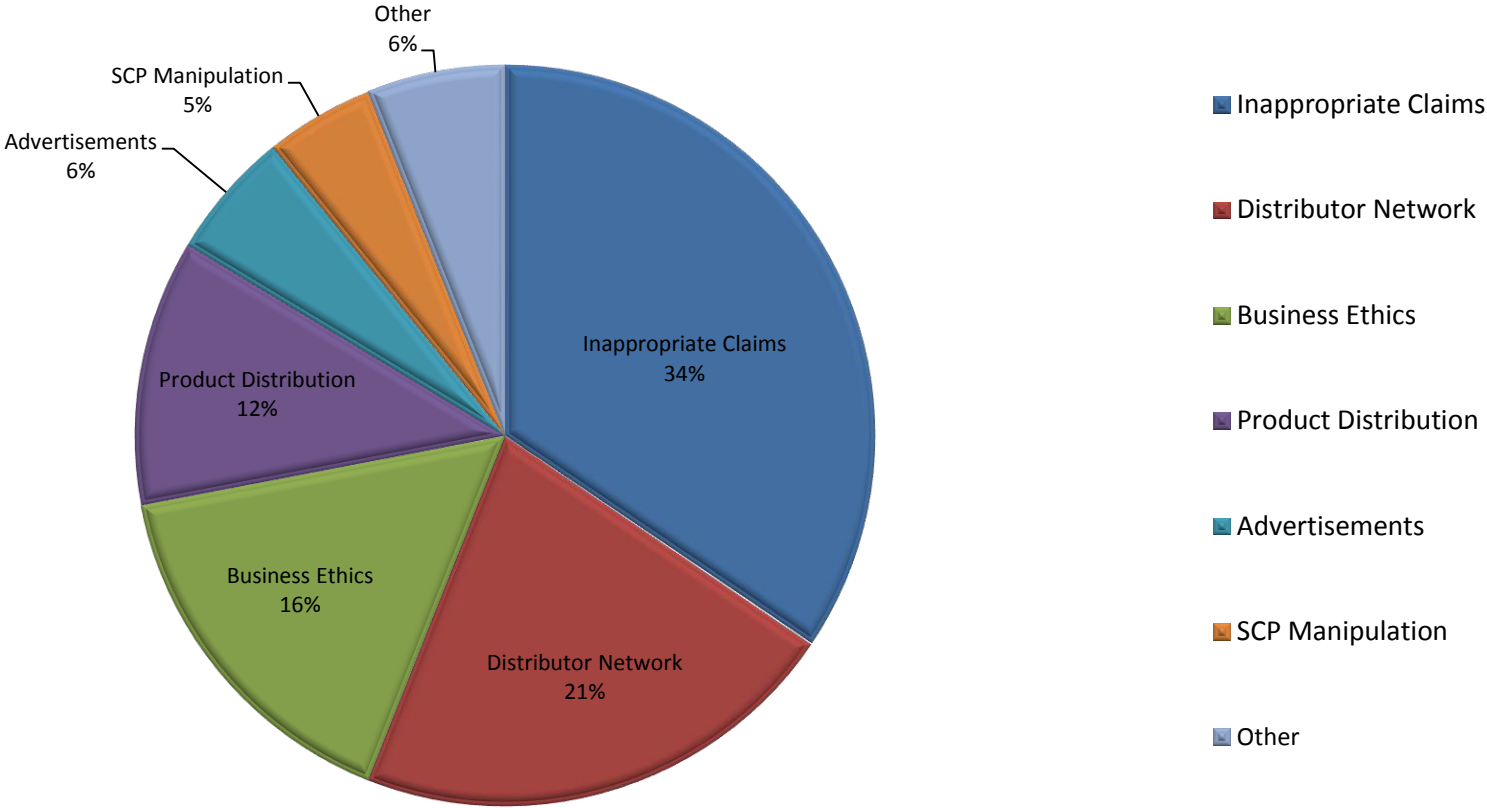


# **Nu Skin South East Asia/Pacific Regional\* 2017 Distributor Compliance Summary**

# Nu Skin South East Asia/Pacific (“SEA/PAC”) Regional 2017 DISTRIBUTOR COMPLIANCE SUMMARY

## Total Distributor Violations by Type\*



\*For the purpose of this document, certain violations have been combined in order to provide a comprehensive summary.

# Nu Skin SEA/PAC Regional 2017 DISTRIBUTOR COMPLIANCE SUMMARY

This compliance information is provided by NSE Asia Products, Pte. Ltd., on behalf of Nu Skin International Inc. (“Nu Skin”).

The following summary contains remedial measures imposed by the Distributor Compliance Review Committee (“DCRC”) for violations reported between January and December 2017.

Total number of SEA distributors with violations: 148

<u>Titles Affected</u>		<u>Remedial Measures Imposed*</u>	
Distributor:	86	Education/Warning Call or Letter:	26
Executive:	23	Merge/Move:	45
Gold:	10	Withholding (10%-100%):	38
Lapis:	13	Termination:	32
Ruby:	7	Probation:	63
Emerald:	7	Holds:	2
Diamond:	2		

\*One distributor may incur multiple remedial measures

## **Nu Skin SEA/PAC Regional 2017 DISTRIBUTOR COMPLIANCE SUMMARY**

**Nu Skin is committed to operating its business in compliance with applicable laws and regulations, and to protecting consumers and customers alike. The Company is also committed to ensuring that its Independent Distributors act in a similar manner. The company believes that an effective compliance program should focus on five key areas:**

- Company Policies and Procedures**
- Education and training**
- Monitoring compliance**
- Remedial measures**
- Evaluation and oversight**

## **Nu Skin SEA/PAC Regional 2017 DISTRIBUTOR COMPLIANCE SUMMARY**

**The Company established the DCRC to review and monitor distributor activities. The DCRC meets on a regular basis and is managed by the President and Representative Director. The DCRC is also comprised of several members of senior level management. The purpose of the DCRC is as follows:**

- Develop and maintain policies related to distributor compliance and supervision. At this time, Nu Skin SEA/PAC is particularly focused on inappropriate claims, product diversion, and educating distributors on appropriate sponsoring practices.**
- Educate and train distributors on how to build a healthy, long-term business.**
- Nu Skin SEA/PAC and distributors can alike enhance the company's reputation by demonstrating an unwavering commitment to comply with applicable law.**
- Enforce the terms and conditions of the Distributor Agreement, including the Policies and Procedures and Sales Compensation Plan.**