UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark One)

☐ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2014

or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number: 001-12421

NU SKIN ENTERPRISES, INC.

(Exact name of registrant as specified in its charter)

Delaware		87-0565309
(State or other jurisdiction of incorporation or organization)	**75 WEST CENTER STREET PROVO, UTAH 84601**	(IRS Employer Identification No.)
	(Address of principal executive offices, including zip code)	

Registrant's telephone number, including area code: (801) 345-1000

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of exchange on which registered
Class A common stock, $.001 par value	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☐

Indicate by check mark whether the Registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the Registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit and post such files). Yes ☑ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of the Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☑

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☑ Accelerated filer ☐

Non-accelerated filer ☐ (Do not check if a smaller reporting company) Smaller Reporting Company ☐

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☑

Based on the closing sales price of the Class A common stock on the New York Stock Exchange on June 30, 2014, the last business day of the Registrant's second fiscal quarter, the aggregate market value of the voting stock held by non-affiliates of the Registrant was approximately $4.3 billion. All executive officers and directors of the Registrant, and all stockholders holding more than 10% of the Registrant's outstanding voting stock other than institutional investors, such as registered investment companies, eligible to file beneficial ownership reports on Schedule 13G, have been deemed, solely for the purpose of the foregoing calculation, to be "affiliates" of the Registrant.

As of January 31, 2015, 59,445,344 shares of the Registrant's Class A common stock, $.001 par value per share, and no shares of the Registrant's Class B common stock, $.001 par value per share, were outstanding.

Documents incorporated by reference. Portions of the Registrant's Definitive Proxy Statement for the Registrant's 2015 Annual Meeting of Stockholders are incorporated by reference in Part III of this report. The Definitive Proxy Statement or an amendment to this Form 10-K will be filed with the Securities and Exchange Commission within 120 days after the Registrant's fiscal year end.

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FORWARD-LOOKING STATEMENTS

THIS ANNUAL REPORT ON FORM 10-K, IN PARTICULAR "ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION," AND "ITEM 1. BUSINESS," CONTAINS FORWARD-LOOKING STATEMENTS WITHIN THE MEANING OF SECTION 27A OF THE SECURITIES ACT OF 1933, AS AMENDED, AND SECTION 21E OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED THAT REPRESENT OUR CURRENT EXPECTATIONS AND BELIEFS. ALL STATEMENTS OTHER THAN STATEMENTS OF HISTORICAL FACT ARE "FORWARD-LOOKING STATEMENTS" FOR PURPOSES OF FEDERAL AND STATE SECURITIES LAWS AND INCLUDE, BUT ARE NOT LIMITED TO, STATEMENTS OF MANAGEMENT'S EXPECTATIONS REGARDING OUR PERFORMANCE, INITIATIVES, STRATEGIES, PRODUCT INTRODUCTIONS AND OFFERINGS, OPPORTUNITIES AND RISKS; STATEMENTS OF PROJECTIONS REGARDING FUTURE SALES, EXPENSES, OPERATING RESULTS, TAXES AND DUTIES, CAPITAL EXPENDITURES, SOURCES AND USES OF CASH, FOREIGN CURRENCY FLUCTUATIONS OR DEVALUATIONS, AND OTHER FINANCIAL ITEMS; STATEMENTS OF MANAGEMENT'S EXPECTATIONS AND BELIEFS REGARDING CHINA AND OTHER MARKETS; STATEMENTS REGARDING THE PAYMENT OF FUTURE DIVIDENDS AND STOCK REPURCHASES; STATEMENTS REGARDING THE OUTCOME OF LITIGATION; ACCOUNTING ESTIMATES AND ASSUMPTIONS; STATEMENTS OF BELIEF; AND STATEMENTS OF ASSUMPTIONS UNDERLYING ANY OF THE FOREGOING. IN SOME CASES, YOU CAN IDENTIFY THESE STATEMENTS BY FORWARD-LOOKING WORDS SUCH AS "BELIEVE," "EXPECT," "PROJECT," "ANTICIPATE," "ESTIMATE," "INTEND," "PLAN," "TARGETS," "LIKELY," "WILL," "WOULD," "COULD," "MAY," "MIGHT," THE NEGATIVE OF THESE WORDS AND OTHER SIMILAR WORDS. WE UNDERTAKE NO OBLIGATION TO PUBLICLY UPDATE OR REVISE ANY FORWARD-LOOKING STATEMENT, WHETHER AS A RESULT OF NEW INFORMATION, FUTURE EVENTS OR OTHERWISE, EXCEPT AS REQUIRED BY LAW. WE CAUTION AND ADVISE READERS THAT THESE STATEMENTS ARE BASED ON ASSUMPTIONS THAT MAY NOT BE REALIZED AND INVOLVE RISKS AND UNCERTAINTIES THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THE EXPECTATIONS AND BELIEFS CONTAINED HEREIN. FOR A SUMMARY OF THESE RISKS, SEE "ITEM 1A – RISK FACTORS."

In this Annual Report on Form 10-K, references to "dollars" and "$" are to United States dollars.

Nu Skin, Pharmanex, ageLOC, and Epoch are our trademarks. The italicized product names used in this Annual Report on Form 10-K are product names and also, in certain cases, our trademarks.

PART I

ITEM 1. BUSINESS

We are a leading, global direct selling company marketing personal care and nutritional products in 53 markets worldwide. In 2014, we recorded $2.6 billion in revenue. Since our founding in 1984, we have strived to differentiate ourselves through innovation in both our products and our sales channel.

We develop and distribute innovative, premium-quality anti-aging personal care products and nutritional supplements under our Nu Skin and Pharmanex category brands, respectively. Over the last several years, we have introduced new Nu Skin personal care products and Pharmanex nutritional supplements under our ageLOC anti-aging brand.

We operate in the direct selling channel, primarily utilizing person-to-person marketing to promote and sell our products. Our consumers can purchase products either directly from a member of our sales force or directly from the company.

Approximately 91% of our 2014 revenue came from outside of the United States. Due to the size of our international operations, our results, as reported in U.S. dollars, are often impacted by foreign currency fluctuations. In addition, our results are impacted by global economic, political, demographic and business trends and conditions.

In 2014, Mainland China was our largest revenue market, accounting for approximately 26% of our revenue. Direct selling is relatively new to Mainland China, and we believe the market holds significant potential. We have implemented a distinct business model in Mainland China to conform with local laws and regulations, which are significantly different from regulations outside of Mainland China.

Our business is subject to various laws and regulations globally, particularly with respect to our direct selling business models and our product categories. As is the case with most companies in our industry, we receive inquiries from time to time from government regulatory authorities regarding the nature of our business and other issues. For example, in 2014, our revenue and number of Sales Leaders and Actives in the Greater China region were negatively impacted by our voluntary suspension of business meetings and acceptance of applications for new sales representatives in Mainland China in response to adverse media reports and a government review in the first part of the year. See "Risk Factors" for a more detailed description of the risks associated with our business.

PRODUCTS

We offer a branded, differentiated product platform. We believe our innovative approach to product development provides us with a competitive advantage in anti-aging and direct selling. We develop and distribute innovative, premium-quality anti-aging personal care products and nutritional supplements under our Nu Skin and Pharmanex category brands, respectively. Over the last several years, we have introduced new Nu Skin personal care products and Pharmanex nutritional supplements under our ageLOC anti-aging brand. Our research and product development is focused on understanding the sources of aging, including the influence of certain ingredients on gene expression, and utilizing that knowledge in our development of anti-aging products. We believe that our acquired and licensed technologies, research collaborations and in-house research expertise enable us to continue to introduce innovative, proprietary anti-aging products. We source and produce nearly all our proprietary products through trusted third parties, except in Mainland China, where we manufacture our own products.

We currently plan to introduce the following new products in various markets during 2015 and 2016:

- Our *ageLOC Youth* nutritional supplement supports vital aging-defense mechanisms and consists of a blend of natural ingredients that are difficult to obtain through diet alone.
- Our *ageLOC Me* personalized skin care system enables consumers to personalize a daily regimen based on individual preferences and skin care needs. This system consists of a variety of anti-aging serums and moisturizers and a proprietary hands-free dispenser.
- Our essential oil products will be marketed under our Epoch and ageLOC brands.

Product Categories

We have two primary product categories, each operating under its own brand. We market our premium-quality personal care products under the Nu Skin category brand and our science-based nutritional supplements under the Pharmanex category brand. Over the last several years, we have introduced new Pharmanex nutritional supplements and Nu Skin personal care products under our ageLOC anti-aging brand.

Presented below are the U.S. dollar amounts and associated revenue percentages from the sale of Nu Skin and Pharmanex products for the years ended December 31, 2012, 2013, and 2014. This table should be read in conjunction with the information presented in the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations," which discusses the factors impacting revenue trends and the costs associated with generating the aggregate revenue presented.

Revenue by Product Category
(U.S. dollars in millions)[1]

Product Category	Year Ended December 31, 2012		2013		2014	
Nu Skin	$ 1,158.2	54.3%	$ 1,641.6	51.7%	$ 1,562.6	60.8%
Pharmanex	966.6	45.3	1,529.2	48.1	1,000.3	38.9
Other[2]	7.5	0.4	5.9	0.2	6.6	0.3
	$ 2,132.3	100.0%	$ 3,176.7	100.0%	$ 2,569.5	100.0%

(1) In 2014, 91% of our sales were transacted in foreign currencies that were then converted to U.S. dollars for financial reporting purposes at weighted-average exchange rates. Foreign currency fluctuations negatively impacted reported revenue by approximately 3% in both 2014 compared to 2013 and 2013 compared to 2012.

(2) We currently offer a limited number of other products and services, including household products and technology services.

Nu Skin. Nu Skin is the brand of our original product line and offers premium-quality anti-aging personal care products. Our strategy is to leverage our distribution channel to strengthen Nu Skin's position as an innovative leader in the anti-aging personal care market. We are committed to continuously improving and evolving our product formulations to develop and incorporate innovative and proven ingredients. Our primary categories in this product line are core skin-care systems and targeted treatment products that address specific skin needs. We formulate these products with ingredients that are scientifically proven to provide visible results. Products in this category include *ageLOC Spa* systems, *ageLOC Tru Face Essence Ultra* anti-aging skin care serum and *ageLOC Transformation* anti-aging skin care system. Our ageLOC skin care products accounted for 28% of our total revenue and 46% of Nu Skin product category sales in 2014. We also offer our Epoch products, which feature botanical ingredients derived from renewable sources, and a number of other cosmetic, personal care and hair care products.

