

## **A. Distributor and International Sponsor Agreement**

The Distributor and International Sponsor Agreement is between you, the independent Distributor, ("Distributor" or "I" or "me") and Nu Skin International, Inc., a Utah corporation, 75 West Center Street, Provo, Utah 84601, the United States of America ("Company" or "NSI").

### **1. Integrated Agreement**

The Distributor and International Sponsor Agreement is an integrated agreement that consists of this Distributor Agreement, the International Sponsor Agreement, the Policies and Procedures, the Sales Compensation Plan, and materials pertaining to optional programs, as each may be amended, and are incorporated herein by reference and may be collectively referred to as the "Contract". Wherever the context will so require, all words using the male gender are deemed to include the female, all singular words will include the plural and all plural words will include the singular.

### **2. Independent Contractor**

I acknowledge and agree that as an independent Distributor, I am an independent contractor of the Company; I am not an employee, agent, partner, joint venturer or legal representative of the Company or Nu Skin Philippines, and except as permitted by the Contract, I am not authorized to act on behalf of the Company or Nu Skin Philippines. Nothing in this Contract is intended or will be deemed to constitute a partnership, agency, employer-employee, or a joint venture relationship between the Company/Nu Skin Philippines and me.

### **3. Marketing of Products and Services**

(a) I understand that there are no minimum purchases or inventory requirements. I agree that I have the right to purchase products at wholesale and promote the retail sale of the products and services of the Company or Nu Skin Philippines in accordance with the terms and conditions of the Contract.

(b) I agree not to make any claims about the products, services, and Sales Compensation Plan unless they are contained on the official literature distributed by Nu Skin Philippines. The Company agrees to ensure prompt payment of any bonuses due to me under the terms and conditions of the Sales Compensation Plan ("Bonuses"). I understand and agree that, in order to be eligible to receive Bonuses, I must meet all requirements outlined in the Sales Compensation Plan, including retail sales, and not be in violation of the terms of the Contract.

(c) I will not purchase any product or service solely for the purpose of qualifying for Bonuses. I agree that prior to placing a subsequent product order, I have resold previously ordered products and documented the sales to at least five retail customers each month, and sold at least 80% of any previous orders.

(d) I agree to encourage, supervise and assist my Downline Organization"™s efforts to sell Nu Skin products and services to retail customers.

#### **4. Representations and Warranties**

I represent and warrant that I am authorized to enter the Contract and that I have met all legal requirements to enter a valid contract in this market and to conduct direct selling business or any other acts in relation thereto in the Philippines. When executed and delivered by me and accepted by the Company, the Contract constitutes a legal, valid and binding obligation. I also represent and warrant that: (a) the information provided by me in the Contract is accurate and complete and that the providing of false or misleading information authorizes the Company, at its election, to declare the Contract void from its inception; (b) the identity document number and/or tax identification number provided in this Distributor Agreement is my correct tax payer identification number for my country of residence; (c) I, if an individual, am a citizen or a lawful permanent resident in the Philippines or, if a business entity, such as a corporation, partnership, limited liability company, or any other form of business organization, formed in the Philippines, it is legally formed under the laws of the Philippines in which it was organized and that each member of the business entity has proper legal authorization to conduct business in the Philippines. I represent and warrant that neither I nor my partner/spouse (or if a corporation or other business organization any participant therein who is or should be listed on the Partnership/Corporation Form) have been engaged in Business Activity in another Company distributorship in the six months (one year in the case of those having held an executive equivalent or higher pin-title under the Sales Compensation Plan) immediately preceding my sign up under my Sponsor as identified in this agreement.

#### **5. Authorization to Transfer Personal Information**

In order for the Company to provide international support for my Nu Skin distributorship, I authorize the Company to transfer and disclose personal and/or confidential information, which (a) I have provided to the Company in connection with my distributorship and downline sales organization, or (b) that has been developed as a result of my activity as a Distributor, to (i) its parent and affiliated companies, (ii) and to my Nu Skin independent upline distributors when necessary to ensure proper upline support, and (iii) to applicable government agencies or regulatory bodies if required by law. I further authorize the Company and its affiliated companies to use my personal information for distributor recognition and marketing materials.

#### **6. International Sponsor Agreement ("ISA")**

##### **(a) ISA and Right to Sponsor**

I understand and agree that pursuant to my Contract with the Company, as an authorized Distributor, I may market products and services and sponsor new distributors in the Authorized Country where I have executed my Distributor Agreement. Under this ISA, I may only sponsor new distributors in other Authorized Countries.

##### **(b) Laws of Authorized Countries**

I acknowledge that each Authorized Country may have specific laws and requirements applicable to me as a sponsor of distributors in that Authorized Country, and I agree to comply with all laws, statutes and regulations of that Authorized Country, including but not limited to, all immigration, visa, and registration requirements.

(c) Sale of Products in Another Authorized Country other than the Philippines  
Except for the Authorized Country in which I have executed my Distributor Agreement, I agree that I have not, and will not, either directly or indirectly, sell or distribute any Nu Skin products in another Authorized Country.

(d) Product Purchases in Another Authorized Country other than the Philippines  
(i) I acknowledge and agree that NSI is not conducting any trade or business in any Authorized Country.

(ii) In order to purchase Nu Skin products designed and registered for distribution in an Authorized Country outside of the Philippines, I agree that I will execute a separate wholesale product purchase agreement with the affiliated Nu Skin company designated as the exclusive wholesale distributor in that Authorized Country. I agree that these product purchases will be for personal use only and will not be resold.

## **B. Product Purchase Agreement (Nu Skin Philippines)**

(a) This Product Purchase Agreement ("PPA") is between Nu Skin Enterprises Philippines, Inc., 15/F Octagon Center, 41 San Miguel Avenue, Pasig City, Philippines 1605 ("Nu Skin Philippines") and me. Nu Skin Philippines, which is an affiliated company of NSI, is the exclusive wholesale distributor of Nu Skin products in the Philippines. Nu Skin Philippines and I agree and understand that this PPA constitutes a distinct and separate agreement from my contract with NSI. Under this PPA, Nu Skin Philippines will offer Nu Skin products for wholesale purchase to me in the Philippines. This PPA is an integrated agreement that consists of this PPA and the Policies and Procedures in relation to product purchase, which are incorporated herein by reference.

(b) Subject to any restrictions in the aforementioned Policies and Procedures or special terms disclosed at the time of purchase, Nu Skin Philippines will refund ninety percent (90%) of the price, less GST and applicable Bonuses (plus applicable tax if prepaid) on reasonably sound, unopened, unaltered, resalable, and restockable products and Sales Aids produced and sold by Nu Skin Philippines that are returned within ninety (90) days (in the case of products) or 30 days (in the case of Sales Aids) of the order date by the Distributor who purchased the products or Sales Aids from Nu Skin Philippines.

(c) I agree that only products imported by and purchased from Nu Skin Philippines may be sold in the Philippines. I will not import into the Philippines any Nu Skin product for re-sale in the Philippines, I acknowledge that doing so will cause irreparable damage to NSI, Nu Skin Philippines and/or their affiliated companies.

## **C. Bonus Check Direct Deposit**

(a) I authorize Nu Skin Philippines to deposit the payment of any Bonuses to my account at the financial institution designated by me. This authorization will remain in full force and effect until (i) Nu Skin Philippines has received written notice from me of my withdrawal from the direct deposit program, and (ii) Nu Skin Philippines has a reasonable opportunity to make such a change pursuant to my notice. I understand that this authorization replaces any previous authorization and will remain in effect until Nu Skin Philippines receives written notice of my withdrawal from the direct deposit program.

(b) I agree that I must notify Nu Skin Philippines immediately (i) prior to changing or closing the above account, or (ii) if my financial institution changes my routing number or account number. Failure to notify Nu Skin Philippines of account number changes may delay my receipt of Bonuses. If I change my financial institution and/or account number, I must notify Nu Skin Philippines in writing before I close my existing account.

(c) Nu Skin Philippines will not be liable to me for failing to access my account or provide direct deposits to my account in a timely manner unless such failure or loss is a direct result of Nu Skin Philippines'™s gross negligence or intentional misconduct. Nu Skin Philippines'™s liability will not exceed the amount of the funds that would have otherwise been deposited.

#### **D. Indemnity and Limitation of Liability Agreement**

This Indemnity and Limitation of Liability Agreement is between NSI, Nu Skin Philippines and me.

##### **1. Indemnity**

I will indemnify and hold NSI, Nu Skin Philippines, and their affiliated companies, and each of their shareholders, officers, directors and employees harmless from and against any claim, demand, liability, loss, action, causes of action, costs, or expenses, including, but not limited to, reasonable attorney'™s fees, resulting or arising from, directly or indirectly, any acts or omissions by me in conducting my independent Nu Skin business, including without limitation, breach of representations and warranties, material breach of the Contract, PPA, other agreements between the parties, or any other claims or causes of action.

##### **2. Limitation of Liability**

I agree that the NSI, Nu Skin Philippines, and their affiliated companies will not be liable for any special, indirect, direct, incidental, punitive, or consequential damages, including loss of profits, arising from or related to the breach of the Contract, PPA, or other agreements between the parties. I agree that the entire liability of NSI, Nu Skin Philippines, and their affiliated companies for any claim whatsoever related to my relationship with NSI, Nu Skin Philippines, and their affiliated companies, including but not limited to any cause of action arising in contract, tort, or equity, will be limited to the cost of products that I have purchased from the Nu Skin Philippines, and its affiliated companies under the PPA or other agreements.

### 3. Alternative Dispute Resolution

I agree to resolve all disputes with NSI, Nu Skin Philippines, and their affiliated companies or with other Distributors related to my independent Nu Skin business through NSI™'s alternative dispute resolution policy.

### **E. Arbitration Agreement**

1. THE CONTRACT IS SUBJECT TO A MEDIATION AND ARBITRATION POLICY. UTAH SHALL BE THE EXCLUSIVE VENUE FOR MEDIATION, ARBITRATION OR ANY OTHER RESOLUTION OF ANY DISPUTES ARISING UNDER OR RELATED TO THE CONTRACT. The place of origin of the Contract is the State of Utah, USA, and it will be governed by, construed in accordance with, and interpreted pursuant to the laws of Utah, without giving effect to its rules regarding choice of laws. The exclusive venue for any and all disputes and actions arising under or related to the Contract, or any and all disputes between distributors arising out of or related to a distributorship or the Contract, to enforce the Contract, or any other claim (whether based in contract, tort, statute, law or equity), including the validity of the arbitration provision, place of venue, and jurisdiction, shall be in Salt Lake County, Utah. The parties consent to the personal jurisdiction of said courts within the State of Utah and waive any objection to improper venue.

