



Dear Brand Affiliate:

Nu Skin is pleased to announce updates to its Policies and Procedures. The Policies and Procedures is a dynamic document that has been periodically revised over the years to meet changes in the marketplace. Together, Policies and Procedures provide a roadmap for Brand Affiliates and their day-to-day business activities.

The updated Policies and Procedures will take effect on August 11, 2023. Because it governs the way you operate your Nu Skin business, including your rights and obligations as a Brand Affiliate, we encourage you to read the entire Policies and Procedures and re-familiarize yourself with this important document.

We thank you for your continued support of Nu Skin's mission to be a global force for good by empowering people to improve lives with innovative products, rewarding opportunities and an enriching culture.

Sincerely,

Buck McMurray, GM North America

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For your convenience, we have highlighted some of the more significant policy updates below. This is not a comprehensive list, however, so we encourage you to review the entire Policies and Procedures [here](#).

- We updated Chapter 1, "Your Brand Affiliate Account," as well as provisions throughout the Policies and Procedures, to provide more clarity about the rights and responsibilities of the owner of a Brand Affiliate Account, including the account owner's authority to make decisions on behalf of the Brand Affiliate Account and on behalf of any individuals who may be added to the account as Participants.
- Also in Chapter 1, "Your Brand Affiliate Account," we clarified the requirement that anyone conducting business activities on behalf of, and anyone with an ownership interest in, a Brand Affiliate Account must be added as a Participant and must agree to the Brand Affiliate

Agreement and the Policies and Procedures. We also added the requirement that Nu Skin be indemnified against any claims or costs that may arise from an account owner's decision to remove a Participant from a Brand Affiliate Account.

- We modified Sections 1 and 2 of Chapter 2, "Operating Your Business," to provide additional guidance on the ethical and legal obligations you must comply with when operating your Nu Skin business, as well as to add the requirement that a Brand Affiliate must indemnify Nu Skin for any withholding tax, unemployment payments, or other fees or expenses in the event such Brand Affiliate is determined to be an employee, and not an independent contractor, of Nu Skin.
- We updated the provisions related to the Nu Skin Subscription Program in Section 3.10 of Chapter 2, "Operating Your Business," in keeping with changes we recently made to the Subscription Program. We previously notified you of these changes in an email containing the updated Subscription Program terms and conditions.
- We revised Chapter 3, "Advertising," to provide updated policies regarding certain advertising practices, including, among others, before-and-after photos, product testimonials, and online and social selling, as well as to reference various advertising guidelines that Nu Skin provides as a resource for Brand Affiliates on the Nu Skin website.
- We revised Section 1.3 of Chapter 4, "Sponsoring," to clarify how retail customers purchasing products or signing up for a customer account directly through Nu Skin may be added to the leads pool in accordance with applicable privacy laws.
- We revised Section 3 of Chapter 6, "Enforcement of Contract," to update and clarify the actions and remedies Nu Skin can take to enforce distributor compliance with the Brand Affiliate Agreement and the Policies and Procedures, as well as how disciplinary proceedings and appeals will be handled and when it is appropriate to request arbitration.
- We updated Section 5 of Chapter 6, "Enforcement of Contract," to clarify, among other things, that a Brand Affiliate Account owner's decision to terminate the account also applies to any Participants on the account and, if a Participant is removed from a Brand Affiliate Account, that such Participant may no longer retain an ownership interest in the account or conduct any business activities.
- We revised Chapter 7, "Arbitration Agreement; Class Action Waiver; Voluntary Mediation," to set forth updated rules and procedures for resolving disputes between Nu Skin and its Brand Affiliates through mandatory and binding arbitration. You should carefully review Chapter 7, as it affects your rights. Although not a change from the 2018 Policies and Procedures, this arbitration agreement (1) prohibits you from adjudicating any claims you may have against Nu Skin or its affiliated companies as a member of a class action, and (2) provides that you waive your right to have any claims resolved by a jury or in a court of law.

- We inserted a new Chapter 8, “Indemnification; Waivers of Claims; Limitation of Liability; Defense of Third Party Claims,” which sets forth your obligation to indemnify Nu Skin for certain acts or omissions, your waiver of certain consequential, indirect, and punitive damages related to any claims you may have, and limits placed on Nu Skin’s and its affiliated companies’ liability to you. Similar provisions are currently contained in the Brand Affiliate Agreement or in the Policies and Procedures but have been consolidated into this Chapter 8 and revised and clarified. You should carefully review Chapter 8, as these provisions affect your legal rights, remedies, and obligations.
- We inserted a new Chapter 9, “Nu Skin Reservation of Rights,” to set forth certain rights reserved by Nu Skin, including Nu Skin’s right to sell Nu Skin products through online marketplaces as it deems appropriate (including to reduce product diversion), and Nu Skin’s right to sell beauty and wellness products outside of the Network under other, non-Nu Skin brands without paying any Bonuses or other incentives to Brand Affiliates on such sales.
- We revised Chapter 10 (previously Chapter 8), “General Terms,” to, among other things, clarify how modifications to the Brand Affiliate Agreement and Policies and Procedures can be made and when they take effect, as well as to update choice of law and choice of venue provisions.
- We revised Addendum A, “Glossary of Defined Terms,” to update or add definitions in keeping with the other changes made to the Policies and Procedures.