Pharmanex. We market a variety of products under our Pharmanex brand. Our strategy is to continue to introduce innovative, substantiated anti-aging products based on research and development and quality manufacturing. Direct selling has proven to be an effective method of marketing our high-quality supplements because our sales force can personally educate consumers on the quality and benefits of our products, differentiating them from our competitors' offerings. This product line includes our *LifePak* and *ageLOC R*^{2} nutritional supplements and our *ageLOC TR90* weight management and body shaping system. *LifePak* and *ageLOC R*^{2} were our largest nutritional products in terms of revenue, each representing approximately 9% of our total revenue and approximately 22% and 23%, respectively, of Pharmanex revenue in 2014. We also offer a number of other anti-aging nutritional solutions and weight management products.

Product Development

We are committed to developing and marketing innovative products. We have several products in development, including next-generation skin care products, nutritional supplements and local initiatives. Our research and product development is focused on understanding the sources of aging, including the influence of certain ingredients on gene expression, and utilizing that knowledge in product development.

Our research and product development activities include:

- Internal research, product development and quality testing;
- Joint research projects, collaborations and clinical studies;
- Identification and assessment of technologies for potential licensing arrangements; and
- Acquisition of technologies.

We maintain research and product development facilities in the United States and Mainland China. We also contract with third parties for clinical studies and collaborate on basic research projects with researchers from universities and other research institutions in the United States and Asia, whose staffs include scientists with basic research expertise in natural product chemistry, biochemistry, dermatology, pharmacology and clinical studies. Our expenses for internal research and development activities and joint research projects and collaborations were $14.9 million, $18.0 million and $18.9 million in 2012, 2013 and 2014, respectively.

We also work to identify and assess innovative technologies developed by third parties for potential licensing or supply arrangements. Because of the nature of our distribution channel, which allows us to provide a high level of product information on a person-to-person basis, we often have third parties who are interested in licensing innovative technologies to us to incorporate into our products and commercialize through our distribution channel. Licensing arrangements allow us to leverage the research activities of third parties that have resulted in demonstrated technologies, without the upfront costs and uncertainty associated with internal development, in exchange for the payment of a royalty on product sales. We have also invested in acquisitions to supplement our research capabilities and to acquire technologies, including our acquisition of Pharmanex in 1998 and the license and acquisition of the technology underlying our *BioPhotonic Scanner*, a non-invasive tool that measures the level of carotenoid anti-oxidants in skin. In 2011 and 2012, respectively, we acquired substantially all of the assets of LifeGen Technologies, LLC for $11.7 million and acquired Nox Technologies, Inc. for $12.6 million, including in each case, the acquisition of patents and previously licensed technology utilized in connection with Nu Skin's research efforts and incorporated into some of our products. Our expense for royalties and amortization for previous technology related acquisitions were approximately $8.9 million, $9.7 million and $10.4 million in 2012, 2013 and 2014, respectively. These amounts do not include our expenses for acquiring proprietary ingredients and other technologies from vendors for our *Tru Face Essence* products, *Galvanic Spa* systems and other products.

Intellectual Property

Our major trademarks are registered in the United States and in each country where we operate or have plans to operate, and we consider trademark protection to be very important to our business. Our major trademarks include Nu Skin®, our fountain logos, Pharmanex®, ageLOC®, LifePak®, Galvanic Spa®, TR90®, and Epoch®. In addition, a number of our products, including our facial spas, *ageLOC Body Spa*, *ageLOC TR90*, *ageLOC Tru Face Essence Ultra* and *Pharmanex BioPhotonic Scanner*, are based on proprietary technologies, some of which are patented or licensed from third parties. We also rely on patents and trade secret protection to protect our proprietary formulas and other proprietary information for our ageLOC and other products.

Sourcing and Production

Nu Skin. For markets other than Mainland China, we acquire ingredients and contract production of nearly all our Nu Skin personal care products from third-party suppliers and manufacturers. In Mainland China, we operate manufacturing facilities where we produce the majority of our personal care products sold in Mainland China, as well as a limited number of products exported to some of our other markets.

We procure our *ageLOC Galvanic Spa* systems, including the *ageLOC Edition Galvanic Spa System II* and *ageLOC Body Spa*, and our *Tru Face Essence* products from single vendors who own or control the product formulations, ingredients, or other intellectual property rights associated with these products. We maintain good relationships with these vendors and do not anticipate termination of these relationships in the near term. However, to continue offering these product categories following any termination of our relationship with these vendors, we would need to develop and manufacture alternative products and source them from other vendors. We also acquire ingredients and products from one other supplier that manufactured products representing more than 10% of our Nu Skin personal care purchases in 2014. We maintain a good relationship with this supplier and do not anticipate that either party will terminate this relationship in the near term. In the event we become unable to source any products or ingredients from this supplier, we believe that we would be able to produce or replace those products or substitute ingredients. We also have ongoing relationships with secondary and tertiary suppliers. Please refer to "Risk Factors—The loss of suppliers or shortages in ingredients could harm our business" for a discussion of risks and uncertainties associated with our supplier relationships and with the sourcing of raw materials and ingredients.

Pharmanex. For markets other than Mainland China, we source most of our Pharmanex nutritional supplements from third-party suppliers and manufacturers. In Mainland China, we operate manufacturing facilities where we produce the majority of our nutritional supplements sold in Mainland China and herbal extracts used to produce other products sold globally.

Two of our suppliers manufactured products representing more than 10% of our Pharmanex nutritional supplement purchases in 2014. We maintain a good relationship with both of these suppliers and do not anticipate that any party will terminate these relationships in the near term. In the event we become unable to source any products or ingredients from these suppliers or from our other vendors, we believe that we would be able to produce or replace those products or substitute ingredients. We also have ongoing relationships with secondary and tertiary suppliers. Please refer to "Risk Factors—The loss of suppliers or shortages in ingredients could harm our business" for a discussion of certain risks and uncertainties associated with our supplier relationships, as well as with the sourcing of raw materials and ingredients.

DISTRIBUTION CHANNEL

We operate in the direct selling channel, primarily utilizing person-to-person marketing to promote and sell our products. These personal marketing efforts are supported by various mediums, including catalogs, the Internet, and walk-in centers. We believe our distribution channel is an effective vehicle to distribute our products because:

- our sales force can educate consumers about our products face-to-face, which we believe is more effective for differentiating our products than using traditional mass-media advertising;
- our distribution channel allows for actual product demonstrations and trial by potential consumers;
- our distribution channel allows our sales force to provide personal testimonials of product efficacy; and
- as compared to other distribution methods, our sales force has the opportunity to provide consumers higher levels of service and encourage repeat purchases.

The manner in which we operate our distribution channel can vary from market to market based on regulatory and socio-economic conditions. While our person-to-person marketing philosophy remains consistent globally, various aspects of our business may differ from market-to-market, including product mix and pricing, compensation structure, access to distribution outlets or product stores, the manner of getting products to consumers, product claims, branding and product formulations. For example, in Mainland China we have implemented a distinct hybrid business model that utilizes retail stores, sales employees, contractual sales promoters, independent direct sellers and independent marketers to market our products.

Given that members of our sales force are independent contractors in most markets, we do not control or direct their promotional efforts. We do, however, require that our sales force abide by policies and procedures that require them to act in an ethical and consumer-protective manner and in compliance with applicable laws and regulations. As a member of the United States Direct Selling Association and similar organizations in many of the markets where we do business, we are also subject to the ethical business practices and consumer service standards required by the industry's code of ethics.

Consumers and Sales Network

Our distribution channel is composed of two primary groups: our consumer group—individuals who buy our products primarily for personal or family consumption; and our sales network—individuals who personally buy, use and resell products, and who also find new consumers, and recruit, train and develop new Sales Leaders. We strive to develop both our consumer group and our sales network. Our strategy for growing our consumer group is to offer high-quality, innovative products that provide demonstrable benefits. Our strategy for growing our sales network is to provide a meaningful business opportunity for those persons who demonstrate the ability to develop both a consumer group and a team of Sales Leaders.

To monitor the growth trends in our consumer group, we track the number of persons who purchased products directly from the company during the previous three months ("Actives"). We believe a significant majority of Actives purchase our products primarily for personal or family consumption but are not actively pursuing the opportunity we offer to generate income by marketing and reselling products. To monitor the growth in our sales network, we track the number of persons who have completed and who maintain specified sales benchmarks at the end of a period ("Sales Leaders"). Sales Leaders are independent distributors, and sales employees, contractual sales promoters and independent marketers in China, who achieve certain qualification requirements. The following chart sets forth information concerning our Actives and Sales Leaders for the last three years.

Total Number of Actives and Sales Leaders by Region

	As of December 31, 2012		As of December 31, 2013		As of December 31, 2014	
	Actives	Sales Leaders	Actives	Sales Leaders	Actives	Sales Leaders
Greater China	216,000	18,527	490,000	61,546	393,000	24,537
North Asia	349,000	17,395	409,000	19,816	391,000	17,478
Americas	164,000	6,352	193,000	8,274	186,000	7,471
South Asia/Pacific	98,000	4,988	120,000	7,992	124,000	8,458
EMEA	119,000	4,528	123,000	4,489	114,000	4,065
Total	946,000	51,790	1,335,000	102,117	1,208,000	62,009

Global Direct Selling Channel

Outside of Mainland China, individuals can elect to participate in our business as follows:

"Distributor-Direct Consumers"—Individuals who purchase products directly from an independent distributor at a price established by the distributor.

"Company-Direct Consumers"—Individuals who purchase products directly from the company. These consumers are typically referred by a distributor. These consumers generally have the opportunity to purchase at a discount if they participate in our subscription and/or loyalty programs. These individuals do not have the right to build a Nu Skin business by reselling product or by recruiting others.