2. I agree that any past, present or future claim, dispute, cause of action or complaint, arising under or related to the Contract, or any and all disputes between distributors arising out of or related to a distributorship or the Contract, to enforce the Contract, or any other claim (whether based in contract, tort, statute, law or equity), including those which I may have or allege to have against NSI, Nu Skin Philippines or any of their affiliated companies, or their owners, directors, officers or employees, or any other distributor, which arise as a result of or in connection with my Downline, or my right to sponsor, or my sponsoring and distributor activities, or otherwise arise out of the Contract, will be resolved and settled in accordance with and pursuant to the terms and conditions of the Contract, and by (a) mediation in accordance with the rules and procedures set forth in NSI™'s Mediation and Arbitration Policy ("Arbitration Policy"), which is set forth in the Policies and Procedures or may be viewed online in the My Office section of any division web site; or if not resolved or settled by mediation, by (b) arbitration in accordance with the Arbitration Policy. The arbitration proceedings will be conducted in Salt Lake City, Utah. The arbitration will be conducted in the English language, but at the request and expense of a party, documents and testimony will be translated into another language. One arbitrator will be appointed to hear and decide disputes, which arbitrator will be selected by mutual consent of both parties. The parties will each bear their own costs and expenses and an equal share of the (i) cost of the arbitrator and (ii) administrative fees of arbitration. Neither the parties nor the arbitrator may disclose the existence, content, or results of any arbitration without the prior written consent of both parties. Judgment on any award rendered by the arbitrator may be entered in any court having jurisdiction.

3. By accessing any web site of NSI or Nu Skin Philippines, or a web site of an affiliated company, and using the information therein, or by purchasing any products or services made available through said web sites, or purchasing any products from NSI, Nu Skin Philippines or their affiliated companies, or receiving a Bonus from NSI, Nu Skin Philippines or their affiliated companies, I agree to be bound by the Arbitration Agreement.

#### **F. Inconsistency**

In the event of any conflict between any terms in this document and the Policies and Procedures, the Policies and Procedures will prevail to the extent of the inconsistency.

## POLICIES AND PROCEDURES

### - PHILIPPINES

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## [POLICIES AND PROCEDURES - PHILIPPINES](#)

The following Policies and Procedures become effective on July 1, 2009. In order to consolidate and simplify participation in the Nu Skin Personal Care, Pharmanex and Big Planet Divisions, these Policies and Procedures consist of a consolidated book of policies

governing participation in all three Divisions followed by separate supplements applying specific policies to one or more but not all of the separate Divisions. The separate policies are hereafter individually referred to as the Supplemental Pharmanex Policies, the Supplemental Nu Skin Personal Care Policies and the Supplemental Big Planet Provisions are collectively referred to as the Supplemental Policies. These Policies and Procedures supersede and replace any previous versions of the Policies and Procedures. Divisions are hereafter referred to collectively and individually as the Company (See Definitions Section). In addition, any express term, course of performance,



or course of dealing established under a previous version of the Policies and Procedures

is no longer valid or recognized by the Company. These Policies and Procedures, the Sales Compensation Plans describing the compensation structure, and other documents

of the Contract (See Definitions Section), constitute the complete agreement between a Distributor and the Company. In order to protect the rights of Distributors who comply with provisions of the Contract, failure to comply with the provisions of any of these documents

may result in the termination of a Distributorship, the loss of a Distributor's rights to receive a Bonus or other remedies outlined in the Contract. The Company reserves the right to modify any of these documents, but will publish notice of any change at least thirty days before that change is made effective. Gender specific pronouns are randomly

alternated throughout the Policies and Procedures.

### Section 1: Definitions

**Affiliate or Affiliated Company:** a company which directly or indirectly, through one or more intermediaries, controls or is controlled by Nu Skin International, or is controlled by, directly or indirectly, through one or more intermediaries, by the same company as Nu Skin International is.

**Authorized Country:** any country designated in writing by the Company as officially opened for business by all Distributors.

**Bonus:** compensation paid by the Company to a Distributor based on the volume of products or services sold by a Distributor, her group, and her breakaway Executives upon

meeting all requirements as set forth in the Sales Compensation Plans. Bonus pay periods

are calculated on a calendar-month basis.

**Business Activity:** any activity by a Distributor including signing a Distributor

Agreement, purchasing products from or returning products to the Company, Sponsoring

new Distributors, or other activities that the Company, in its sole discretion, determines to

be a meaningful promotion of the Company's business.

**Business Portfolio:** the Business Portfolio is a non-commissionable, not-for-profit kit and

is the only purchase required to become a Distributor. The Business Portfolio contains

the Policies and Procedures, the Sales Compensation Plans, a Distributor Agreement, a

Product Purchase Agreement, a Company Information Sheet, and other sales and demonstration

materials to assist a Distributor in starting and conducting their independent

business.

**Company:** Nu Skin International, Affiliated Companies, Nu Skin Personal Care,

Pharmanex and Big Planet.

**Company Approved Sales Aids:** marketing materials approved for use in specific

countries designated in writing by the Company.

**Company Information Sheet:** a supplemental document to the Distributor Agreement.

The Company Information Sheet must be completed and signed by a partnership,

corporation, or other legal entity (See Corporation definition) applying to become a

Distributor. The Company Information Sheet should list all Persons who are partners,

shareholders, principals, officers, directors or members.

**Contract:** the agreement between a Distributor and the Company composed of these

Policies and Procedures; the Sales Compensation Plans; Distributor Agreement; Product

Purchase Agreement; Company Information Sheets; and Supplemental services,

Division specific, International Distribution and Sponsor Agreement and other international agreements. The Contract is the complete and only agreement between the Company and a Distributor.

**Corporation:** any business entity such as a corporation, partnership, limited liability company, or other form of business organization legally formed under the laws of the state in which it was organized.

**Distribution Center:** a product warehouse and distribution facility owned and operated by the Company.

**Distributor:** an independent contractor authorized by the Company to purchase and retail products and services, recruit other Distributors, and receive Bonuses in accordance

with the requirements of the Sales Compensation Plans. A Distributor's relationship to the Company is governed by the Contract. More than one Person may be included on a Distributor Agreement. In such a case, "Distributor " refers to all Persons collectively, although each Person individually has all the Distributor rights.

**Distributorship:** the business entity created as Distributors entering into a contractual relationship with the Company.

**Divisions:** one of the product-focused Affiliates of the Company, currently including Nu Skin Personal Care, Pharmanex and Big Planet.

**Downline Organization:** a group of Distributors in any Division either directly sponsored or signed by those in a direct chain of sponsorship by other Distributors in the Downline Organization of a particular Distributor.

**Executive:** a Distributor who has completed the formal qualification process outlined in the Sales Compensation Plans to become an Executive. Executives break away from their

Sponsor's group and their volume does not count towards their Sponsor's volume totals

or maintenance requirements but the Sponsor continues to receive breakaway Bonuses on the group as defined in the Sales Compensation Plans.

**Group Sales Volume:** the Personal Sales Volume of a Distributor plus the Personal Sales

Volume of all Distributors in his group (not including the volumes of breakaway Executives and their Downline Organizations).

**International Distribution and Sponsor Agreement:** The Agreement between a Distributor and Nu Skin International pursuant to which such Distributor obtains the right from Nu Skin International to act as an International Sponsor. A separate International Distribution and Sponsor Agreement must be completed for each country, territory, or other political jurisdiction in which a Distributor desires to conduct business as an International Sponsor.

**International Sponsor:** a Distributor in good standing, authorized under an International Sponsor Agreement to act as a Sponsor in an Authorized Country outside the country, territory, or other political jurisdiction in which that Distributor first established a Distributorship

with the Company.

**Nu Skin International:** Nu Skin International, Inc., a Utah corporation whose principal place of business is located at 75 West Centre Street, Provo, Utah 84601, U.S.A.

**Person:** an individual, corporation, partnership, or other legal entity.

**Personal Sales Volume:** the point value of products purchased by a Distributor in one calendar month, from any Division or designated affiliate of the Company, primarily for resale to customers.

**Personalized Sales Aid:** business cards, letterhead, stationery, envelopes, note pads, selfstick

labels, name badges or Direct Selling Association cards imprinted with the Company

names or logos and a Distributor's name, address, telephone number and other personal

contact information.

**Policies and Procedures:** the policies governing how a Distributor is to conduct his business

as set forth in this document (including Supplemental Policies) and defining all rights and relationships of the parties.

**Product Purchase Agreement:** a separate wholesale purchase agreement between a Distributor

and Affiliated Company in a country outside the U.S. governing the purchase, sale and return of products in that country. Prior to entering into a Product Purchase Agreement a Distributor must enter into a Distributor Agreement with Nu Skin International

allowing the Distributor to act as a Distributor in that specific country. Products purchased under the terms of the Product Purchase Agreement may be resold only within the country in which such products were purchased.

**Sales Aid:** any material used in the offer or sale of products or services, recruitment of prospective Distributors, or training of Distributors, which makes reference to the Company,

its Affiliated Companies or Divisions, the products, the Sales Compensation Plans, or the trade names or logos.

**Sales Compensation Plans:** the specific plan utilized by each Division that outlines the details and requirements of the compensation structure for Distributors of the Division.

**Sponsor:** a Distributor that signs another Distributor directly beneath her account in the Sponsor's Downline Organization.

**US or USA:** United States of America

**Section 2: Becoming a Distributor**

A. A Person may become a Distributor by purchasing a Business Portfolio and completing, signing, and returning a Distributor Agreement and a Product Purchase Agreement to the Company, either in hard copy form or by reviewing the Contract documents online and correctly completing and submitting the Distributor Agreement online. There is no financial requirement other than purchasing a Business Portfolio with Distributor Agreement which contains sales materials and company information produced by the Company. Products purchased in connection with becoming a Distributor are optional. The Distributor is bound by the Contract as set forth in Distributor Agreement. The Company reserves the right, in its sole discretion, to refuse to accept any application for Distributorship.

1) A Business Portfolio may be purchased directly from the sponsoring Distributor.

If an executed Distributor Agreement has not already been sent in, then the enclosed Distributor Agreement must be sent to the Company.

2) Distributors must file a Distributor Agreement in their country of residence. A Distributor Agreement that is incomplete, incorrect in any respect or filed in the wrong country may be considered invalid.

3) Upon request by the Company, a Distributor must provide proof of residency and proof of her ability to legally conduct business in the country that corresponds with the Distributor's Distributor Agreement. If a Distributor fails to provide that documentation, the Company may declare a Distributor Agreement void from its inception.

B. A Distributor Identification number will be issued upon acceptance of the Distributor Agreement. Tax Identification Numbers must be provided to the Company for tax purposes. All Bonuses are paid by cheque, which will be issued in the name of the

first applicant on the Distributor Agreement.

C. F or a Corporation, the following requirements must be met:

1) the Distributor Agreement and Product Purchase Agreement must be signed by all participants of the Corporation. Upon request by the Company, each participant of the Corporation must provide proof of citizenship and proof of the ability to legally conduct business in the country which corresponds with the Corporation's Distributor Agreement. If a participant fails to provide that documentation, the Company, at its election, may declare the Distributor Agreement void from its inception;

2) a Company Information Sheet must be completed and signed by all participants in a business entering a Distributor Agreement. In the case of a Corporation, the Company Information Sheet must contain the names and appropriate government identification numbers of the principal officers (president, vice-president(s), secretary, and treasurer), members of the board of directors, and all shareholders. In the case of a partnership, the Company Information Sheet must contain the names and appropriate government identification numbers of all partners; and

3) a Corporation must provide the Company with a Tax Identification Number; Business Permit; Certificate of Registration; and the Articles of Incorporation; and

4) a Distributor may not convey, assign, or otherwise transfer any right conveyed by the Distributor Contract to any Person without the express, prior written consent of the Company. The Distributor may delegate his responsibilities but is ultimately responsible for insuring compliance with the Contract and applicable laws and regulations. Any Person working with or for the Distributor as part of her

Distributorship will do so only under the Distributor's direct supervision.

