vitameal a month for two consecutive months. At least 4 of those bags per month must be personally purchased by you, your customers, or members. The remaining qualifying bags may be purchased by you or by your personally sponsored Brand Affiliates. To qualify as a Chief Ambassador, you will need to meet all of the Ambassador qualifications, plus have three personally sponsored Brand Affiliates who are also new or active Ambassadors.

Under the new program, the qualifications for Ambassador and Chief Ambassador are the same except we will be looking at the number of meals donated. Ambassador meal donation for the month will be 480, with at least 120 of those meals being purchased by you, your customers or members.

### HOW WAS THE PRICING/CV DETERMINED?

The price, CSR and CV were carefully determined in a way to incentivize more participation in the Nourish the Children initiative. The more participation we have, the more good we can do with VitaMeal. Minimizing the price was key so more brand affiliates could participate but also maximize the CV and SV to incentivize Brand reps to participate. We aimed to strike the right balance between price, CV and Nu Skin's margin to encourage the most participation possible that will enable us to do the most good with this initiative.

### WHAT IS THE RELATIONSHIP BETWEEN NOURISH THE CHILDREN AND THE NU SKIN FORCE FOR GOOD FOUNDATION?

Nu Skin Enterprises created the Nu Skin Force for Good Foundation in 1998 with a mission to improve the lives of children by offering hope through education, health and economic opportunity. The Nu Skin Force for Good Foundation is a registered non-profit 501(c)(3) private foundation in the United States. Nu Skin Enterprises provides for all overhead and administrative costs of the Nu Skin Force for Good Foundation, ensuring that donations go directly to those receiving aid.

In addition to the company's non-profit foundation, Nu Skin established the "Nourish the Children initiative" (NTC). NTC is a for profit social enterprise that applies business principles to address the problem of hunger in a sustainable manner. Similar to other Nu Skin products, Nu Skin brand affiliates earn a commission from each bag they sale and Nu Skin makes a profit. VitaMeal is a nutrient-dense food containing vitamins and minerals that is designed to provide a nourishing meal. Distributors and customers can purchase VitaMeal for their own use, or they can choose to donate it to charitable organizations that specialize in distributing food to children in need. Since 2002, Nu Skin and its distributors, customers and employees have donated more than 650 million meals to malnourished children throughout the world.

### WHERE IS VITAMEAL MANUFACTURED?

VitaMeal is produced in contracted manufacturing facilities in the United States, Argentina, Malawi, and China.

## WHY DID WE ADD IN THE NU SKIN FORCE FOR GOOD FOUNDATION DONATION?

By adding a donation going to the Nu Skin Force for Good Foundation, we wanted to address two issues: 1) to make every bag more impactful through a clearly communicated donation to Nu Skin's nonprofit Foundation and 2) clear up confusion around Nourish the Children being a for-profit initiative. Not a charity, Nourish the Children is a smart, for-profit business initiative created to alleviate childhood malnutrition. Because VitaMeal is not a charity, we wanted to add in a non-profit donation to make every bag more meaningful. With this new added benefit, your VitaMeal donations can now better fuel the future of a child and shows Nu Skin's commitment to give back and to do more with each bag of VitaMeal.

## WHY HAS THE MONTHLY MEAL TOTAL FOR AMBASSADOR QUALIFICATION BEEN SET AT 480 MEALS?

The 480-meal total is based on the previous 16 (30 meal) bag requirement. 16 bags multiplied by 30 meals per bag is 480 meals.

## HOW WAS VITAMEAL DEVELOPED AND WHAT NUTRIENTS DOES IT CONTAIN? IS VITAMEAL BEING REFORMULATED?

As part of the overall development of VitaMeal, Nu Skin nutritional scientists determined the ingredients and ratios that are well suited for a malnourished child. The result is a product that includes essential vitamins and minerals with a balance of carbohydrates, protein, fat and fiber.

Key ingredients of VitaMeal include:

- Essential fatty acids required for normal brain development, skin health, and immune defense
- Electrolytes necessary for maintaining normal fluid balance and muscle function
- Vitamin A, which is essential for normal sight and immune functions
- Bone nutrients for normal growth and skeletal development
- The formula available in the U.S. was recently enhanced to contain added protein and will have a longer shelf life.

## WHICH CHARITIES DOES NU SKIN WORK WITH TO DISTRIBUTE VITAMEAL?

Nu Skin works with several charitable organizations around the world, including Feed the Children, Convoy of Hope, World Vision and others. These organizations pick up and distribute VitaMeal to those most in need.

## WHY DID NU SKIN ESTABLISH NOURISH THE CHILDREN AS A FOR-PROFIT INITIATIVE?

Nourish the Children was never intended to drive significant revenue growth, but rather the initiative was designed to enable our sales leaders to contribute to a critical humanitarian need on an ongoing basis. With millions of children dying each year from causes related to malnutrition, it is apparent that existing humanitarian efforts are not adequate to address this pressing global problem. By making the purchase of VitaMeal

commissionable and not creating an economic disincentive for participating, it yields a program that is more likely to be sustainable. Many relief efforts are provided on a one-off basis or through limited-time contracts, while the Nourish the Children initiative has provided a framework to maintain a consistent level of food on an ongoing, sustainable basis.

## HOW DOES NOURISH THE CHILDREN SELECT THE CHARITIES THAT RECEIVE ITS PRODUCTS AND CONFIRM THAT VITAMEAL DONATIONS REACH CHILDREN IN NEED?

As part of the Nourish the Children initiative, the company identifies third-party charitable organizations that have a demonstrated ability to distribute food to those in need. In each case, the charity takes receipt of the donated food and provides Nu Skin a regular report of the VitaMeal that has been received and distributed.

## HOW DO NOURISH THE CHILDREN PRODUCTS FIT INTO THE NU SKIN COMPENSATION PLAN AND COMPANY PROFITS?

Just like any other Nu Skin product, our sales force can earn commissions for VitaMeal sales. Commissions paid on VitaMeal sales are similar to those paid on other Nu Skin products.

## WHERE DOES THE FFG DONATION GO?

The donation will go towards the many causes that the foundation currently supports around the world. In addition, we will be working the various regions to giveback to local causes allowing us to broaden the impact of the Foundation and also the impact your purchase can make.

## IS THE 10-MEAL BAG SENT TO THE CHILDREN?

The 10-meal option will be an aggregate. Meaning that for every 3 10-meal options purchased a 30-meal bag will be donated. The reason for this is to allow for easier transport and distribution for our charity partners.