"Basic Distributors"—Distributors who purchase products at a discount for personal or family use or for resale to other consumers. These individuals are not eligible to receive compensation on a multi-level basis unless they elect to qualify as a Sales Leader under our global compensation plan. We consider these individuals to be part of our consumer group, as we believe a significant majority of these distributors are purchasing products for personal use and not actively recruiting others.

"Sales Leaders and Qualifiers"—Distributors who have qualified or are trying to qualify as a Sales Leader. These are the distributors who have elected to qualify as a Sales Leader and are actively recruiting consumers and distributors and building a sales network under our global compensation plan, and constitute our sales network.

To become a distributor in most of our markets, an individual must sign a distributor agreement and purchase a not-for-profit starter kit for a small fee, which varies from market to market. The starter kit generally consists of documentation concerning the business, including copies of the sales compensation plan, distributor policies and procedures and other documentation, but does not include products. There are no requirements to purchase products, and no commissions are paid on the purchase of the starter-kit.

We offer a generous product return policy. With some exceptions based on local regulations, we offer a return policy that allows our distributors to return unopened and unused product for up to 12 months subject to a 10% restocking fee. Distributors are not required to terminate their distributorship to return product. Actual product returns have historically been less than 5% of annual revenue. We believe our generous return policy minimizes the financial risks associated with operating a Nu Skin business.

In addition to our product return policy, we strive to be as consumer protective as possible. We seek to ensure that those who use our products or participate in our business opportunity are treated fairly and are not misled by inappropriate product or earnings claims.

There are two fundamental ways in which our distributors can earn money:

- by reselling products purchased from the company to consumers; and
- through commissions earned on the sale of products under our global sales compensation plan.

We believe that our global sales compensation plan, which has been implemented in each of our markets except Mainland China, is among the most generous compensation plans in the direct selling industry and is one of our competitive advantages. Our Sales Leaders can receive commissions under our global sales compensation plan for product sales from the company to their own network of consumers as well as for product sales from the company to other Sales Leaders and their consumer groups. This type of sales compensation is often referred to as "multi-level" compensation. Commissions are based on the sale and consumption of our products. Our sales force is not required to recruit or sponsor others, and we do not pay any commissions for recruiting or sponsoring. While all of our distributors can sponsor others at any time, our Sales Leaders and those in qualification to become Sales Leaders are those who generally are actively sponsoring others. Pursuant to our global sales compensation plan, we pay consolidated monthly commissions in a Sales Leader's home country, in local currency, for product sales in the Sales Leader's own consumer group and for product sales in the Sales Leader's organization of Sales Leaders across all geographic markets.

Mainland China Business Model

Because of restrictions on direct selling and multi-level commissions in Mainland China, we have implemented a business model for that market that is different from the business model we use in our other markets. We have structured our business model in Mainland China based on several factors: the guidance we have received from government officials, our interpretation of applicable regulations, our understanding of the practices of other international direct selling companies operating in Mainland China, and our understanding as to how regulators are interpreting and enforcing the regulations.

In Mainland China, we utilize sales employees to sell products through our retail stores and website, and independent direct sellers who can sell away from our stores where we have obtained direct selling licenses. We rely heavily on our ability to attract consumers through our sales employees and independent direct sellers, to educate consumers about our products through frequent training meetings, and to promote repeat purchases. We currently plan to continue to expand our store count in Mainland China. We have implemented a third distribution structure by adding independent marketers in certain areas. Independent marketers are licensed business owners who are authorized to sell our products either at their own approved premises or through our stores. In 2014, we discontinued entering into contracts with new contractual sales promoters, who act as independent agents to sell products through our retail stores and website.

Our sales employees, independent direct sellers and independent marketers in Mainland China do not participate in our global sales compensation plan, but are instead compensated according to a separate compensation model established for Mainland China. Sales employees, independent direct sellers and independent marketers all earn commissions on their product sales at established commission rates. In addition, sales employees receive a salary, and independent marketers receive a service fee, both of which are reviewed and adjusted on a quarterly basis.

Please refer to "Business – Regulation" and "Risk Factors" for a discussion of risks and uncertainties associated with our business in Mainland China.

Sales Incentives, Meetings, Recognition and Training

An important part of our distribution channel is motivating our Sales Leaders and recognizing their achievements. We hold regular meetings and events globally in order to recognize Sales Leaders who have achieved various levels of success in our business. These meetings also allow the company and key Sales Leaders to provide training to other Sales Leaders. We utilize a variety of sales incentives such as incentive trips to motivate Sales Leaders. In addition to rewarding performance, incentive trips provide Sales Leaders and the company opportunities to share best practices, generate alignment of Sales Leaders around key initiatives, and provide a high level of motivation and team building among Sales Leaders.

Product Launch Process

Although our product launch process may vary by market, we generally introduce new key products to our sales force and consumers in all markets where the products are registered, through limited-time offers. In limited-time offers, the products are sold for a limited time before being taken off the market for several months. These limited-time offers typically generate significant activity and a high level of purchasing, which may result in a higher than normal increase in revenue during the quarter of the limited-time offer and skew year-over-year and sequential comparisons. We believe our product launch process also attracts new people to our business, driving growth in our Sales Leaders and Actives through increased consumer trial. For example, limited-time offers of our a*geLOC TR90* weight management and body shaping system in the second half of 2013 generated significant revenue. Please refer to "Risk Factors" for more information on risks related to our product launch process.

We currently plan to introduce *ageLOC Me* through limited-time offers and other promotions in 2015 and 2016, and *ageLOC Youth* through limited-time offers in all of our regions except Greater China in 2015 and 2016. We also currently plan to introduce our essential oil products beginning with the Greater China and Americas regions in 2015.

GEOGRAPHIC REGIONS

We currently sell and distribute our products in 53 markets. We have divided our markets into five geographic regions: Greater China, North Asia, Americas, South Asia/Pacific, and Europe, Middle East and Africa ("EMEA"). The following table sets forth the revenue for each of the geographic regions for the years ended December 31, 2012, 2013 and 2014:

	Year Ended December 31,					
(U.S. dollars in millions)	**2012**		**2013**		**2014**	
Greater China	$ 550.7	26%	$ 1,363.2	43%	$ 948.5	37%
North Asia	785.3	37	869.4	27	783.0	30
Americas	285.3	13	370.1	12	329.0	13
South Asia/Pacific	328.6	15	379.0	12	328.4	13
EMEA	182.4	9	195.0	6	180.6	7
	$ 2,132.3	100%	$ 3,176.7	100%	$ 2,569.5	100%

Additional comparative revenue and related financial information is presented in the tables captioned "Segment Information" in Note 19 to our Consolidated Financial Statements.

REGULATION

Our business is subject to various laws and regulations globally, particularly with respect to our direct selling business models and our product categories. In addition, as a United States entity operating through subsidiaries in foreign jurisdictions, we are subject to foreign exchange control, transfer pricing and customs laws that regulate the flow of funds between us and our subsidiaries and for product purchases, management services and contractual obligations, such as the payment of sales commissions.

As is the case with most companies in our industry, we receive inquiries from time to time from government regulatory authorities regarding the nature of our business and other issues, such as compliance with local direct selling, transfer pricing, customs, taxation, foreign exchange control, securities and other laws. Negative publicity related to government inquiries into our operations in the United States in the early 1990s, in South Korea in the late 1990s and more recently in Mainland China, has negatively impacted our business.

Direct Selling Regulations

Direct selling is regulated by various national, state and local government agencies in the United States and foreign countries. These laws and regulations are generally intended to prevent fraudulent or deceptive schemes, including "pyramid" schemes, which compensate participants primarily for recruiting additional participants without significant emphasis on product sales to consumers. The laws and regulations in our current markets generally:

- require order cancellations and product returns, inventory buy-backs and cooling-off rights;
- require us, or our sales force, to register with government agencies;
- impose reporting requirements; and
- require that we ensure, among other things, that our sales force maintains levels of product sales to qualify to receive commissions and that our sales force is compensated for sales of products and not for recruiting others.

The laws and regulations governing direct selling may be modified or reinterpreted from time to time, which may cause us to change our sales compensation and business models. In almost all of our markets, regulations are subject to discretionary interpretation by regulators and judicial authorities. There is often ambiguity and uncertainty with respect to the state of direct selling and anti-pyramiding laws and regulations. In the United States, for example, federal law provides law enforcement agencies, such as the Federal Trade Commission, broad latitude in policing unfair or deceptive trade practices, but does not provide a bright-line test for identifying a pyramid scheme. This can create a level of ambiguity as to the proper interpretation of the law and related court decisions.

The regulatory environment in Mainland China is particularly complex and continues to evolve. Mainland China's direct selling and anti-pyramiding regulations contain various restrictions, including a prohibition on the payment of multi-level compensation. The regulations are subject to discretionary interpretation by provincial and local level regulators as well as local customs and practices.

Regulators continue to act cautiously as they monitor the development of direct selling in Mainland China. In order to expand our direct selling model into additional provinces we currently must obtain a series of approvals from the local Department of Commerce in such provinces, the Shanghai Municipal Commission of Commerce (our supervisory authority), as well as the State Ministry of Commerce ("MOFCOM"), which is the national governmental authority overseeing direct selling. In the course of obtaining these approvals, the respective authorities under MOFCOM must also consult and seek opinions on our business operations from the Ministry of Public Security and the Administration for Industry and Commerce at both provincial and State levels.

Our operations in Mainland China are subject to significant government and media scrutiny and investigations. At times, investigations and other regulatory actions have limited our ability to conduct business in certain locations in Mainland China, and have resulted in a few cases where we have paid fines. We face a risk that future investigations and other regulatory actions may result in fines, revocation of licenses or other more significant sanctions.

Following a number of negative media stories published in January 2014, we received inquiries from various government regulators in Mainland China asking us to respond to a number of allegations relating to our business practices, products and business model. In response to this media scrutiny and government review, we voluntarily took a number of actions in Mainland China, including temporarily suspending our business meetings, temporarily suspending acceptance of applications for any new sales representatives, and extending our product refund and return policies. The adverse publicity and suspension of business meetings and acceptance of applications had a significant negative impact on our revenue and the number of Sales Leaders and Actives in the region. Following completion of this government review, in May 2014 we resumed business meetings and acceptance of applications for new sales representatives, and in the second half of 2014, we continued to expand our business meetings. We continue to act cautiously to properly educate and train our sales force. We may encounter unanticipated complications or other difficulties in rebuilding our business in Mainland China, which could further impact our business negatively. In addition, as we have not previously undertaken such a lengthy suspension of business meetings and acceptance of applications for new sales representatives, there is uncertainty regarding the full impact the voluntary actions we took during the first part of 2014 could have on our sales force and business going forward.