D. An applicant or Distributor is prohibited from submitting any false or inaccurate information

to the Company. A Distributor must inform the Company of any changes affecting the accuracy of the Distributor Agreement or Company Information Sheet. The Company reserves the right to immediately terminate a Distributorship, or declare the Distributor Agreement void from its inception, if the Company determines that false or inaccurate information was provided.

1) Changes to a Distributorship must be submitted on a new Distributor Agreement or Company Information Sheet with "Amended" written across the top. The document must be signed by all parties to the Distributorship, and returned to the Company.

2) The Company charges a fee to change a Distributor Identification Number. There is no charge for a change of address, telephone number, addition of Persons, or the correction of clerical errors.

E. A Person becomes an approved Distributor on the date the Distributor Agreement is received and accepted at the Company's corporate office. A Person must become an approved Distributor by the last working day of the month in order to be included in that month's Bonus and qualification computations.

### Section 3: Restrictions on Becoming a Distributor

A. An applicant must be of 21 years of age.

B. A Distributor may not have a simultaneous beneficial interest or participate in more than one Distributorship. A beneficial interest includes but is not limited to any ownership

interest, any rights to present or future benefits, financial or otherwise, rights to purchase



at wholesale prices, recognition or other tangible or intangible benefits associated with a Distributorship.

1) An individual has a beneficial interest in the Distributorship of a spouse or cohabitant.

If a spouse or co-habitant of a Distributor wishes to become a Distributor, he must be added to the Distributorship previously formed by the spouse or co-habitant.

2) Any Person who should be listed on the Company Information Sheet of a Corporation is considered to have a beneficial interest in the Distributorship existing in the name of that Corporation. If that Person wishes to become a Distributor, that Person must be added to the Distributorship previously formed with that Corporation.

3) A Corporation is considered to have a beneficial interest in the Distributorship existing in the name of any Person listed on the Company Information Sheet. To become a Distributor, that Corporation must be added to the Distributor Agreement previously formed with that listed Person.

4) No Corporation may become a Distributor if any Person who should be listed on the Corporation's Company Information Sheet is already a Distributor under another Distributor Agreement.

C. A Distributor (including a Corporation or any participant therein who is or should be listed on the Company Information Sheet) may establish a distributorship under a different

Sponsor only under one of the following circumstances:

1. Former Distributors who held an executive or higher position within the two years prior to the last incidence of "Business Activity," that Distributor must not have engaged in "Business Activity" for the one-year period prior to establishing a

new distributorship.

2. F or Distributors who did not hold an executive or higher pin-level within the two years prior to the last incidence of “Business Activity,” that Distributor must not have engaged in “Business Activity” for a six-month period prior to establishing a new distributorship.

As used herein, “Business Activity” includes signing a Distributor Agreement, purchasing products from or returning products to the Company, sponsoring new Distributors, or other activities the Company, in its sole discretion, determines to be a meaningful promotion of the Company’s business.

D. A Distributor who has engaged in Business Activity may not at any time acquire an interest in or merge with a pre-existing distributorship under a different Sponsor.

E. A Distributor may not have or acquire a present or future ownership interest in or establish another Distributorship in the name of a family member or an unrelated individual.

F. A Distributor may not encourage, entice, or otherwise assist another Distributor to transfer to a different Sponsor. This includes, but is not limited to, offering financial or other tangible incentives for another Distributor to terminate an existing Distributorship and then re-sign under a different Sponsor.

In the event the Company concludes that an inappropriate line switch has occurred, in addition

to other remedies listed in Section 6 of these Policies and Procedures, the offending Distributor may be penalized and the second-in-time distributorship shall be returned to and be merged with the first-in-time distributorship. The Company may also impose penalties on any distributorship that solicits or entices an existing Distributor to change lines of sponsorship.

G. A Distributor who wishes to change his status from that of an individual Distributor to a participant in a Corporation (see Section 1) Distributorship under the same Sponsor may do so at any time, subject to applicable law and upon completion and delivery to the

Company of the requisite Company Information Sheet.

H. A Distributor may dispose of, transfer, or otherwise assign her Distributorship assets in any manner allowed by the Contract and applicable law (including sale, gift, or bequest)

with the prior written consent of the Company, which will not unreasonably be withheld.

Any assets that take the form of claims to compensation or satisfaction of contractual obligations, from or by the Company, will not be recognized as assets of the transferee on the records of the Company until the Company has received written notification of the transfer and has given its formal written approval. The Distributorship transferred is subject to all remedial measures under the Contract that may have arisen prior to the transfer.

I. A Distributor may not convey, assign, or otherwise transfer any right conveyed by the Contract to any Person or entity without the express, prior written consent of the Company, which consent will not be unreasonably withheld. A Distributor may delegate her responsibilities but is ultimately responsible for ensuring compliance with the Contract

and applicable laws. Any Person working with or for the Distributor as part of her Independent Distributorship will do so only under the Distributor's direct supervision.

#### [Section 4: Responsibilities of a Distributor](#)

A. A Distributor is an independent contractor.

1) A Distributor is not an agent, employee, partner, or joint venturer with the

Company. A Distributor is prohibited from representing himself as such.

2) Distributors are independent entrepreneurs.

B. A Distributor must represent the products, services, and opportunity ethically and professionally.

1) No representation or sales offers may be made relating to products and services which are not accurate and truthful as to price, grade, quality, performance, and availability.

2) No unreasonable, misleading, or unrepresentative earnings claims may be made.

No income guarantees of any kind may be made. Exhibiting actual or facsimile

Bonus cheques is prohibited.

C. A Distributor may not solicit or entice any other Distributor whom he did not personally

sponsor to sell or purchase products or services other than those offered by the

Company. To do so constitutes an unwarranted and unreasonable interference with the contractual relationship between the Company and its Distributors. The Distributor agrees that a violation of this rule inflicts irreparable harm on the Company and agrees that injunctive relief is an appropriate remedy to prevent that harm.

1) A Distributor who at any time has achieved a pin level of Ruby level and above, and/or any participants in such Distributorships, shall not:

(a) directly or indirectly join or participate in any other direct selling or network marketing business or sell or promote any products or services competitive with Nu Skin; or

(b) directly or indirectly and whether on their own behalf or with or for any other person solicit, promote or recruit any member of their Downline Organisation to join or participate in any other direct selling or network marketing business or sell or promote any products or services competitive with Nu Skin.

D. A Distributor is responsible for his own business decisions and expenditures.

E. A Distributor must comply fully with the Contract.

F. A Distributor is personally responsible for compliance with all applicable national, state, municipal and local laws and regulations.

G. There are no exclusive territories or franchises; a Distributor has the right to operate anywhere in the Distributor's country of residence.

1. Distributor understands and agrees that no products sourced from an Affiliate outside the Philippines may be sold or distributed in the Philippines. Distributor certifies that he/she has not previously (directly or indirectly) and will not in the future import into the Philippines any Company's products, labels, packaging or materials sourced outside Philippines.

H. Distributors may only conduct the business in Authorized Countries. A Distributor, who wishes to conduct business in an Authorized Country outside the country of his or her legal citizenship, must ensure compliance with all applicable regulations of the Authorized Country. In addition, every Distributor must sign an International Distribution and Sponsor Agreement and the country specific Product Purchase Agreement with an Affiliated Company for conducting business in an Authorized Country outside of his/her country of legal citizenship which must be accepted by the Company prior to any international

activity in the Authorized Country. The Company, in its sole discretion, reserves the right to reject or revoke the International Sponsoring rights of a Distributor in any Authorized Country.

I. A Distributor in any Division of the Company may sponsor new Distributors in a Division only in countries where that Division is officially open. Distributor activity in unopened countries is expressly limited by Section 33 of these Policies and Procedures.

J. The Company may take action against a Distributorship as outlined in Section 6 of the Policies and Procedures and elsewhere in the Contract if the Company determines, in its sole discretion, that the Distributor's conduct or the conduct of any participant to the Distributorship is detrimental, disruptive, or damaging to the reputation of the Distributor network or the Company.

### Section 5: Sales Compensation Plans

A. A Distributor receives no compensation for sponsoring other Distributors.

B. A Distributor is neither guaranteed a specific income nor assured any level of profit or success. A Distributor's profit and success can come only through the successful sale of products or services and the sales of other Distributors within the Distributor's Downline Organization. All success is based primarily on the efforts of the Distributor.

C. Without affecting a Distributor's right to retail profits based on his sale of products or services, a Distributor can receive a Bonus only if, on a monthly basis, he fulfills all requirements of the Sales Compensation Plans, including but not limited to, retail sales requirements for Bonuses in his primary Division, and is not in default of any material obligations under the Contract.

D. An order for products or services to be resold is included in the Bonus and Executive qualification computations for a given month only if received (accompanied by a proper payment) by an authorized Distribution Center on or before the last business day of that month. If a Company credit is issued on products or services ordered but not available that month, Personal Sales Volume for those products or services will only be included in Bonus and Executive qualification computations for the month in which that credit is redeemed.

E. Each Distributor receiving a Bonus agrees to retain documentation, for at least four

years, evidencing retail sale of products and services in the month for which the Bonus was paid. Each Distributor agrees to make this documentation available to the Company

at the Company's request. A Distributor's failure to do so constitutes a breach of the Contract and entitles the Company to recoup any Bonus paid for orders in a month for which retail sales documentation is not maintained.

F. In addition to any recoupment rights provided above, the Company reserves the right to recoup any Bonuses paid to any Distributors on products or services:

- 1) returned under the Company's refund policy or exceptions thereto established by an authorized Distribution Center;
- 2) returned to an authorized Distribution Center under any applicable law; or
- 3) returned in relation to any incident of Distributor misconduct, including but not limited to unauthorized or misleading representations made either in connection with the offer or sale of any product or service, the opportunity or operation of the Sales Compensation Plans.

G. In recouping Bonus payments as provided in this Section 5, the Company, in its sole discretion, may require direct payment from an affected Distributor or offset the amount of the recoupment against any present or future Bonus.

H. A Bonus is paid by cheque issued in the name of applicant number one in the Distributor Agreement.

I. To the extent required by law, the Company will send notification of a Distributor's product or service purchases and Bonus payments to relevant tax authorities.

## Section 6: Breach of Contract/Termination of Contract Procedures

A. A Distributor's rights under the Contract are conditioned upon and subject to the

Distributor's continued performance in accordance with the terms of the Contract. Upon failure by a Distributor to perform her obligations as set forth in the Contract, the Distributor's rights cease. The Company may excuse a Distributor's non-performance in whole or in part without waiving its rights and remedies under the Contract. Furthermore, in addition to, or in lieu of terminating the Contract, the Company may:

- 1) provide oral or written notification to the Distributor of the Company's concerns and of the Company's intent to discontinue the Distributor's rights under the Contract if the Distributor's non-performance continues;
- 2) closely monitor the Distributor's conduct over a specified period of time to ensure performance of the contractual duties by the Distributor;
- 3) require additional assurances by the Distributor that performance will be in compliance with the Contract. Further assurances may include requiring the Distributor to take certain actions in an effort to mitigate or correct the Distributor's non-performance;
- 4) deny privileges that are awarded to Distributors from time to time by the Company or cease performing the Company's obligations under the Contract, including but not limited to, awards, recognition at corporate events or in corporate literature, participation in Company-sponsored events, placement of product or service orders, promotion within the Sales Compensation Plans, or participation by the Distributor as an International Sponsor;
- 5) discontinue or limit payment of Bonuses from all or any part of the Distributor's and Downline Organization's sales based on the premise that because of the Distributor's non-compliance, the Distributor is not entitled to Bonuses;
- 6) reassign part or all of the Downline Organization to a different Sponsor; and
- 7) seek injunctive relief or other remedies available by law.



B. The following procedure applies when the Company investigates an alleged violation of the Contract:

1) the Company will either provide verbal notice or send a written notice of the alleged breach of Contract to the Distributor. Each Distributor agrees that the relationship between a Distributor and the Company is entirely contractual.

Accordingly, the Company will neither honor nor respect any claim by a Distributor that the relationship is or has been quasi-contractual, has arisen by implication from any continuing practice or course of action, has been verbally authorized by an employee of the Company in contradiction of the terms of the Contract, or is otherwise implied in fact;

2) in a case when written notice is sent, the Company will give the Distributor twenty business days from the date of dispatch of a notification letter during which the Distributor may present all his information relating to the incident for review by the Company; the Company reserves the right to prohibit activity (e.g. placing orders, sponsoring, modifying Distributor information, receiving Bonuses, etc.) by the Distributorship in question from the time notice is sent to the Distributor until a final Company decision is rendered;

3) On the basis of any information obtained from collateral sources and from the Company's investigation of the statements and facts taken together with information submitted to the Company during the response period, the Company will make a final decision regarding the appropriate remedy, which may include the termination of a Distributor's Contract. The Company reserves the right to impose remedies for similar Contract violations on a case-by-case basis. The Company will promptly notify the Distributor of its decision. Any remedies will be effective as of the date on which notice of the Company's

decision is dispatched; and

4) additional information outlining an appeal of the decision by the Company and the Company's Mediation/Arbitration policy noted in Section 30(B) herein will be provided upon request from the Company.

C. A Distributor may terminate his Contract at any time, and for any reason, by sending a written notice of intent to terminate to the Company. Termination becomes effective as of the date the Company receives written notice of termination or such later date as may be specified in the termination notice. Certain obligations regarding confidentiality of information and the Distributor network survive termination of the Contract as outlined in Section 17.

D. The act of any participant in a Distributorship or spouse or partner of a Distributor is attributable to the Distributorship and remedies, including termination of the Contract, necessitated by that act may be applied to the Distributorship generally.

E. The Company will not review any violation of the terms and conditions of the Contract not brought to the Company's attention within two years of the initiation of the alleged violation. Failure to report a violation within the two-year period will result in the Company not pursuing the allegations in order to prevent stale claims from disrupting the ongoing business activities of Distributorships. All reports of violations must be in writing and sent to the attention of the Company's Distributor Conduct Review Committee (DCRC ).

### Section 7: Becoming a Sponsor

A. A Distributor may act as a Sponsor only if she meets all requirements and accepts all responsibilities described in the Contract.

1) A Distributor may refer Persons to the Company as applicants to become

Distributors. Upon acceptance by the Company of the Distributor Agreement form, applicants are placed in the Downline Organization of the Sponsor listed on the Distributor Agreement.

2) In order to be a successful Sponsor, a Distributor should assume training and support obligations for Distributors in her Downline Organization. A Distributor's success can come only through the systematic retail sale of Company products or services and the retail sales of other Distributors within his Downline Organizations.

B. A Distributor is entitled to sponsor other Distributors only in Authorized Countries.

### Section 8: Responsibilities of a Sponsor

A. To be a successful leader of the Distributors in his Downline Organization, a Sponsor should fulfill the following responsibilities:

1) a Sponsor should give regular retail sales and organizational training, guidance, and encouragement to her Downline Organization. A Sponsor should maintain contact with all of her group members and be available to answer questions;

2) a Sponsor should exercise his best efforts to ensure that all Independent Distributors in his Downline Organization properly understand and comply with the terms and conditions of the Contract and applicable national and local laws, ordinances, and regulations;

3) a Sponsor should intervene in any disputes arising between a customer and any of her Downline Organization and attempt to resolve the dispute promptly and amicably; and

4) a Sponsor should provide training to ensure that product or service sales and opportunity meetings conducted by his Downline Organization are conducted in accordance with the Contract and in accordance with any applicable laws, ordinances, and regulations.

## Section 9: Becoming an Executive Distributor

- A. A Distributor can achieve and maintain the status of Executive by fulfilling and maintaining the Executive qualification requirements set forth in the Sales Compensation Plans.
- B. After reaching Executive status, if the Distributor does not meet maintenance requirements, he will revert to the status of Distributor and lose all Executive benefits beginning with the month in which those requirements are not maintained (excluding the “Grace Month” as described in the Sales Compensation Plans or as advised by the Company from time to time).
- C. If an Executive Distributor reverts to Distributor status, a limited Executive requalification program is available under certain circumstances, as outlined in the Sales Compensation Plans.
- D. The Company, at its discretion, reserves the right to hold, maintain, or promote a Distributor to any pin level in the Sales Compensation Plans without regard to fulfillment of pin-level requirements.

## Section 10: Ordering Products or Services and Personalized

### Sales Aids

- A. A Distributor may order products and Sales Aids in the Philippines by entering into a separate Product Purchase Agreement with an Affiliated Company in the Philippines. Products and Sales Aids ordered in a given country in which a Distributor is authorized will be delivered and may be sold only in that country. There is no minimum order. However, shipping and handling costs may vary depending on the amount of products ordered.
- B. A Distributor has no specific inventory requirements. A Distributor must use his own judgement in determining inventory needs based upon reasonably projected retail

sales and personal use. A Distributor is prohibited from ordering more than a reasonable

inventory. By placing an order, a Distributor certifies that she has resold products and documented the sale to at least five customers monthly, and sold or consumed at least 80% of any previous orders. The Company reserves the right to verify Distributor resale of product inventory and inspect documentation of retail sales.

C. Orders may be placed at an authorized Distribution Center in the Philippines; over the Internet; by telephone; or mailed, sent via facsimile, or delivered to an authorized Distribution Centre in the Philippines for processing. If the order is mailed or faxed, the Product Order Form must be fully completed.

1) Payment must be made by cashier's cheque, money order, credit card, cash, Company credit, direct debit or personal or business cheque.

2) Orders are not shipped until they are paid in full.

D. Orders must be received by the authorized Distribution Centers in the Philippines by the last working day of a month to be included in that month's Bonus and qualification computations.

E. A Company credit may be issued in instances of overpayment, product exchanges, or in other circumstances when an order cannot be completely filled. Personal Sales Volume and Group Sales Volume will be credited when the Company credit is used.

F. Personalized Sales Aids may be ordered from an authorized Distribution Centre in the

Philippines by mail, over the Internet, or by facsimile. To ensure accuracy of information, no telephone orders will be accepted. The Business Cards Order Form must be fully completed.

1) Payment must be made via cashier's cheque, cash or credit card.

2) Personalized Sales Aids are returnable or refundable only as stated in

Section 12(D).

G. The Company has established suggested retail prices for products based on competitive pricing in each market. Maintaining retail pricing for non-Distributors helps to preserve the value of the Company's products and business opportunity. The Company

may take disciplinary measures, including possible termination of a Distributorship, in the

event the Company determines that a Distributorship resells products at price levels that impair the viability of bona fide retail pricing for other Distributorships. The selling of the Company's products in the market below the Company's Distributor wholesale price in that market is strictly prohibited.

H. A Distributor is prohibited from submitting orders in the name of another Distributor without the other Distributor's specific, prior, written approval for that order.

I. Any payment, which is not supported by sufficient funds, constitutes a breach of the Contract. Where necessary, a service fee will be charged.

1) If acceptable payment is not promptly made, the Personal Sales Volume and Group Sales Volume of the order will be withdrawn.

2) The Company reserves the right to offset the outstanding amount against any Bonuses, present or future, of the Distributor.

3) If more than one Person is listed on the Distributor Agreement, all Persons will be held jointly and severally liable for the outstanding amount.

J. A Distributor is prohibited from using another individual's credit card without the other individual's specific, prior, written approval.

K. A Distributor can only use his/her own credit card.

### [Section 11: Product Exchange Policy](#)

A. The Product Exchange Policy in these Policies and Procedures does not apply to

Big Planet products. The Big Planet Product Exchange Policy is in the Supplemental Big Planet Policies.

Planet Policies.

B. The Company will exchange products if the returned products are damaged in shipment,

are incorrectly sent, or are of substandard quality.

1) Whenever possible, returned products will be replaced with undamaged products. However, when an exchange is not feasible, the Company reserves the right to issue a Company credit for the amount of the exchanged products.

C. To exchange products, the Distributor must comply with these rules:

1) the request for exchange must be made within thirty (30) days of purchase;

2) prior authorization from the Company is required to initiate the exchange. The Shipping Inquiries Department of the Company will instruct the Distributor on

the correct procedure for returning the products (+63 (2) 689-0300);

the correct procedure for returning the products (+63 (2) 689-0300);

3) (Not applicable)

### Section 12: Refund Policy

A. The Company Refund Policy in these Policies and Procedures does not apply to Big Planet products. The Big Planet Product Refund Policy is in the Supplemental Big Planet Policies.

Policies.

B. The Company will refund ninety percent (90%) of the price, less GST and applicable Bonuses, (plus applicable tax if prepaid) on reasonably sound, unopened, unaltered, resalable,

and restockable products and Sales Aids produced and sold by the Company that

are returned within ninety (90) days (in the case of products) or 30 days (in the case of

Sales Aids) of the order date by the Distributor who purchased the products or Sales

Aids from the Company. In order for the Company to correctly back out the applicable

Bonuses on returned products, it is critical that the original sales order number from the invoice be retained. This number must be provided to the Company at the time the request

for a refund is made.

1) Products otherwise sold individually but purchased as part of a kit or package may be returned if the product is current, unopened, and resalable.

2) Acceptable refund alternatives include but are not limited to the following:

Company credit, bank cheque, bank transfer, or credit card charge back. The actual form of refund will be based upon local payment procedures and the original form of payment.

C. To obtain a refund for returned products or Sales Aids, a Distributor must comply with these procedures:

1) approval for the return in the form of a Return Merchandise Authorization (RMA) number must be received prior to return shipment to the Company.

This approval must be obtained, either by telephone or in writing, and the actual return shipment must be accompanied by the RMA number (Shipping Inquiries at +63 (2) 689-0300);

2) the Company will provide the Distributor with the correct procedures and location for returning the products or Sales Aids. All return shipping costs must be paid for by the Distributor;

3) products or Sales Aids sent to the Company without prior authorization will not qualify for a refund and will be returned to the Distributor at the Distributor's expense;

4) this refund procedure may vary in jurisdictions where different repurchase requirements are imposed by statute. Applicable jurisdictional laws may dictate



the terms of the refund policy; and

5) the Company reserves the right to require a Distributor to repay Bonuses paid to him on products returned by the Distributor's Downline Organization. This may be achieved either through contact with the affected Distributors for direct repayment or by withholding from present or future Bonus payments.

This policy encompasses all refunds allowed under the Company's Refund Policy.

Extension of the refund policy as required by applicable law, or instances in which Distributor misconduct, misrepresentation, or other extenuating circumstances necessitates a Company refund in excess of the stated refund policy will be considered on a case-by-case basis.