Several countries, including China, South Korea, Indonesia and Vietnam, impose limits on the amount of commissions we can pay to our sales force. For example, under regulations published by the Chinese government, direct selling companies may pay independent direct sellers in China up to a maximum 30% of the revenue they generate through their own sales of products to consumers. South Korea imposes a 35% maximum. We have implemented various measures to comply with these limits, including adjusting the commissionable value of our products in this market.

In some countries, regulations applicable to the activities of our Sales Leaders may affect our business because in some countries we are, or regulators may assert that we are, responsible for our Sales Leaders' conduct. In these countries, regulators may request or require that we take steps to ensure that our Sales Leaders comply with local regulations. For example, in Japan, we have taken steps to comply with strict requirements regarding how distributors approach prospective customers. In addition, in June 2013, we changed our distributor sign-up process in Japan and expanded our distributor education, training and compliance efforts to address concerns expressed by a Japanese regulatory agency. We continue to be cautious in our promotional activities in Japan, and we frequently meet with regulatory agencies regarding our ongoing distributor education, training and compliance efforts.

Please refer to "Risk Factors" for more information on regulatory and other risks associated with our business in Mainland China, South Korea, Japan, the United States and other markets.

Product Regulations

Our Nu Skin and Pharmanex products and related promotional and marketing activities are subject to extensive government regulation by numerous government agencies and authorities, including the Food and Drug Administration (the "FDA"), the Federal Trade Commission (the "FTC"), the Consumer Product Safety Commission, the Department of Agriculture, State Attorneys General and other state regulatory agencies in the United States, as well as the Food and Drug Administration in Mainland China, the Ministry of Food and Drug Safety in South Korea, the Ministry of Health, Labour and Welfare in Japan and similar government agencies in all other markets in which we operate.

Our personal care products are subject to various laws and regulations that regulate cosmetic and personal care products and set forth regulations that among other things determine whether a product can be marketed as a "cosmetic" or requires further approval as an over-the-counter drug. In the United States, the regulation of cosmetic content and labeling is under the primary jurisdiction of the FDA. Cosmetics are not subject to pre-market approval by the FDA, but the products, their ingredients and their label and labeling content are regulated by the FDA, and it is the burden of those who sell cosmetics to ensure that they are safe for use as directed. The labeling of cosmetic products is subject to the requirements of the Federal Food, Drug, and Cosmetic Act ("FDCA"), the Fair Packaging Labeling Act and other FDA regulations.

The FDCA defines cosmetics by their intended use, as "articles intended to be rubbed, poured, sprinkled, or sprayed on, introduced into, or otherwise applied to the human body . . . for cleansing, beautifying, promoting attractiveness, or altering the appearance." Among the products included in this definition are skin moisturizers, perfumes, lipsticks, fingernail polishes, eye and facial makeup preparations, shampoos, permanent waves, hair colors, toothpastes and deodorants, as well as material intended for use as a component of a cosmetic product. A product may be considered a drug if it is intended for use in the diagnosis, cure, mitigation, treatment, or prevention of disease, or is intended to affect the structure or any function of the body ("structure/function claims"). A product's intended use can be inferred from marketing or product claims, and regulators may consider the marketing claims of our sales force. Structure/function claims are generally prohibited for cosmetic products as are disease prevention and treatment claims. The FDA prohibits certain ingredients from being included in cosmetic products. It is possible that cosmetic product ingredients now commonly in use that are derived from nanotechnology or other scientific advancements may be restricted or prohibited in the future as more is learned about such ingredients.

In 2012, the FDA issued warning letters to several cosmetic companies alleging improper structure/function claims regarding their cosmetic products, including, for example, product claims regarding gene activity, cellular rejuvenation, and rebuilding collagen. Cosmetic companies confront difficulty in determining whether a claim would be considered by the FDA to be an improper structure/function claim. Given this difficulty, and our research and product development focus on the sources of aging and the influence of certain ingredients on gene expression, there is a risk that we could receive a warning letter, be required to modify our product claims or take other actions to satisfy the FDA if the FDA determines any of our marketing materials contain improper structure/function claims for our cosmetic products. In addition, plaintiffs' lawyers have filed class action lawsuits against some of our competitors after our competitors received these FDA warning letters. There can be no assurance that we will not be subject to government actions or lawsuits, which could harm our business.

The other markets in which we operate have similar regulations. In Mainland China, personal care products are placed into one of two categories, "special-purpose cosmetics" and "non-special-purpose cosmetics." Products in both categories require submission of formulas and other information with the health authorities, and certain products require human clinical studies. The product registration process for personal care products in Mainland China is unpredictable and generally takes from nine to 18 months to complete. However, in some cases, product registration in Mainland China has taken several years. In Japan, the Ministry of Health, Labour and Welfare regulates the sale and distribution of cosmetics and requires us to have an import business license and to register each personal care product imported into Japan. In Taiwan, all "medicated" cosmetic products require registration. The sale of cosmetic products is regulated in the European Union (the "EU") under the EU Cosmetics Directive, which requires a uniform application for foreign companies making personal care product sales. Similar regulations in any of our markets may limit our ability to import products or utilize key ingredients or technologies globally and may delay product launches while the registration and approval process is pending.

Our Pharmanex dietary supplement products are also subject to applicable regulations of government agencies in the markets in which we operate. In the United States, we generally market our nutritional products as conventional foods or dietary supplements. The FDA has jurisdiction over this regulatory area. The FDA imposes specific requirements for the labels and labeling of food and dietary supplements, including the requirements of the Food Allergen Labeling and Consumer Protection Act of 2004, which mandates declaration of the presence of major food allergens. In addition, the Public Health Security and Bioterrorism Preparedness and Response Act of 2002 contains requirements with regard to the sale and importation of food products in the United States.

The FDA Food Safety Modernization Act ("FSMA"), which was signed into law in 2011, also increased the FDA's authority with respect to food safety and is considered one of the most significant changes to the FDCA with respect to strengthening the U.S. food safety system in recent years. It enables the FDA to focus more on preventing food safety problems rather than primarily reacting to problems after they occur. The law also provides the FDA with new enforcement authorities designed to achieve higher rates of compliance with prevention- and risk-based food safety standards and to better respond to and contain problems when they do occur. The law also gives the FDA important new tools to hold imported foods to the same standards as domestic foods and directs the FDA to build an integrated national food safety system in partnership with state and local authorities. As the agency finalizes regulations pursuant to FSMA, there is likely to be increased regulatory scrutiny with respect to food and nutritional supplements, and such scrutiny is likely to continue.

The FDA regulates dietary supplements principally under the Dietary Supplement Health and Education Act of 1994 ("DSHEA"). DSHEA formally defines what may be sold as a dietary supplement, defines statements of nutritional support and the conditions under which they may lawfully be used, and includes provisions that permit the FDA to regulate manufacturing practices and labeling claims applicable to dietary supplements. Because the majority of our Pharmanex products are regulated under DSHEA, we are generally not required to obtain regulatory approval prior to introducing a dietary supplement into the United States market.

Generally, under DSHEA, dietary ingredients that were on the market before October 15, 1994 may be used in dietary supplements without notifying the FDA. However, a "new" dietary ingredient (i.e., a dietary ingredient that was not marketed in the U.S. before October 15, 1994) must be the subject of a new dietary ingredient notification submitted to the FDA unless the ingredient has been "present in the food supply as an article used for food" without having been "chemically altered." A new dietary ingredient notification must provide the FDA with evidence of a "history of use or other evidence of safety" which establishes that use of the dietary ingredient "will reasonably be expected to be safe." A new dietary ingredient notification must be submitted to the FDA at least 75 days before the new dietary ingredient can be marketed. Under DSHEA, the FDA may seek to remove from the market any new dietary ingredient that the FDA determines to be unsafe. In addition, the FDA may also deem a dietary supplement an unapproved drug where the marketing claims made in connection with the sale or promotion of the product effectively place it in the drug category.

In our foreign markets, dietary supplements are generally regulated by similar government agencies, such as the Mainland China Food and Drug Administration, the South Korea Ministry of Food and Drug Safety; the Japan Ministry of Health, Labour and Welfare and the Taiwan Department of Health. We typically market our Pharmanex products in international markets as foods or health foods under applicable regulatory regimes. In the event a product, or an ingredient in a product, is classified as a drug or pharmaceutical product in any market, we will generally not be able to distribute that product in that market through our distribution channel because of pre-market approvals and strict regulations applicable to drug and pharmaceutical products. Mainland China also has highly restrictive nutritional supplement product regulations. Products marketed as "health foods" are subject to extensive laboratory and clinical analysis by government authorities, and the product registration process in Mainland China generally takes one to two years, but may be substantially longer. We market both "health foods" and "general foods" in Mainland China. There is some risk associated with the common practice in Mainland China of marketing a product as a "general food" while seeking "health food" classification. If government officials feel the categorization of our products is inconsistent with product claims, ingredients or function, this could end or limit our ability to market such products in Mainland China in their current form. In addition, we are not permitted to market or sell "general foods" through our direct sales channel in Mainland China and any efforts by our independent direct sellers to do so could result in negative publicity, fines and other government sanctions being imposed against us.

The markets in which we operate all have varied regulations that distinguish foods and nutritional health supplements from "drugs" or "pharmaceutical products." Because of the varied regulations, some products or ingredients that are recognized as a "food" in certain markets may be treated as a "pharmaceutical" in other markets. In Japan, for example, if a specified ingredient is not listed as a "food" by the Ministry of Health and Welfare, we must either modify the product to eliminate or substitute that ingredient, or petition the government to treat such ingredient as a food. We experience similar issues in our other markets. This is particularly a challenge in Europe, where regulations often still differ from state to state, despite EU regulations designed to harmonize the laws of EU member states. As a result, we must often modify the ingredients and/or the levels of ingredients in our products for certain markets, or create unique formulations for multiple markets. In some circumstances, the regulations in foreign markets may require us to obtain regulatory approval prior to introduction of a new product or limit our use of certain ingredients altogether. Because of negative publicity associated with some adulterated or misbranded supplements, including pharmaceutical drugs marketed as dietary supplements, there has been an increased movement in the United States and other markets to expand the regulation of dietary supplements, which could impose additional restrictions or requirements in the future. In general, the regulatory environment is becoming more complex with increasingly stricter regulations each year.