D. Personalized Sales Aids are not returnable or refundable unless an error in printing has been made. Personalized Sales Aids with printing errors must be returned within thirty

days. Approval for the return must be received prior to shipment to the Company. This approval must be obtained from the Shipping Department who may be contacted either by telephone +63 (2) 689-0300 or in writing.

### [Section 13: Customer Refund Policy](#)

A. The Customer Refund Policy in these Policies and Procedures does not apply to Big Planet products. The Big Planet Customer Refund Policy is in the Supplemental Big Planet Policies.

B. Distributor must offer a seven-day money-back guarantee to his retail customers.

This means that the selling Distributor must, for any reason and upon request, give a full refund of the purchase price to the customer. The only requirement is that the customer requests the refund within seven business days of purchase and returns the unused portion

of product. The Distributor must make a refund for returned products within ten days

of the customer's request.

1) The Distributor must provide the customer with two copies of the completed Retail Sales Receipt at the time of the sale. All blanks in the section referring to the seven-day refund policy on the back of the receipt must be completed. The front of the Retail Sales Receipt should be completed and include the items ordered, the amount of sale, and the customer's name, address, and telephone number.

2) The back of the Retail Sales Receipt should be completed and include the date of the sale, the date of the seventh business day after sale, the Distributor's name, business address, and business telephone number.

3) The first copy is the customer's receipt of the purchase. The customer should sign and date the back of the second copy and return it to the Distributor if a refund is requested. The third copy is the Distributor's receipt of the purchase. If the customer prefers, the Distributor may, at his discretion, make a product exchange instead of a refund.

4) A Distributor should keep copies of all Retail Sales Receipts on file for at least four years.

C. The Company encourages Distributors to honor a request for a refund or product exchange even if it is made more than seven business days after purchase. The Company

supports this policy by providing replacement products for a refund or product exchange with a customer up to thirty (30) days after the date of sale to the retail customer.

1) The Company will instruct the Distributor on the correct procedure and provide authorization for returning the products to the Company. Contact Shipping

Inquiries at +63 (2) 689-0300 to obtain authorization and instructions.

2) To receive replacement products, after obtaining authorization, the unused portion of product and the Retail Sales Receipt must be returned to an authorized Distribution Center within thirty (30) days of the date of the sale to the retail customer.

3) (Not applicable)

#### Section 14: Product Liability Claims

In the event of a product liability claim brought against an independent distributor by a third party for a defective product or for injury from use of a product, Nu Skin International

will indemnify and defend the Distributor from such claims, subject to the limitations described below. In order to obtain the benefits of this indemnification, a Distributor must

promptly (within 60 days) notify the Company in writing of the claim.

The Company will have no obligation to indemnify a Distributor if the Distributor (i) has not complied with the official Policies and Procedures of the Company and any other contractual obligations regarding the distribution and/or sale of the products; or (ii) has repackaged, altered or misused the product, or made claims or given instructions about the product's safety, uses or benefits which do not comply with the approved literature of

the Company; or (iii) settles or attempts to settle a claim without the Company's written approval. In addition, indemnification is conditioned upon the Distributor allowing the Company to assume the sole defense of the claim.

#### Section 15: Sales Tax

A. The Company provides the service of collecting goods sales tax (GST) at the time of purchase and remitting it to the Distributor's state. The amount of sales tax is based upon the wholesale price of a product or service, calculated at the Distributor's local tax

rate.

### Section 16: Distribution of Company Leads

A. Persons often inquire about the opportunity or products directly through the Company.

If the Company is aware that the Person heard about the Company from a Distributor, the Person is referred to that Distributor. Information about Persons who have heard about the Company without a discoverable contact is distributed to existing Executive Distributors. Leads are distributed as fairly as possible usually in the locality of the Person

making the inquiry. The Company reserves the right to make final judgements with respect

to distribution of leads.

### Section 17: Distributor Lists

A. Distributor lists and all contacts generated therefrom ("Lists") are the confidential and proprietary property of the Company. The Company has derived, compiled, configured, and currently maintains the Lists through the expenditure of considerable time, effort, and

monetary resources. The Lists in their present and future forms constitute commercially advantageous proprietary assets and trade secrets of the Company. The right to disclose

Lists and other Distributor information maintained by the Company is expressly reserved

by the Company and may be denied at the Company's discretion.

B. The Company provides a uniquely tailored portion of the Lists to Executive Distributors,

qualifying Executive Distributors, and for a fee, to Distributors requesting a portion of the List to which they are entitled (collectively and individually the "Recipient") on a monthly basis. Each portion of the provided List contains only information specific to the

Recipient's level and her own Downline Organization.

1) These Lists are provided for the exclusive and limited use of the Recipient to facilitate the training, support, and servicing of the Recipient's Downline Organization for furtherance of the Company-related business only. Each Recipient agrees that each use, within its intended scope, constitutes a separate exclusive license agreement between the Recipient and the Company.

2) These Lists remain, at all times, the exclusive property of the Company, which may, at any time and in the Company's sole discretion, reclaim and take possession of the Lists. Accordingly, each Distributor agrees:

a) to hold confidential and not disclose any Lists or portion thereof

to any third Person, including, but not limited to, existing Distributors, competitors, and the general public;

b) to limit use of the Lists to their intended scope of furthering the

Distributor's Company-related business;

c) that any use or disclosure of the Lists outside of those authorized herein, or for the benefit of any third Person, constitutes misuse, misappropriation, and a violation of the Recipient's license agreement, which causes irreparable harm to the Company;

d) that, upon any violation under this section, the Recipient stipulates to injunctive relief as an appropriate remedy enjoining that use under applicable national or local laws, and will immediately retrieve and return to the

Company all Lists previously provided to the Recipient upon the Company's request; and

e) that the obligations under this section will survive the termination of the

Recipient's Contract.

3) The Company reserves the right to pursue all appropriate remedies under applicable national or local laws to protect their rights to the above-stated proprietary and trade secret information covered by the Lists; any failure to pursue any applicable remedies will not constitute a waiver of those rights.

#### Section 18: Product or Service Claims

A. Distributors may make only product or service claims and representations found in the literature distributed by an Affiliated Company in the Philippines.

B. A Distributor may not make any medical claim for any product nor specifically prescribe any given product as suitable for any specific ailment, as that type of representation implies the products are drugs rather than cosmetics or nutritionals.

Under no circumstance should any products be likened to drug products prescribed for the treatment of specific ailments.

1) All product claims and representation must be the same as those found in the current literature distributed by the Company.

2) While the Company makes every effort to achieve full compliance with complicated and periodically amended regulations, no Distributor should state or intimate that any product is approved by the Department of Health or any other governmental authority. Please see the Supplemental Policies for additional product or service claim guidelines about each Division's products or services.

#### Section 19: General Business Ethics

A. The Company is a member of the Direct Selling Association (DS A) in the United States and in many countries around the world and abides by the DS A Code of Ethics. Along with the ethical guidelines of this Section, Distributors are strongly encouraged to read the DS A Code of Ethics and adopt its principles in their business operations. The

DS A Code of Ethics is published on the DS A website at [www.dsa.org](http://www.dsa.org).

B. Each Distributor agrees that he will not make any misleading, unfair, inaccurate, or disparaging comparisons, claims, representations, or statements about the Company; its products, services, or commercial activities; other Persons; other companies (including competitors); their products; or their commercial activities.

C. A Distributor agrees that she has no authority to take any steps in any country or other political jurisdiction to introduce or further the Company's business. This includes, but is not limited to, any attempt to register or reserve Company names, trademarks, or trade names; to secure approval for products or business practices; or to establish business or governmental contacts of any kind in the Company's behalf. A Distributor agrees to indemnify the Company for all costs and attorneys' fees incurred by the Company for any remedial action needed to exonerate the Company in the event the Distributor improperly acts on behalf of the Company. The Distributor agrees to immediately assign any registration of Company names, trademarks, or trade names registered or reserved in violation of this Section to the Company. The provisions of this Section survive the termination of the Contract.

#### [Section 20: Advertising and the Use of the Company Name](#)

A. A Distributor is expressly prohibited from using any form of media advertising to promote products or services. Products or services may be promoted only by personal contact or by literature produced and distributed by the Company or by Distributors in accordance with Section 21(A) of this document. Generic opportunity advertisements may be placed, in jurisdictions allowing that type of advertisement, but only in accordance

with the Policies and Procedures of the Company. In addition, a Distributor may not promote

the products, services, or opportunity through interviews with the media, articles in publications, news reports, or any other public information, trade, or industry information source, unless specifically authorized, in writing, by General Manager or Marketing and Communications Manager of an Affiliated Company in Philippines. This includes private, paid membership, or "closed group" publications. All media contacts or inquiries should be immediately referred to General Manager or Marketing and Communications Manager

of an Affiliated Company in Philippines.

B. Company logos or names may not be used or displayed on any apartment, house, office, storefront, or other physical premise, where they may be viewed by persons passing

by. Please see the Pharmanex Supplemental Policies for further information relating to pharmacies.

C. No Distributor may use any of the Company's trade names, trademarks, service marks, product names, logos, or other intangible commercial assets, registered or otherwise,

in any form of advertising or promotion without first entering into a separate, written licensing agreement with the Company for each proposed use of any of the above-stated

names or devices. Each Distributor agrees that any use in violation of these provisions constitutes a breach of the Contract and causes irreparable harm to the Company. Upon

notice of that any violation, the Distributor agrees to stipulate the appropriate injunctive relief enjoining that use. The Company, in its sole discretion, reserves the right to prohibit

any advertising or promotion.

D. Except for separate, written licensing agreements noted above, none of the Company's



copyright-protected materials may be reproduced, in whole or part, by any means.

E. Each Distributor agrees that any claims or representations concerning the opportunity

must be congruent with, and limited to, those found in the materials and literature currently distributed by the Company. Those claims and representations must also be advanced in accordance with any applicable laws, ordinances, and regulations.

1) No Distributor may make unreasonable, misleading, or unrepresentative representations respecting potential earnings.

2) No Distributor may represent that, any Person can or will receive profits or revenues without substantial effort on her own behalf.

3) All promotional materials including but not limited to flyers, business cards, and brochures prepared in accordance with Subsection F below, may be distributed through personal contact only. They may not be posted in public places, mass mailed, placed on parked cars, put in mail boxes, or disseminated by any other non-personal contact means. Materials may not be disseminated through unsolicited faxes or E-mail messages.

4) In order to advertise in the Yellow Pages or list his/her name in the White Pages of a locally circulated directory in his/her area, a Distributor must have previously attained and currently enjoy active status as a Ruby-level or Managing Director level, or above, at the time the contract for that listing is signed.

a) This advertisement is to be limited to two lines containing the words "Independent Nu Skin Distributor", John Doe (Distributor's Name)," and a telephone number. Neither bold print or display advertisements are allowed.

The advertisement must be in the Distributor's personal name only.

b) In the Yellow Pages, the advertisement must be placed under the category,

for example of “Skin Care” or “Nutrition.” Contact your Division for additional acceptable categories.

c) The Company recommends that leads obtained from this listing be alternately disbursed throughout the Downline Organization of the Distributor.

d) In case of a violation, the Company may require that the offending telephone number be disconnected, in addition to taking other remedial actions under the Contract against the responsible Distributor.