In 2008, the FDA established regulations to require current good manufacturing practices for dietary supplements in the United States. The regulations ensure that dietary supplements are produced in a quality manner, do not contain contaminants or impurities, and are accurately labeled. The regulations include requirements for establishing quality control procedures for us and our vendors and suppliers, designing and constructing manufacturing plants, and testing ingredients and finished products. The regulations also include requirements for record keeping and handling consumer product complaints. If dietary supplements contain contaminants or do not contain the type or quantity of dietary ingredient they are represented to contain, the FDA would consider those products to be adulterated or misbranded. Our business is subject to additional FDA regulations, such as new dietary ingredient regulations and adverse event reporting regulations that require us to document and track adverse events and report serious adverse events that involve hospitalization or death associated with consumers' use of certain of our products. Compliance with these regulations has increased, and may further increase, the cost of manufacturing and selling certain of our products as we incur internal costs, oversee and inspect more aspects of third party manufacturing and work with our vendors to assure they are in compliance.

Most of our major markets also regulate advertising and product claims regarding the efficacy of products and require adequate and reliable scientific substantiation of all claims. In most of our foreign markets, we are not able to make any "medicinal" claims with respect to our Pharmanex products. In some cases, such regulations may limit our ability to inform consumers of some of the benefits our products offer.

In the United States, the FDA generally prohibits disease diagnosis, prevention and treatment claims when made for a dietary supplement. DSHEA, however, permits substantiated, truthful and non-misleading "statements of nutritional support" to be included in labeling for dietary supplements without FDA pre-approval. Such statements may describe how a particular dietary ingredient affects the structure, function or general well-being of the body, or the mechanism of action by which a dietary ingredient may affect the structure, function or well-being of the body, but such statements may not state that a dietary supplement will reduce the risk or incidence of a disease unless such claim has been reviewed and approved by the FDA. In addition, the FDA permits companies to use FDA-approved full and qualified health claims for products containing specific ingredients that meet stated requirements.

A company that uses a statement of nutritional support in labeling must possess evidence substantiating that the statement is truthful and not misleading. In 2004, the FDA issued guidance, paralleling an earlier guidance from the FTC, defining a manufacturer's obligations to substantiate structure/function claims. Such statements, when used in labeling, must also be submitted to the FDA no later than thirty days after first marketing the product with the statement that they possess the necessary evidence and must be accompanied by an FDA mandated label disclaimer that "This statement has not been evaluated by the FDA. This product is not intended to diagnose, treat, cure or prevent any disease." There can be no assurance, however, that the FDA will not determine that a particular statement of nutritional support that we want to use is an unacceptable disease claim or an unauthorized nutrient-disease relationship claim otherwise permitted with FDA approval as a "health claim." Such a determination might prevent the use of such a claim or result in additional FDA enforcement.

We are aware of media reports regarding dietary supplements, which call for the repeal or amendment of DSHEA. Individuals or groups that are opposed to supplements or question their safety or efficacy may attempt to use these media reports to propose legislation intended to amend or repeal DSHEA. Some of the legislative proposals may include variations on premarket approval, enhanced premarket safety or substantiation required and changing the definition of a "dietary ingredient" to remove either botanicals or selected classes of ingredients now treated as dietary ingredients.

Most of the other markets in which we operate have not adopted legislation like DSHEA, and we may be subject to more restrictive limitations on the claims we can make about our products in these markets. For example, in Japan, our nutritional supplements are marketed as food products, which significantly limits our ability to make claims regarding these products. If marketing materials produced or used by us or our sales force globally make claims that exceed the scope of allowed claims for nutritional supplements, the FDA or other regulatory authorities could deem our products to be unapproved drugs. In Mainland China, we also face significant restrictions on our ability to make product claims regarding the efficacy of our products. In a series of articles in 2014, prominent media outlets in Mainland China questioned some of the product claims made by our sales people and the scientific basis of these claims. This resulted in significant negative media attention for us. Such attention could harm consumers' perception of our business and our products and could negatively impact the registration, licensing status and sales of our products.

The FTC, which exercises jurisdiction over the advertising of all of our products in the United States, has instituted enforcement actions against dietary supplement, food, and cosmetic companies for, among other things, deceptive advertising and lack of adequate scientific substantiation for claims. We also face limitations on our use of the scientific experts who have helped us develop and test some of our products. In the United States, for example, the FTC's Guides Concerning the Use of Endorsements and Testimonials in Advertising may restrict marketing to those results obtained by a "typical" consumer and require disclosure of any material connections between an endorser and the company or products they are endorsing. In Mainland China, some media outlets have questioned the nature and extent of our connections with our Scientific Advisory Board and others who have helped in developing our scientific approach or testing our products. This negative publicity could harm consumers' perception of our business and our products, which could negatively impact our revenue. We cannot be sure that the FTC, or comparable foreign agencies, will not question our advertising or other operations in the future.

In the United States, we are also subject to a consent decree with the FTC and various state regulatory agencies arising out of investigations that occurred in the early 1990s of certain alleged unsubstantiated product and earnings claims made by our distributors. The consent decree requires us to, among other things, supplement our procedures to enforce our policies, not allow our distributors to make earnings representations without making certain average earnings disclosures and not allow our distributors to make unsubstantiated product claims. The FTC could initiate an enforcement action to the extent the FTC determines that our advertising or promotional practices are deceptive or contrary to the requirements of the consent decree.

We commenced offering a newly-cleared medical device in the United States during 2014. The device was cleared for marketing through the 510(k) process with the FDA as a medical device with cosmetic benefit. Medical devices are highly regulated by the FDA. Manufacturers of medical devices must register and list their products with the FDA annually, whether they are located domestically or overseas. Foreign jurisdictions may take note of the fact that we have registered as a medical device in the U.S. and require us to register in their market as well. The FDA has broad regulatory powers in the areas of clinical testing, marketing and advertising of medical devices. Medical devices must be labeled in accordance with the FDA's general device labeling requirements and whatever particular label requirements the FDA may designate for that type of device.

In addition, medical device manufacturers must adhere to certain "good manufacturing practices" in accordance with the FDA's Quality System Regulation, which regulates the manufacture of medical devices, prescribes record-keeping procedures and provides for the routine inspection of facilities for compliance with such regulations. If in connection with these inspections, the FDA believes the manufacturer has failed to comply with applicable regulations and/or procedures, it may issue observations that would necessitate prompt corrective action. If the FDA inspection observations are not addressed and/or corrective action taken in a timely manner and to the FDA's satisfaction, the FDA may issue a Warning Letter (which would similarly necessitate prompt corrective action) and/or proceed directly to other forms of enforcement action. Failure to respond timely to FDA inspection observations, a Warning Letter or other notice of noncompliance and to promptly come into compliance could result in the FDA bringing enforcement action against us, which could include the shutdown of our production facilities, denial of importation rights to the U.S. for products manufactured in overseas locations and criminal and civil fines.

Our *Pharmanex BioPhotonic Scanner* and our *ageLOC Galvanic Spa* systems are subject to the regulations of various health, consumer-protection and other government authorities around the world. These regulations vary from market to market and affect whether our products are required to be registered as medical devices, the claims that can be made with respect to these products, who can use them, and where they can be used. We have been required to register our *ageLOC Galvanic Spa* as a medical device in a few markets. We have been subject to regulatory inquiries in the United States, Japan and other countries with respect to the status of the *Pharmanex BioPhotonic Scanner* as a non-medical device. Any determination that medical device clearance is required for one of our products, in a market where we currently market and sell such product as a cosmetic or non-medical device, could require us to expend significant time and resources in order to meet the additional stringent standards imposed on medical device companies or prevent us from marketing the product. Please refer to "Risk Factors" for more information on the regulatory risks associated with our *Pharmanex BioPhotonic Scanner* and our *ageLOC Galvanic Spa* systems.

COMPETITION

Direct Selling

We compete with other direct selling organizations, some of which have a longer operating history, and greater visibility, name recognition and financial resources than we do. The leading direct selling companies in our existing markets are Amway, Avon Products, Herbalife and Mary Kay. We compete with these companies to attract and retain our sales force and consumers based on the strength of our product offerings, sales compensation, multiple business opportunities, management and international operations.

Products

The markets for our Nu Skin and Pharmanex products are highly competitive. Our competitors include a broad array of marketers of personal care and nutritional products and pharmaceutical companies, many of which have longer operating histories and greater name recognition and financial resources than we do. We compete in these markets by emphasizing the innovation, value and premium quality of our products and the convenience of our distribution system.

EMPLOYEES

As of December 31, 2014, we had approximately 5,000 full- and part-time employees worldwide. This does not include approximately 19,350 sales employees in our Mainland China operations. Although we have statutory employee representation obligations in certain countries, our employees are generally not represented by labor unions except where expressly required by law. We believe that our relationship with our employees is good, and we do not foresee a shortage in qualified personnel necessary to operate our business.

AVAILABLE INFORMATION

Our website address is www.nuskinenterprises.com. We make available free of charge on the Investor Relations portion of our website, ir.nuskin.com, our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 as soon as reasonably practicable after we electronically file such material with, or furnish it to, the Securities and Exchange Commission.

EXECUTIVE OFFICERS OF THE REGISTRANT

Our executive officers as of January 31, 2015, are as follows:

Name	Age	Position
Steven J. Lund	61	Executive Chairman of the Board
M. Truman Hunt	55	President and Chief Executive Officer
Ritch N. Wood	49	Chief Financial Officer
Joseph Y. Chang	62	Chief Scientific Officer and Executive Vice President, Product Development
Daniel R. Chard	50	President, Global Sales and Operations
D. Matthew Dorny	50	General Counsel and Secretary
Scott E. Schwerdt	57	President, Americas Region

Steven J. Lund has served as Executive Chairman of our board of directors since May 2012. Mr. Lund previously served as Vice Chairman of our board of directors from September 2006 to May 2012 and as President, Chief Executive Officer and a member of our board of directors from 1996, when we went public, until 2003. Mr. Lund was a founding stockholder of our company. Mr. Lund is a trustee of the Nu Skin Force for Good Foundation, a charitable organization established in 1996 by our company to help encourage and drive the philanthropic efforts of our company and its sales force and employees to enrich the lives of others. Mr. Lund worked as an attorney in private practice prior to joining our company as Vice President and General Counsel. He received a B.A. degree from Brigham Young University and a J.D. degree from Brigham Young University's J. Reuben Clark Law School.

M. Truman Hunt has served as our President and Chief Executive Officer since 2003. He also joined our board of directors when he was named Chief Executive Officer. Mr. Hunt has served in various positions with our company since 1994, including Executive Vice President from 2001 to 2003 and General Counsel from 1996 to 2003. From 2005 until 2008, Mr. Hunt served as Chairman of the World Federation of Direct Selling Associations, a global trade association for the direct selling industry. Mr. Hunt has served as vice-chairman of the United States Direct Selling Association since 2012. He received a B.S. degree from Brigham Young University and a J.D. degree from the University of Utah.

Ritch N. Wood has served as our Chief Financial Officer since November 2002. Prior to this appointment, Mr. Wood served as Vice President, Finance from July 2002 to November 2002 and Vice President, New Market Development from June 2001 to July 2002. Mr. Wood joined our company in 1993 and has served in various capacities. Prior to joining us, he worked for the accounting firm of Grant Thornton LLP. Mr. Wood earned a B.S. and a Master of Accountancy degrees from Brigham Young University.

Joseph Y. Chang has served as our Chief Scientific Officer and Executive Vice President of Product Development since February 2006. Dr. Chang served as President of our Pharmanex division from April 2000 to February 2006. Dr. Chang served as Vice President of Clinical Studies and Pharmacology of Pharmanex from 1997 until April 2000. Dr. Chang has nearly 35 years of pharmaceutical experience. He received a B.S. degree from Portsmouth University and a Ph.D. degree from the University of London.

Daniel R. Chard has served as President of Global Sales and Operations since May 2009. Prior to serving in this position, Mr. Chard served as Executive Vice President of Distributor Success from February 2006 to May 2009 and President of Nu Skin Europe from April 2004 to February 2006. Mr. Chard served in various other capacities in our company from 1998 to 2004. Prior to joining us, Mr. Chard worked in a variety of strategic marketing positions in the consumer products industry. Mr. Chard holds a B.A. degree in Economics from Brigham Young University and an M.B.A. from the University of Minnesota.

D. Matthew Dorny has served as our General Counsel and Secretary since January 2003. Mr. Dorny previously served as Assistant General Counsel from May 1998 to January 2003. Prior to joining us, Mr. Dorny was a securities and business attorney in private practice in Salt Lake City, Utah. Mr. Dorny received B.A., M.B.A. and J.D. degrees from the University of Utah.

Scott E. Schwerdt has served as President, Americas Region, since June 2011. Mr. Schwerdt served as the President of the Americas, Europe and Pacific from February 2006 to June 2011 and as Regional Vice President of North America and President of Nu Skin Enterprises United States, Inc. from May 2004 to February 2006. Mr. Schwerdt previously served as the General Manager of our U.S. operations from May 2001 to May 2004. Mr. Schwerdt joined our company in 1988 and has held various positions, including Vice President of North America/South Pacific Operations and Vice President of Europe. Mr. Schwerdt received a B.A. degree in International Relations from Brigham Young University.

ITEM 1A. RISK FACTORS

We face a number of substantial risks. Our business, financial condition or results of operations could be harmed by any of these risks. The trading price of our common stock could decline due to any of these risks, which should be considered together with the other items in this Annual Report on Form 10-K, including Item 1. "Business" and Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operation."

We may face difficulties in re-engaging and growing our sales force in Mainland China after our suspension of recruiting activities in the first half of 2014.

In January 2014, we announced that in light of a government review in Mainland China we were temporarily suspending all business promotional meetings as well as acceptance of applications for new sales representatives in that market. This suspension was not lifted until May 2014, following completion of this government review in March 2014. Largely as a result of this suspension, our Sales Leaders in Mainland China decreased significantly during 2014, from approximately 49,000 as of December 31, 2013 to approximately 17,000 as of September 30, 2014. It is unclear what long-term impact this suspension and negative publicity associated with these matters will have on our operations in Mainland China and other markets. Our business is highly dependent on the continual recruitment of new individuals attracted to our earnings opportunity in Mainland China and elsewhere and on momentum in our sales and expansion created by recruiting. Although our business in Mainland China showed signs of stabilization during the second half of 2014 as sales were relatively even from the second to the fourth quarter of the year, we have not previously undertaken such a lengthy suspension of business meetings and acceptance of applications for new sales representatives, and there is uncertainty regarding the full impact the voluntary actions we took during the first part of 2014 could have on our sales force and business going forward. Any significant or prolonged difficulties in re-engaging our sales force could adversely affect our sales and results of operations.

We are currently being sued in a purported class action lawsuit and a derivative claim relating to negative media and regulatory scrutiny of our business in Mainland China and the associated decline in our stock price.

We have been named as a defendant in a purported class action complaint relating to negative media and regulatory scrutiny of our business in Mainland China. We have also been named as a nominal defendant in a shareholder derivative suit relating to the same issues. These complaints purport to assert claims on behalf of certain of our stockholders or the Company and allege that we made materially false and misleading statements regarding our sales operations in, and financial results derived from, our Mainland China business. These complaints also allege that we engaged in multi-level marketing activities in Mainland China in violation of local law. These complaints seek substantial monetary damages or make claims for indeterminate amounts of damages. These complaints, or others filed alleging similar facts, could result in monetary or other penalties that may affect our operating results and financial condition. Moreover, the negative publicity stemming from these complaints and the allegations they make could harm our business and operations. Accordingly, any adverse determination against us in these suits, or even the allegations contained in the suits regardless of whether they are ultimately found to be without merit, could harm our business, operations and financial condition.

Currency exchange rate fluctuations could impact our financial results.

In 2014, approximately 91% of our sales occurred in markets outside of the United States in each market's respective local currency. We purchase inventory primarily in the United States in U.S. dollars. In preparing our financial statements, we translate revenue and expenses in our markets outside the United States from their local currencies into U.S. dollars using weighted average exchange rates. If the U.S. dollar strengthens relative to local currencies, our reported revenue, gross profit and net income will likely be reduced. For example, foreign currency fluctuations negatively impacted reported revenue by approximately 3% in both 2014 compared to 2013 and 2013 compared to 2012. Foreign currency fluctuations can also result in losses and gains resulting from translation of foreign currency denominated balances on our balance sheet. Although we may engage in transactions intended to reduce our exposure to foreign currency fluctuations, there can be no assurance that these transactions will be effective. Given the complex global political and economic dynamics that affect exchange rate fluctuations, it is difficult to predict future fluctuations and the effect these fluctuations may have upon future reported results or our overall financial condition.

Difficult economic conditions could harm our business.

Global economic conditions continue to be challenging. Even with continued growth in many of our markets, difficult economic conditions could adversely affect our business in the future by causing a decline in demand for our products, particularly if the economic conditions are prolonged or worsen. In addition, such economic conditions may adversely impact access to capital for us and our suppliers, may decrease the ability of our sales force and consumers to obtain or maintain credit cards, and may otherwise adversely impact our operations and overall financial condition.

Improper sales force actions that violate laws or regulations could harm our business.

Sales force activities that violate applicable laws or regulations could result in government or third party actions against us, which could harm our business.

For example, allegations were made by various media outlets that certain of our sales representatives in Mainland China failed to adequately follow and enforce our policies and regulations. In response to these allegations, our Audit Committee commenced an internal review and Chinese regulators commenced a review of our business in Mainland China. For a further description of these matters, see "–Negative news reports in Mainland China led to a review by Chinese regulators into our business in Mainland China and caused us to temporarily modify some of our business practices in that market and resulted in fines and other monetary penalties. These temporary modifications, any further sanctions imposed on us by the Chinese authorities and any associated adverse publicity may harm our business and financial condition."

In addition, the direct selling industry in Japan continues to experience regulatory and media scrutiny. For example, other direct selling companies have been suspended from sponsoring activities in the past. Over the last few years, we have received warnings from regulatory agencies in certain prefectures about the number of general inquiries and complaints about us and our distributors. While we have taken steps to strengthen distributor compliance, education and training efforts in Japan, we cannot be certain that such efforts will be successful. As a result, the government could take action against us, including fines, suspensions or other sanctions, or the company and the direct selling industry could receive further negative media attention, all of which could harm our business. Approximately 12% of our 2014 revenue was generated in Japan.

Except in Mainland China, members of our sales force are not employees and act independently of us. The most significant area of risk for such activities relates to improper product claims and claims regarding the business opportunity of joining our sales force. We implement strict policies and procedures to ensure our sales force complies with legal requirements. However, given the size of our sales force, we experience problems from time to time. For example, product claims made by some of our sales force in 1990 and 1991 led to a United States Federal Trade Commission ("FTC") investigation that resulted in our entering into a consent decree with the FTC and various state regulatory agencies. In addition, rulings by the South Korean Federal Trade Commission and by judicial authorities against us and other companies in South Korea indicate that vicarious liability may be imposed on us for the criminal activity of our sales force. We have also seen an increase in the use of social media by our sales force, and an increase in sales aids and promotional material produced by our sales force in some markets, increasing the burden on us to monitor compliance of such materials, and increasing the risk that such materials could contain problematic product or marketing claims in violation of our policies and applicable regulations. As we expand internationally, our sales force often attempts to anticipate which markets we will open in the future and begin marketing and sponsoring activities in markets where we are not qualified to conduct business. We could face fines, suspensions or other legal action if our sales force violates applicable laws and regulations.

If we are unable to retain our existing sales force and recruit additional people to join our sales force, our revenue will not increase and may even decline.