5) A Distributor may not use a celebrity endorsement without the specific, prior, written approval of the endorsing celebrity for each use of the celebrity’s name.

F. A Distributor may not use business cards or other Personalized Sales Aids containing the Company’s logo and name unless produced by the Company. These items produced

by the Company will follow the general format listed below:

1) the Company’s logo and name must always appear with the registered trademark designation (except as prohibited by law);

2) when the Company’s logo or name is used, the business card or Personalized Sales Aid must also contain the words “Independent Distributor;”

3) a Distributor may not use the names of any of the Company’s products or any business designation; and

4) under no circumstance may any Distributor use any corporate name of the Company.

G. Each separate use of the Company’s name or logo must be preceded by the completion of a separate written agreement with the Company for the use.

Unauthorized use of the Company’s logos, names, trademarks, or trade names is prohibited. Any unauthorized use constitutes a violation of trademark laws and will

cause irreparable damage to the Company, and its Distributors. The Company reserves the right to pursue all legal and equitable remedies against any Distributor or any other individual or entity who wrongfully uses the Company's logos or name or any of the Company's trademarks or trade names.

Distributors must only use Company produced Distributor web sites, Corporate sites, and web tools (i.e., Dynamic Web Pages, Global Web Pages, E-clips, etc.) when they promote the Company's products and services over the Internet. Additionally, Distributors are permitted to create generic business opportunity sites and/or generic splash pages with links to Company sites or a Business Center/GWP. These generic pages may not contain the Company's trademarks or other copyrighted material and may

not contain information on the Company, its products or its business, or pictures of products

or corporate facilities/personnel. Except as set forth in this policy, Distributors may not use the Internet to promote the Company, including its products and services, in any other manner. In case of a violation, the Company may require the offending Distributor to immediately remove the web site that is in violation of Nu Skin's policies, in addition to taking other disciplinary actions against the responsible Distributor in accordance with Section 6 of these Policies and Procedures. Distributor web sites are also subject to the following restrictions.

- 1) Distributors who have previously attained and currently enjoy active status as a Blue Diamond/Presidential Director may create their own independent Internet sites to promote the Company's products/services and business opportunity. However, all such sites, and any changes thereto, must first be reviewed and approved as Sales Aids in accordance with Section 21 of these Policies and Procedures and carry a Company designated review seal. Changes made to

the site after obtaining the initial review seal requires written authorization from a representative of the Distributor Conduct Department.

2) Distributors may not include any intellectual property or proprietary information in the unique domain names/URL or meta-tags of their Company produced or generic business opportunity web sites. Additionally, intellectual property and proprietary information cannot be used as “wallpaper” on any Company hosted or generic business opportunity site.

3) Distributors may not register their web sites with search engines or web directories using any intellectual property any proprietary information.

4) Distributors are required to promote their Company hosted and/or generic business opportunity Internet sites through one-on-one personal contact only.

Additionally, Distributors are prohibited from forwarding information regarding their sites to individuals who have not specifically requested information regarding the Company’s business opportunity and/or products (i.e., spam).

I. Please refer to the Supplemental Policies for advertising guidelines specific to each Division.

### Section 21: Sales Aids

A. A Distributor may only use, distribute, or sell Sales Aids either: 1) produced and distributed

by the Company and bearing their copyright designation, or 2) produced and distributed by Distributor, only after review by the Company and bearing the specific designation “content reviewed” followed by a designated review identification number.

The above-stated designation may be obtained through the process outlined below and in accordance with additional terms found in the Sales Aid Review Contract but may only be used after a certificate has been received from the Company by the submitting

Distributor. That certificate must specifically indicate that the material may be made available for distribution.

B. The Company may impose a reasonable fee for reviewing a Sales Aid. Distributors should allow a minimum of three weeks for the Company to complete its review of submitted materials.

C. The Company reserves the right to require any change to a Sales Aid it deems necessary to ensure appropriate content before allowing the Sales Aid to bear its review designation as stated above.

D. The Company reserves the right to deny approval for any proposed Sales Aid and, if changes in regulatory requirements or other circumstances so dictate, to require, at the Company's sole discretion, the removal from the marketplace or previously reviewed

Sales Aids without financial obligation to the affected Distributor.

E. Any Distributor who produces or has previously produced or distributed materials as set forth in this Section bears ultimate responsibility for the material contained therein.

The Company's review process does not guarantee that the Sales Aid complies with all applicable federal or state legal and other regulatory requirements. The review process does not constitute legal advice from the Company to any Distributor. In addition to the Company's review, all Distributors who intend to produce and distribute Sales Aids in accordance

with this Section, are strongly advised to seek the advice of independent legal counsel with regard to the legality and regulatory compliance of Sales Aids.

F. Distributors are free to establish their own prices for Sales Aids reviewed by the Company under this Section.

G. Sales Aids shall be identified by the name of the individual or individuals that

produced them. Group or organizational identifiers shall not be used in connection with the production of Sales Aids.

H. All mailing lists of the Company's Distributors obtained in connection with the production or sale of an independently produced Sales Aid are the confidential and proprietary property of the Company. Independent tape duplicators or other persons obtaining access to Distributor Lists through their production or distribution of that material must contractually agree to the confidentiality and proprietary nature of those mailing lists and that any use of those lists or contacts generated therefrom except for the sole purpose of furthering the Company's business is expressly forbidden. They must

also agree that the information is the proprietary property of the Company and any materials offered to the Distributors which make any reference to the Company or its programs may be done so only with the prior written consent of the Company for each separate offer.

I. The return policy of Independent Distributors with regard to Sales Aids which they have produced or sold must be in full compliance with the pertinent Sales Aid return policy employed by the Company for Company Approved Sales Aids (See Section 12).

J. Distributors who use, distribute, or sell Sales Aids in violation of this Section are subject

to appropriate remedial action by the Company, up to and including termination of the violating Distributorship.

K. Within an Authorized Country, a Distributor may only promote or train with Sales Aid materials which are approved and distributed by the local affiliated Company office in that country.

## [Section 22: Retail Store and Service Establishment Sales Policy](#)

A. A Distributor may not sell products or services or promote the opportunity through

retail stores except as described in Section 22 (C) below or as permitted in the Supplemental

Pharmanex Policies. A Distributor is also prohibited from selling to any Person who will ultimately sell products or services through retail stores.

B. A Distributor may not sell any products or services of the Company nor promote the Company's opportunity at conventions, trade shows, swap meets, bazaars, or any other gatherings where the opportunity or products are displayed at booths.

C. A Distributor who owns or is employed by a service-related establishment may provide

the Company's products and services to customers through this establishment as long as he is providing proper prescreening and ongoing support to his customers as called for by the Contract. In any event, no product banners, or other Sales Aid materials

may be displayed visibly to the general public in a manner as to attract the general public

into the establishment to purchase products or services.

1) 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.

2) Distributors may only sell products through service establishment that provide services related to the products. For example, Pharmanex products may be sold through the offices of doctors and other healthcare professionals, health clubs, or gymnasiums. Nu Skin products may be sold through barber shops, beauty salons, nail boutiques, or tanning centers.

D. The Company 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 of the products or services. See the Supplemental Big Planet Policies for variations to this

Section's

restrictions that apply to Distributor activity for the Big Planet Division.

### Section 23: Contract Changes

The Company expressly reserves the right to make any modifications to the Contract upon thirty days prior written notice in Company publications, by separate mailing, or through publication on the Company websites: [www.nuskin.com](http://www.nuskin.com), [www.pharmanex.com](http://www.pharmanex.com), and [www.bigplanet.com](http://www.bigplanet.com). Each Distributor agrees that thirty days after publication of that notice, any modification becomes effective and is automatically incorporated into the Contract between the Company and its corresponding Distributors as an effective and binding provision. By continuing to act as a Distributor, or engaging in any Distributorship

activity after the modifications have become effective, a Distributor acknowledges acceptance of the new Contract terms.

### Section 24: Waiver

The waiver by the Company of any Distributor's breach of any provision of the Contract must be in writing and will not be construed as a waiver of any subsequent or additional breach. The failure by the Company to exercise any right or prerogative under the Contract

will not operate as a waiver of that right or prerogative.

### Section 25: Integrated Contract

A. The Contract is the final expression of the understanding and agreement between the Company and a Distributor concerning all matters touched upon in the Contract and supersedes all prior and contemporaneous agreements of understanding (both oral and written) between the parties. The Contract invalidates all prior notes, memoranda, demonstrations,

discussions and descriptions relating to the subject matter of the Contract.



The Contract may not be altered or amended except as provided in these Policies and Procedures. The existence of the Contract may not be contradicted by evidence of any alleged prior contemporaneous oral or written agreement.

B. Should any discrepancy exist between the terms of the Contract and verbal representations

made to any Distributor by any employee, the express written terms and requirements of the Contract will prevail.

### [Section 26: Severance](#)

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 in that jurisdiction, and only within that jurisdiction. 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.

### [Section 27: Governing Law /Jurisdiction](#)

The place of origin of this Contract, where the Company accepted the offer of a prospective

Distributor to form the Contract, is the State of Utah. This Contract is to be

construed, with respect to its validity and performance obligations thereunder, in accordance

with the laws of the State of Utah applicable to contracts made and to be wholly performed within the state. A Distributor agrees to submit to the jurisdiction of the courts of the State of Utah for resolution of any conflict or litigation arising under a purporting to interpret the Contract or rights between Distributors.

### [Section 28: Notices](#)

Unless otherwise provided in the Contract, any notice or other communications requested

or permitted to be given under the Contract 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. Unless otherwise provided in the Contract, notices shall be deemed given when delivered personally, or if transmitted by facsimile, one day after the

date of that facsimile, or if mailed, five days after the date of mailing to the address of the

Company's headquarters or to the Distributor's address as provided on the Distributor Agreement, unless notice of an address change has been received by the Company. The

Company shall have the right, as an alternative method of notice under Section 23, to use

mailers, Company websites, or other normal channels of communications with Distributors.

#### [Section 29: Successors and Claims](#)

The Contract shall be binding upon and inure to the benefit of the parties hereto and their

respective successors and assigns.

#### [Section 30: Litigation and Claims](#)

A. In order to protect the Company, its assets, and its reputation from claims or disputes

created by outside (non-Distributor) third parties, the Company requires the following:

if any Distributor is charged with any infringement of any proprietary right of any outside third party (who is not a Distributor) arising from any of the Company's proprietary assets,

or if the Distributor becomes the subject of any claim or suit related to that Distributor's

business-related conduct or any other action that directly or indirectly negatively affects or puts the Company, its reputation, or any of its tangible or intangible assets at risk, the affected Distributor shall immediately notify the Company. The Company may, at its own expense and upon reasonable notice, take whatever action it deems necessary (including, but not limited to, controlling any litigation or settlement discussion related thereto) to protect itself, its reputation, and its tangible and intangible property. The Distributor

shall take no action related to that claim and suit, unless the Company consents, which consent shall not unreasonably be withheld.

B. The Company and the Distributor agree that mandatory and binding arbitration is the sole means to resolve disputes which arbitration shall be final and non-appealable. In

order to expedite the prompt resolution of any disputes with the Company or between Distributors, which may arise under the Contract, the Company has instituted a Mediation/

Arbitration policy. This policy deals with the disposition of disputes arising out of the independent contractor relationship between the Company and its independent contractors

and/or disputes arising out of the relationship between the Company's independent contractors themselves. Distributor complaints are first handled by the Distributor Conduct

Review Committee as described by Section 6 of these Policies and Procedures. The Mediation/Arbitration policy will also apply in the event a Distributor disagrees with any disciplinary action or interpretation of the Contract by the Company. The Mediation/Arbitration policy is mandatory and binding for resolving Distributor disputes as of April 1, 1994. The complete Mediation/Arbitration policy is available upon request from the Legal Department to parties who are involved in a controversy as defined above.

### Section 31: Headings

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

### Section 32: Repealed

(Not Applicable)

### Section 33: International Business

A. Prior to the official opening of an Authorized Country, permissible Distributor activity in an unopened country is limited to providing business cards and conducting, organizing

or participating in meetings where the number of attendees at any given meeting,

including the Distributor, does not exceed five. Participants in such meetings must be

personal acquaintances of the Distributor or personal acquaintances of the Distributor's

personal acquaintances in attendance at the meeting. The meetings must be held in a

home or a public establishment but may not be held in a private hotel room. All cold

calling techniques (soliciting persons who are not prior personal acquaintances of the

contacting Distributor) are strictly prohibited in unopened countries. The Company has

limited retail store operations in China. Any Distributor Activity in China must be in strict

accordance with written company guidelines. Contact the company for further information

with regard to permissible China activities. Prohibited Distributor conduct, prior to

the Company's official opening of a market includes but is not limited to:

1. importing or facilitating the importation of, selling, gifting, or distributing in any manner, Company products, services, or product samples except as authorized by the company in accordance with local laws or customary practices;
2. placing any type of advertisement or distributing any promotional materials regarding the Company, its products or the opportunity, except for the

Company Approved Sales Aids (See Sections 1 and 21) specifically authorized for distribution in unopened countries as designated by the Company;

3. soliciting or negotiating any agreement for the purpose of committing a citizen or resident of an unopened country to the opportunity, a specific Sponsor or specific line of sponsorship. Furthermore, Distributors may not sign up citizens or residents of unopened countries in an Authorized Country or by using Distributor Agreement forms from an Authorized Country, unless the citizen or resident of the unopened country has, at the time of sign up, permanent residence and the legal authorization to work in the Authorized Country. It is the sponsoring Distributor's responsibility to ensure compliance with residency and work authorization requirements. Membership or participation in, or ownership of a corporation, partnership or other legal entity in an Authorized Country does not by itself fulfill the residency or legal authorization to work requirements. If a participant to a Distributorship fails to provide verification of residency and work authorization when requested by the Company, the Company may, at its election, declare a Distributor Agreement void from its inception;

4. accepting money or other consideration, or being involved in any financial transaction with any potential Distributor either personally or through an agent, for purposes relating to Company products or the opportunity, including renting, leasing or purchasing facilities for the purpose of promoting or conducting Company-related business;

5. conducting, organizing, or participating in meetings in an Authorized Country with citizens or residents from an unopened country where any activities prohibited by Section 33 take place. In conducting meetings in an Authorized Country with citizens or residents from an unopened country, the same

guidelines must be followed as if the meeting were being held in an unopened country except for the limitation on the number of participants; or;

6. promoting, facilitating or conducting any type of activity which exceeds the limitations set forth in these Policies and Procedures or which the Company, in its sole discretion, deems to be contradictory to the Company's business or ethical interests in international expansion.

B. China activities, including all meetings, are limited to those authorized by the Company under its retail store operations and specific policies governing distributor conduct in China. Participants in any meeting held in China must be personal acquaintances

of the distributor who organized the meeting or personal acquaintances of those at the meeting. The meetings must be held in a home or other public establishment

and not in a hotel room. All cold-calling techniques (soliciting non-personal acquaintances) are strictly prohibited in China.

C. The Company reserves the right to designate certain countries wherein all pre-marketing

conduct is expressly prohibited. It is the responsibility of each Distributor, prior to each instance of conducting pre-market opening activities in an unopened market, to verify through current contact with the Company that the country in which she plans to conduct those activities is not a prohibited country. A Distributor may obtain a list of prohibited countries and Company Approved Sales Aid materials to distribute in other unopened countries by calling the Company at 800-800-0260.

D. In Authorized Countries, all international Distributor activity must be in strict accordance

with the policies of the country. International Distributors must notify the office of the Authorized Country of their intended activities and must ensure that their business

activities fully comply with country specific restrictions.

E. In addition to other remedies allowed by the Contract, a Distributor, who fails to comply

with any provision of Section 33, may be prohibited from participating in the affected international market for a period deemed appropriate by the Company. This prohibition could include, but is not limited to the following: the Distributor may have no right to international distribution/sponsorship rights in the affected international market; the Distributor and the Distributor's upline may not be entitled to Bonuses generated by the Distributor and the Distributor's Downline Organization in the respective international market. The Company, at its sole discretion and for the purpose of promoting ongoing support of new Distributors by upline Executive Distributors, may consider paying the fourth, fifth, and sixth generation Breakaway Bonuses on the Personal Sales Volume

generated by the Distributor or the Distributor's Downline in the affected international market. In addition, in all markets, for a period of up to one year, the Distributor may not be entitled to privileges traditionally afforded Distributors such as recognition at corporate events or in corporate literature, and receipt of new Distributor packets prior to the official opening of any new market.

F. A Distributor who has been unable to participate in a market because of non-compliance

with Section 33 of these Policies and Procedures, must petition the Company in writing for written permission to participate in the market after the period of prohibition has passed.

G. The provisions of Section 33 do not waive the Company's rights as set forth elsewhere

in these Policies and Procedures or in the Contract.

## Section 34: Privileged Member Program

(Not Applicable)

## Pharmanex Supplemental Policies - PHILIPPINES

The Pharmanex Supplemental Policies are provided as an addendum to the consolidated

portion of the Policies and Procedures. The Supplemental Policies may clarify portions of

the consolidated Policies and Procedures as they relate to the specific Division or provide

information about programs unique to that Division. The Supplemental Policies may also allow or disallow certain activities in exception to the consolidated portion of the Policies and Procedures. To the extent that this occurs, this document supersedes the contradicting policy in the consolidated Policies and Procedures. These exceptions or additions do not invalidate any other portion of the consolidated Policies and Procedures.

They apply only to the activity in the stated Division and do not apply to activity in any other Division unless specifically noted in that Division's supplement to the consolidated Policies and Procedures.

## Section 35: Additional Restriction on Recruiting Distributors, Independent Pharmacy Retailers, or Referring Health Care Professionals

(Not Applicable)

## Section 36: Product Claims

A Distributor may not make any medical claim for any product nor specifically prescribe any given product as suitable for any specific ailment, as that type of representation implies

the products are drugs rather than nutritionals. Under no circumstance should these



products be likened to drug products prescribed for the treatment of specific ailments.

While the Company makes every effort to achieve full compliance with complicated and periodically amended regulations, no Distributor should state or intimate that any product

is approved by the Bureau of Food and Drugs.

### Section 37: Pharmacies

(Not Applicable)

### Section 38: Automatic Re-Ordering Program Policies

The following Automatic Re-Ordering Program (ARO ) policies are effective as of July 1, 2009. Any prior dealings, promises, representations, or agreements regarding these Programs

are superseded by the ARO policies. The ARO policies use some terms defined in the broader Policies and Procedures. The ARO policies relate only to the ARO service

and do not replace or modify the Company's Policies and Procedures.

### Definitions

**Automatic Re-Ordering Program (ARO ):** a program which allows retail customers or Distributors to automatically receive a specified grouping of products on a monthly basis; payment is made through an established automatic billing of a credit card or checking debit arrangement. Also, referred to as "Program."

**Distributor ID Number:** the number assigned to the Distributor by the company used to link retail customers to the referring Distributor.

**Non-Personal Retailing Activities:** retailing and promotional activities by a Distributor that do not include Personal Contact with a potential or actual retail customer for the purpose of providing product orientation and customer service.

**Personal Contact:** individual contact with a potential or actual retail customer which includes

personal attention, an introduction to the products, and proper explanation of the Program.

**Program:** refers to the Automatic Re-Ordering Program.

### Responsibility for Participation

A. Prior to referring a retail customer to the Program, a participating Distributor must have had Personal Contact with the retail customer for the purpose of introducing and promoting the products and the Program. Distributors are responsible for ensuring that all customers, prior to sign-up, understand that there will be an on going debit to their credit account and they must cancel the account to prevent ongoing charges.

B. Each Distributor is responsible for providing ongoing customer service to each retail customer he refers to the Program. In performing customer service, each Distributor is responsible for (1) providing necessary customer attention and satisfaction, (2) providing product orientation, and (3) assisting the customer in exchanging or returning products to the Company.

### Product Exchange and Refund Policy

C. I understand that products purchased under ARO may be exchanged or returned subject to Company's policy.

D. Distributors must explain to their retail customers the product exchange and refund policies. A Distributor should assist his or her retail customers in exchanging and returning products purchased through the Program.

E. The Company reserves the right to back out retail profits, PSV, GSV, and Bonuses earned on products, ordered through the Program and returned under this section and Sections 12 and 13 of the Policies and Procedures, from the future retail profits or Bonuses

of the Distributor. In the event of unauthorized or misleading representations made by a Distributor in connection with product sales, the Company reserves the right, in its sole discretion, to refund the full purchase price at any time and to back out retail profits, PSV, GSV, and Bonuses paid on those products.

### Retail Profits and Sales Volume

F. A service charge based on the Personal Sales Volume will be assessed on each order

placed through the Program. The service charge will vary depending on the Program and

the amount of products ordered.

G. A service charge based on the retail profit will be assessed on each customer order placed through these Programs. The service charge will vary depending on the program and the amount of products ordered.

H. The Company must receive product orders by the last working day of the month to be included in that month's Bonus and qualification computations. The Company will not extend ordering through this Program beyond the last calendar day of each month.

I. When selling directly to retail customers, a Distributor is not obligated to charge his customers the suggested retail price for products, but rather may independently determine

the prices at which products are to be resold. However, all items ordered through

the Program will be automatically sold at the predetermined prices retail or discounted established

by the Company.

### Automatic Re-Ordering Program Enrollment Procedure and

### Contract

J. Any Distributor or customer wishing to participate in the Automatic Re-Ordering

Program (Enrollee) must complete and submit an Automatic Re-Ordering Enrollment form to the Company.

K. The Enrollee agrees to purchase the minimum monthly requirement as detailed on the Enrollment form.

L. Once an enrollment form has been accepted, the Enrollee will continue to receive product each month until such time that the Enrollee either cancels or amends his or her Enrollment agreement. Such changes must be submitted in writing.

M. The Enrollee understands that the Company will automatically charge his or her credit card on the date he or she has chosen on the Enrollment form. The payment of such charges and obligations are the sole responsibility of the Enrollee.

N. The Distributor agrees to inform his or her enrolling customers of all policies pertaining

to the Automatic Re-Ordering Program as outlined on both sides of the Automatic Re-Ordering Enrollment form including, but not limited to, the minimum required purchase amounts and an obligation to participate for a minimum of six months.

O. Returns and exchanges are to be handled according to the instructions listed on the backside of the Automatic Re-Ordering Enrollment form.