Our products are primarily marketed by our sales force and we depend on them to generate virtually all of our revenue. Our sales force may terminate their services at any time, and, like most direct selling companies, we experience relatively high turnover among our sales force from year to year. People who join our company to purchase our products for personal consumption or for short-term income goals frequently only stay with us for a short time. Sales Leaders who have committed time and effort to build a sales organization will generally stay for longer periods. Our sales force has highly variable levels of training, skills and capabilities. To increase our revenue, we must increase the number of and/or the productivity of our sales force.

We have experienced periodic declines in both Sales Leaders and Actives in the past and could experience such declines again in the future. If our initiatives do not drive growth in both our Sales Leaders and Actives, our operating results could be harmed. While we take many steps to help train, motivate and retain our sales force, we cannot accurately predict how the number and productivity of our sales force may fluctuate because we rely primarily upon our Sales Leaders to find new consumers, and to find, train and develop new Sales Leaders. Our operating results could be harmed if we, and our Sales Leaders, do not generate sufficient interest in our business and its products to retain and motivate our existing sales force and attract new people to join our sales force.

The number and productivity of our sales force could be harmed by several additional factors, including:

- any adverse publicity regarding us, our products, our distribution channel, or our competitors;
- lack of interest in, dissatisfaction with, or the technical failure of, existing or new products;
- lack of a compelling product or income opportunity that generates interest;

- any negative public perception of our products and their ingredients;
- any negative public perception of our sales force and direct selling businesses in general;
- our actions to enforce our policies and procedures;
- any regulatory actions or charges against us or others in our industry;
- general economic and business conditions; and
- potential saturation or maturity levels in a given country or market which could negatively impact our ability to attract and retain our sales force in such market.

Our operations in Mainland China are subject to significant government scrutiny, and we could be subject to fines or other penalties.

Our operations in Mainland China are subject to significant regulatory scrutiny. The legal system in Mainland China provides government authorities broad latitude to conduct investigations and many Chinese regulations, including those governing our business, are subject to significant interpretation, which may vary from jurisdiction to jurisdiction. Because of significant government concerns in Mainland China regarding improper direct selling activities, government regulators closely scrutinize activities of direct selling companies and activities that resemble direct selling. The government in Mainland China continues to inspect and interview the direct selling industry on a regular basis, which has and may continue to increase regulatory scrutiny of the industry and our business. Government regulators frequently make inquiries into our business activities and investigate complaints from consumers and others regarding our business. Some of these inquiries and investigations in the past have resulted in the payment of fines by us or members of our sales force, interruption of sales activities at stores and warnings. We continuously face the risk of new regulatory inquiries and investigations, and any determination that our operations or activities, or the activities of our sales employees, independent direct sellers or independent marketers, are not in compliance with applicable regulations could result in substantial fines, extended interruptions of business, and termination of necessary licenses and permits, including our direct selling and other licenses, all of which could harm our business.

We work diligently to train our sales force in Mainland China on how our Mainland China business model differs from our global business model. However, Sales Leaders in Mainland China may attend regional and global events and foreign Sales Leaders may participate in business meetings in Mainland China. Because our global model varies significantly from our Mainland China business model, mistakes may be made as to how those working in Mainland China should promote the business in Mainland China. These mistakes by our sales force may lead to government reviews and investigations of our operations in Mainland China. For example, as a result of allegations that, among other things, certain of our sales force in Mainland China failed to adequately follow and enforce our policies and regulations, in 2014 Chinese regulators commenced a review of our business model and operations in Mainland China. For a further description of these matters, see "– Negative news reports in Mainland China led to a review by Chinese regulators into our business in Mainland China and caused us to temporarily modify some of our business practices in that market and resulted in fines and other monetary penalties. These temporary modifications, any further sanctions imposed on us by the Chinese authorities and any associated adverse publicity may harm our business and financial condition."

Negative news reports in Mainland China led to a review by Chinese regulators into our business in Mainland China and caused us to temporarily modify some of our business practices in that market and resulted in fines and other monetary penalties. These temporary modifications, any further sanctions imposed on us by the Chinese authorities and any associated adverse publicity may continue to harm our business and financial condition.

In January 2014, a series of articles were published by prominent media outlets in Mainland China. These articles contained a number of allegations including that our compensation practices violated Chinese laws against pyramid and multi-level sales organizations, that our recruiting and training techniques were unlawful or inappropriate, that some of our products were not licensed for sale in Mainland China, that certain of our products were causing adverse reactions in some users and that our employees had taken actions to "hush up" these problems, that certain of our sales force had misrepresented the scientific efficacy of our products and the nature and extent of our connections with the scientific advisors who have helped in developing or testing our products and that certain of our sales people have falsely claimed endorsement of our products by public figures, media outlets and organizations.

Under the direction of Mainland China's State Administration for Industry and Commerce, the Shanghai Administration for Industry and Commerce, where our Mainland China business is headquartered, and the Beijing Administration for Industry and Commerce, where we maintain a branch office, investigated the allegations. Administrations for Industry and Commerce in other provinces also made inquiries regarding these allegations. As a result of this regulatory review, Nu Skin China was fined in March 2014 in the amount of $524,000 (RMB 3.3 million) for the sale of certain products by independent direct sellers that, while permitted for sale in Nu Skin China's retail stores, were not registered for the direct selling channel. Nu Skin China was also fined $16,000 (RMB 0.1 million) for product claims that were deemed to lack sufficient documentary support. Fines in an aggregate amount of $241,000 (RMB 1.5 million) were also imposed for unauthorized promotional activities by six of our sales employees. In addition, Nu Skin China was asked to enhance the education and supervision of its sales representatives.

In January 2014, in response to this media and regulatory scrutiny, we voluntarily took a number of actions in Mainland China, including temporarily suspending our business promotional meetings, temporarily suspending acceptance of applications for new sales representatives, and extending our product refund and return policies. Following completion of this government review, in May 2014 we resumed business meetings and acceptance of applications for new sales representatives in Mainland China. Adverse publicity and the suspension of business promotional meetings and acceptance of applications have had a significant negative impact on our revenue and number of Sales Leaders and Actives. We continue to act cautiously to properly educate and train our sales force. We may encounter unanticipated complications or other difficulties in rebuilding our business in Mainland China, which could further impact our business negatively. Continuing media and regulatory scrutiny and investigations in Mainland China, and any further actions taken by us or by regulators, could negatively impact our revenue, sales force and business in this market, including the interruption of sales activities, loss of licenses, and the imposition of fines, and any other adverse actions or events.

If direct selling regulations in Mainland China are modified, interpreted or enforced in a manner that results in negative changes to our business model or the imposition of a range of potential penalties, our business would be significantly negatively impacted.

The government of Mainland China has adopted direct selling and anti-pyramiding regulations that impose significant restrictions and limitations on the way we do business. Most notably, the regulations include a restriction on the use of multi-level compensation, which is the basis of how we compensate our sales force outside of Mainland China. We have structured our business model in Mainland China based on several factors: the guidance we have received from government officials, our interpretation of applicable regulations, our understanding of the practices of other international direct selling companies operating in Mainland China, and our understanding as to how regulators are interpreting and enforcing the regulations. In Mainland China, we utilize sales employees to sell products through our retail stores and website, and independent direct sellers who can also sell products away from our stores where we have obtained direct selling licenses. We have implemented a new distribution structure by adding independent marketers in certain areas. Independent marketers are licensed business owners who are authorized to sell our products either at their own approved premises or through our stores. We generally compensate our Sales Leaders at a level that is competitive with other direct selling companies in the market and reflective of the compensation of our Sales Leaders globally. The nature of the political, regulatory and legal systems in Mainland China gives regulatory agencies at both the local and central levels of government broad discretion to interpret and enforce regulations as they deem appropriate to promote social order. We face a risk that regulators may change the way in which they currently interpret and enforce the direct selling regulations.

As described above, Chinese regulators have reviewed issues raised by news reports relating to our business model and operations in Mainland China. For a further description of these matters, see "–Negative news reports in Mainland China led to a review by Chinese regulators into our business in Mainland China and caused us to temporarily modify some of our business practices in that market and resulted in fines and other monetary penalties. These temporary modifications, any further sanctions imposed on us by the Chinese authorities and any associated adverse publicity may harm our business and financial condition." If our business practices are found to be in violation of applicable regulations as they may be interpreted or enforced, in particular our use of the sales productivity of a Sales Leader and the sales representatives that such Sales Leader leads and supervises in setting his/her salary on a quarterly basis, then we could be sanctioned and/or required to change our business model, either of which could significantly harm our business.

Our ability to expand our business in Mainland China could be negatively impacted if we are unable to obtain additional necessary national and local government approvals in Mainland China.

We have obtained direct selling licenses in 19 provinces and municipalities in Mainland China. In order to expand our direct selling model into additional provinces, we currently must obtain a series of approvals from district, city, provincial and national government agencies with respect to each province in which we wish to expand. The process for obtaining the necessary government approvals to conduct direct selling continues to evolve and is lengthy, as we are required to work with a large number of provincial, city, district and national government authorities. The complexity of the approval process as well as the government's continued cautious approach as direct selling develops in Mainland China makes it difficult to predict the timeline for obtaining these approvals. Furthermore, any media or regulatory scrutiny of our business in Mainland China could increase the time and difficulty we may face in obtaining additional licenses. If media or regulatory scrutiny of our business in Mainland China results in significant delays in obtaining licenses elsewhere in Mainland China, or if the current processes for obtaining approvals are delayed further for any reason or are changed or interpreted differently than currently understood, our ability to receive direct selling licenses in Mainland China and our growth prospects in this market, could be negatively impacted.

If we are not able to register products for sale in Mainland China, our business could be harmed.

We face lengthy timelines with respect to product registrations in Mainland China. The process for obtaining product permits and licenses may require extended periods of time that may prevent us from launching new product initiatives in Mainland China on the same timelines as other markets around the world. For example, products marketed in Mainland China as "health foods" are subject to extensive laboratory and clinical analysis by government authorities, and the product registration process in Mainland China generally takes one to two years, but may be substantially longer. We market both "health foods" and "general foods" in Mainland China. There is some risk associated with the common practice in Mainland China of marketing a product as a "general food" while seeking "health food" classification. If government officials feel the categorization of our products is inconsistent with product claims, ingredients or function, this could end or limit our ability to market such products in Mainland China in their current form.