P. A distributor may not solicit a distributor or ARO Customer (as defined below) in the downline of another distributor as an ARO Customer or sponsor or sign-up an ARO Customer to be a distributor unless (1) the ARO Customer was personally sponsored by such distributor, or (2) the ARO customer has cancelled their ARO order and, including the ARO order, has not purchased any products from the Company for a period of six months. An "ARO Customer" shall mean any non-distributor that elects to participate in an Automatic Re-Ordering/purchase of products where products are automatically shipped to such customer on a monthly basis pursuant to a standing order. In the event

of violation of this policy, the Company shall have the right to take such actions as it determines to be appropriate based on the facts and circumstances of the case, including

moving a distributor who was an ARO Customer back under the original sponsor of such

ARO Customer.

#### [Section 39: eHealthcenter.com](#)

(Not Applicable)

#### [Section 40: PMR Policies](#)

(Not Applicable)

### **BIG PLANET SUPPLEMENTAL POLICIES - PHILIPPINES**

The Big Planet Supplemental Policies are provided as an addendum to the consolidated portion of the Policies and Procedures. The Supplemental Policies may clarify portions of

the consolidated Policies and Procedures as they relate to the specific Division or provide

information about programs unique to that Division. The Supplemental Policies may also allow or disallow certain activities in exception to the consolidated portion of the Policies and Procedures. To the extent that this occurs, this document supersedes the contradicting policy in the consolidated Policies and Procedures. These exceptions or additions do not invalidate any other portion of the consolidated Policies and Procedures.

They apply only to the activity in the stated Division and do not apply to activity in any other Division unless specifically noted in that Division's supplement to the consolidated Policies and Procedures.

[Section 40A : R etail and Service Establishment Sales Policy \(Not Applicable\)](#)

[Section 41: R efund and Return Policy \(Not Applicable\)](#)

## Section 42: Dynamic Web Page (Not Applicable)

### Section 42A: Global Web Page Program

The Global Web Page (“GWP”) is a web hosting service provided by Nu Skin International,

Inc. (“NSI”). The terms and conditions below apply to Global Web Page, and by activating the Global Web Page site you accept these terms and conditions provided in this Global Web Page Agreement (“Agreement”).

#### A. Terms and Conditions:

1. I understand that the acceptable modes of payment for the monthly web-hosting fee are credit card or post-dated checks.
2. I understand and authorize that the debiting arrangements made in connection with my purchase of this GWP service will be used for charging the monthly web-hosting fee which will be automatically debited from my designated credit card account(s) on a monthly basis, or which will be settled by post-dated checks duly signed and provided to NSI or its affiliates at the date of this Agreement, unless this Agreement is terminated in accordance with the provisions herein.
3. I understand and agree that this Agreement will be terminated without notice if the credit card(s) I have indicated for the aforesaid debiting arrangements are expired, cancelled or otherwise terminated and the due web-hosting fee can not be charged.
4. I agree that NSI may terminate the GWP service at any time at its sole discretion, provided that NSI shall send a 30-day prior notice to me via my contact information furnished to NSI. The termination of this Agreement and the GWP service by NSI will not affect my qualification rights and obligations as a distributor of NSI

under any of my other agreements with NSI. In case that NSI terminates the GWP services, I will be refunded the GWP and monthly web-hosting fees for the outstanding time that I already paid.

5. I agree that NSI has the right to modify the contents and scope of the GWP service and/or this Agreement at any time without prior notice, including without limitation, establishing limits concerning my use of the GWP service, provided that NSI shall notify me of any adjustment of the monthly web-hosting fees 15 days before such adjustment. Any adjustment of the monthly web-hosting fees shall take effect upon the next due date of the web-hosting fee and shall not affect the outstanding time for which the web-hosting fees have been paid.

6. I may terminate this Global Web Page Agreement at any time by giving written notice (by way of either letter, fax or email) effective upon receipt by NSI and my web page will be closed and no longer accessible. I understand that if my notice of termination is received by NSI after the Site Activation Code ("SAC") has been activated, I will not be refunded the monthly web-hosting fee.

7. I understand and agree that I cannot make any statements or claims about Nu Skin, Pharmanex and Big Planet products or NSI that are not contained in official promotional materials for the country where I reside. Especially with regard to Pharmanex products, I agree not to make any claims referring to medical properties whatsoever. Links to the official Pharmanex site may only be directed to the general starting page of that site and NOT to product in specific pages.

8. For the protection of my own reputation and business interests, plus those of NSI, I also understand and agree that NSI – as web host – retains the right to monitor my Global Web Page site and if necessary remove unlawful material or material that NSI deems inappropriate or even close my Global Web Page at

NSI's sole discretion. Closure of my Global Web Page shall be effected 30 days from written notice (by way of either letter, fax or email). Inappropriate material could be, but is not limited to, material of a pornographic or violent nature or links to others sites containing such material. I understand that all information, data, text, software, or other materials ("Content") as appears on my Global Web Page Site are my sole responsibility. This means that I, and not NSI, am entirely responsible for all the Content that I upload, post or otherwise transmit via the GWP service. I shall not include any links to or from my Global Web Page site, except as expressly approved in writing by NSI. Notwithstanding the above, if NSI notifies me that a link to or from my Global Web Page site may, in NSI's reasonable opinion, divert an excessive amount of traffic to outside the Nu Skin, Pharmanex or Big Planet Global Web Page sites, I shall promptly take the necessary steps to remove the link.

9. I agree to indemnify and hold NSI , and its affiliated companies, officers, directors, supervisors, agents and employees, harmless from any claim or demand, including reasonable attorneys' fees, made by any third party due to or arising out of my Content, my using or connection to the GWP service or my violation of any of the terms of this Agreement.

10. I understand and agree that the GWP service and any necessary software used in connection with the GWP service contain proprietary and confidential information that belongs to or may be licensed by NSI or its affiliated companies which is protected by applicable intellectual property and other laws. Except as expressly authorized by NSI , I agree not to modify, rent, lease, loan, sell, distribute, or create derivative works based on the GWP service or the software provided with the GWP service, in whole or in part.



11. I expressly understand and agree that NSI shall not be liable for any direct, indirect, incidental, special, consequential damages, including but not limited to, damages for loss of profits, my reputation, data or other intangible losses (even if NSI has been advised of the possibility of such damages), resulting from:

(i) the use or the inability to use the GWP service;

(ii) the cost of procurement of substitute service;

(iii) unauthorized access to or alteration of the transmissions or data by any third party; or

(iv) any other matters relating to GWP service.

12. I acknowledge that any notices to me by NSI or its affiliated companies may be made via either my email, facsimile number or regular mailing address which I furnished to NSI when I registered as a distributor of NSI and which I agree to keep updated and accurate. NSI may also provide notices of changes to the GWP or other matters by displaying notices or links to notices to me on the GWP service.

13. I have the right to return this purchased GWP kit within 30 calendar days from date of this agreement and will be refunded in accordance with the refund policy set out hereto.

14. I agree not to reproduce, duplicate, copy, sell, resell any portion of the GWP services, use of the GWP services or access to the GWP services. I also agree that all uniform resource locator (which includes domain names and sub-domain names and any other names) used to access or address my Global Web Page site (the "URLs") and all rights in relation thereto belong exclusively to NSI or its affiliated companies and I have no rights whatsoever to the same. I shall not, by

myself or through any third parties, use similar URLs for access to other content on the Internet; or allow access to my Global Web Page site via a URL unless such URL has been approved by NSI.

15. I expressly understand and agree that (a) MY USE OF THE GWP SERVICES IS AT MY SOLE RISK. THE GWP SERVICE IS PROVIDED ON AN "AS IS" AND "AS AVAILABLE" BASIS. TO THE FULLEST EXTENT PERMITTED BY LAW, NSI EXPRESSLY DISCLAIMS ALL WARRANTIES OF ANY KIND, WHETHER EXPRESS OR IMPLIED; and (b) NSI MAKES NO WARRANTY THAT (i) THE GWP SERVICE WILL MEET MY REQUIREMENTS OR EXPECTATIONS; and (ii) THE SERVICES WILL BE UNINTERRUPTED, TIMELY, SECURE OR ERROR-FREE; or (iii) THERE WILL BE CONTINUOUS ACCESS TO THE GWP SITE(S).

16. I agree that I am entitled to purchase only ONE (1) Global Web Page product. In the event that more than one Global Web Page products were purchased under my Distributor ID number, NSI shall have the right to terminate this GWP Agreement forthwith without notice.

17. I agree that this Agreement constitutes the entire agreement between NSI and I in respect of my use of the GWP services. As a distributor of NSI, I will be subject to additional terms and conditions that may apply to me with NSI and/or its affiliated companies. This Agreement and all transactions conducted through the GWP service shall be governed by the laws of the State of Utah, U.S.A. Any disputes between NSI and I arising out of or in connection with the GWP services shall be settled in accordance with the dispute resolution procedures as set forth in my Distribution Agreement with NSI and/or its affiliated companies.

18. I agree that NSI and its affiliates may collect, process, whether manually or by computer, internationally transmit, provide my personal data to third parties or otherwise use my personal data for the purpose of the operation, management and execution of the GWP services. I further agree that NSI shall own and have the exclusive rights of access to and control over all transaction data, including but not limited to all data or records of transactions, information or messages transmitted or conducted over or through my Global Web Page site and other traffic. I agree that such transaction data is the confidential information of NSI.

19. If any provision of this GWP Agreement is held invalid, unenforceable or illegal for any reason, the GWP Agreement shall remain otherwise in full force apart from such provisions which shall be deemed deleted.

#### **B. Refund Policy:**

A refund will be made only if the GWP kit is returned within 30 days from date of this Agreement. The conditions for and the amount of refund will be as follows:

1. Unopened GWP Kit and unused Site Activation Code ("SAC")
2. Opened GWP Kit and unused Site Activation Code ("SAC")

3. Used SAC  
(i.e. a web site has been created)

#### **Section 42B: Affinity Program (Not Applicable)**

Nu Skin Personal Care Supplemental Policies - PHILIPPINES

The Nu Skin Personal Care Supplemental Policies are provided as an addendum to the

consolidated portion of the Policies and Procedures. The Supplemental Policies may clarify portions of the consolidated Policies and Procedures as they relate to the specific Division or provide information about programs unique to that Division. The Supplemental

Policies may also allow or disallow certain activities in exception to the consolidated portion of the Policies and Procedures. Unless otherwise noted, to the extent that this occurs, this document supersedes the contradicting policy in the consolidated Policies

and Procedures. These exceptions or additions do not invalidate any other portion of the consolidated Policies and Procedures. They apply only to the activity in the stated Division and do not apply to activity in any other Division unless specifically noted in that Division's supplement to the consolidated Policies and Procedures.

### Section 43 Product Claims

A. (Not applicable)

B. A Distributor may represent that the products are safe to use and are intended to improve personal appearance.

C. A Distributor may not make any medical claim for any product nor specifically prescribe

any given product as suitable for any specific ailment, as that type of representation implies the products are drugs rather than cosmetics. Under no circumstance should these

products be likened to drug products prescribed for the treatment of specific ailments.

While the Company makes every effort to achieve full compliance with complicated and periodically amended regulations, no Distributor should state or intimate that any product

is approved by the Bureau of Food and Drugs.

3. No refund for both GWP kit

price and monthly hosting fee

1. 90% of both GWP kit price and  
monthly hosting fee

2. 90% of both GWP kit price and  
monthly hosting