As we expand our direct selling channel, we face additional product marketing restrictions, compared to our retail store channel. Under applicable direct selling laws in Mainland China, we can only register our own manufactured products for direct selling and we are not permitted to market or sell "general foods" through our direct sales channel. Some products, such as our *Galvanic Spa* system, have traditionally been manufactured by third parties. If we cannot successfully implement our own manufacturing of these products, we will not be able to sell these products through the direct sales channel. Any efforts by our independent direct sellers to market and sell general food products or third-party manufactured products we currently sell through our retail stores could result in negative publicity, fines and other government sanctions being imposed against us.

Our business could be negatively impacted if we fail to execute our product launch process due to difficulty in forecasting or increased pressure on our supply chain, information systems and management.

Although our product launch process may vary by market, we generally introduce new key products to our sales force and consumers in all markets where the products are registered, through limited-time offers. The limited-time offers typically generate significant activity and a high level of purchasing, which may result in a higher than normal increase in revenue during the quarter of the limited-time offer and skew year-over-year and sequential comparisons. We may experience difficulty effectively managing growth associated with these limited-time offers and may face increased risk of improper sales force activities and related government scrutiny. In addition, the size and condensed schedule of these product launches increases pressure on our supply chain. If we are unable to accurately forecast sales levels in each market, obtain sufficient ingredients or produce a sufficient supply to meet demand, we may incur higher expedited shipping costs and we may temporarily run out of stock of certain products, which could negatively impact the enthusiasm of our sales force and consumers. Conversely, if demand does not meet our expectations for a product launch or if we change our planned initiatives or launch strategies, we could incur inventory write-downs. For example, heightened media and regulatory scrutiny in Mainland China in the first part of 2014 and the voluntary actions we took in response to such scrutiny had a negative impact on the size of our limited-time offer in June 2014, which significantly reduced our expectations for a subsequent limited-time offer. This resulted in a $50 million write-down of estimated surplus inventory primarily in Mainland China during the second quarter of 2014. Any additional write-down of inventory in Mainland China or any of our other markets would negatively impact our gross margins. In addition, our order processing systems could have difficulties handling the high volume of orders generated by limited-time offers. Although our previous limited-time offers have not materially affected our product return rate, these events may increase our product return rate in the future.

If our facial spa, *ageLOC Body Spa* or *Pharmanex BioPhotonic Scanner* are determined to be medical devices in a particular geographic market or if our sales force uses these products for medical purposes or makes improper medical claims, our ability to continue to market and distribute such tools could be harmed.

One of our strategies is to market unique and innovative products and tools that allow our sales force to distinguish our products, including our facial spa, *ageLOC Body Spa* or *Pharmanex BioPhotonic Scanner*. Any determination by regulatory authorities in our markets that these products must receive clearance or be registered as medical devices could restrict our ability to import or sell the product in such market until registration is obtained. While we have not been required to register our facial spa, *ageLOC Body Spa* or *Pharmanex BioPhotonic Scanner* as medical devices in most of our markets, we have registered our facial spa as a medical device in Indonesia, Thailand and Colombia. In addition, we have received clearance from the United States Food and Drug Administration to market a facial spa device for over-the-counter use. There have been legislative proposals in Singapore and Malaysia relating to the regulation of medical devices that could affect the way we market our facial spa, *ageLOC Body Spa* and *Pharmanex BioPhotonic Scanner* in these countries. In addition, if our sales force is making medical claims regarding our products or using our products to perform medical diagnoses or other activities limited to licensed professionals or approved medical devices, it could negatively impact our ability to market or sell these products.

Where necessary, obtaining medical device registrations and clearances could require us to provide documentation concerning product manufacturing and clinical utility, to make design, specification and manufacturing process modifications to meet standards imposed on medical device companies, and to modify our marketing claims regarding the registered product. While we successfully obtained clearance to market a facial spa device for over-the-counter use in the United States, and registered a facial spa unit as a medical device in Indonesia, Thailand and Colombia, because medical device regulations vary widely from country to country, there can be no assurance we will not face challenges or delays in obtaining clearance in other markets, or that we will be able to make any required modifications or provide documentation necessary to obtain clearance. If we obtain such medical device clearance in order to sell a product in one market, such clearance may be used as precedent for requiring similar approval for the product in another market, or for similar products in the same market. These additional requirements could increase the cost associated with manufacturing and selling these products as non-medical devices in such markets.

Laws and regulations may prohibit or severely restrict direct selling and cause our revenue and profitability to decline, and regulators could adopt new regulations that harm our business.

Various government agencies throughout the world regulate direct sales practices. Laws and regulations in Japan, South Korea and Mainland China are particularly stringent and subject to broad discretion in enforcement by regulators. These laws and regulations are generally intended to prevent fraudulent or deceptive schemes, often referred to as "pyramid" schemes, that compensate participants primarily for recruiting additional participants without significant emphasis on product sales to consumers. The laws and regulations in our current markets often:

- impose order cancellations, product returns, inventory buy-backs and cooling-off rights for our sales force and consumers;
- require us, or our sales force, to register with government agencies;
- impose limits on the amount of sales compensation we can pay;
- impose reporting requirements; and
- require that we ensure, among other things, that our sales force maintain levels of product sales to qualify to receive commissions and that our sales force is compensated for selling products and not for recruiting others.

Complying with these widely varying and sometimes inconsistent rules and regulations can be difficult, time-consuming and expensive, and may require significant resources. The laws and regulations governing direct selling are modified from time to time, and, like other direct selling companies, we are subject from time to time to government investigations in our various markets related to our direct selling activities. This can require us to make changes to our business model and aspects of our sales compensation plan in the markets impacted by such changes and investigations. In addition, countries where we currently do business could change their laws or regulations to prohibit direct selling. If we are unable to continue business in existing markets or commence operations in new markets because of these laws, our revenue and profitability may decline.

Limits on the amount of sales compensation we pay could inhibit our ability to attract and retain our sales force, negatively impact our revenue and cause regulatory risks.

Several countries, including China, South Korea, Indonesia and Vietnam, impose limits on the amount of sales compensation we can pay to our sales force. For example, under regulations published by the Chinese government, direct selling companies may pay independent direct sellers in China up to a maximum 30% of the revenue they generate through their own sales of products to consumers. South Korea imposes a 35% maximum. These limits may create a disincentive for people to join our sales force and may reduce our ability to differentiate ourselves from our competitors in attracting and retaining our sales force.

In addition, we have been required to modify our sales compensation plan in certain countries, including South Korea, from time to time to remain in compliance with applicable sales compensation limits. Because sales compensation, as a percentage of revenue, can fluctuate as sales force productivity fluctuates, we may be required to make further changes to stay within applicable sales compensation limits or may be at risk of exceeding them. In addition, which revenues and expenses are within the scope of these regulations is not always clear, and interpretation and enforcement of these laws are subject to change, which could require us to make further changes or result in non-compliance with these regulations. Any failure to keep sales compensation within the limits in China, South Korea, Indonesia, Vietnam or any other country that imposes a sales compensation limit could result in fines or other sanctions, including suspensions.

Challenges to the form of our network marketing system could harm our business.

We may be subject to challenges by government regulators regarding the form of our network marketing system. Legal and regulatory requirements concerning the direct-selling industry generally do not include "bright line" rules and are inherently fact-based and subject to interpretation. As a result, regulators and courts have discretion in their application of these laws and regulations, and the enforcement or interpretation of these laws and regulations by government agencies or courts can change. We are aware of ongoing investigations against other companies in the direct selling industry. An adverse ruling in these investigations could impact our business if direct selling laws or anti-pyramid laws are interpreted more narrowly or in a manner that results in additional burdens or restrictions on direct selling companies. We could also be subject to challenges by private parties in civil actions. We are aware of recent civil actions against some of our competitors in the United States, which have and may in the future result in significant settlements. Allegations by short sellers directed at us and our competitors regarding the legality of multi-level marketing in various markets have also created intense public scrutiny of us and our industry. Our business has also been subject to such formal and informal inquiries from various government regulatory authorities in the past regarding our business and our compliance with local laws and regulations. All of these actions and any future government scrutiny of us or our industry could generate negative publicity or further regulatory actions that could result in fines, restrict our ability to conduct our business in our various markets, enter into new markets, motivate our sales force and attract consumers.

Government regulations and private party actions relating to the marketing and advertising of our products and services may restrict, inhibit or delay our ability to sell our products and harm our business.

Government authorities regulate advertising and product claims regarding the efficacy and benefits of our products. These regulatory authorities typically require adequate and reliable scientific substantiation to support any marketing claims. What constitutes such reliable scientific substantiation can vary widely from market to market and there is no assurance that the research and development efforts that we undertake to support our claims will be deemed adequate for any particular product or claim. If we are unable to show adequate and reliable scientific substantiation for our product claims, or our marketing materials or the marketing materials of our sales force make claims that exceed the scope of allowed claims for dietary supplements, cosmetics or tools that we offer, the FDA or other regulatory authorities could take enforcement action requiring us to revise our marketing materials, amend our claims or stop selling certain products, which could harm our business.

For example, in 2012, the FDA issued warning letters to several cosmetic companies alleging improper structure/function claims regarding their cosmetic products, including, for example, product claims regarding gene activity, cellular rejuvenation, and rebuilding collagen. There is a degree of subjectivity in determining whether a claim is an improper structure/function claim. Given this subjectivity and our research and development focus on the sources of aging and the influence of certain ingredients on gene expression, there is a risk that we could receive a warning letter, be required to modify our product claims or take other actions to satisfy the FDA if the FDA determines any of our marketing materials include improper structure/function claims for our cosmetic products. In addition, plaintiffs' lawyers have filed class action lawsuits against some of our competitors after our competitors received these FDA warning letters. There can be no assurance that we will not be subject to government actions or class action lawsuits, which could harm our business.

In 2009 in the United States, the FTC approved revisions to its Guides Concerning the Use of Endorsements and Testimonials in Advertising ("Guides") that require disclosure of material connections between an endorser and the company they are endorsing and generally do not allow marketing using atypical results. Our sales force has historically used testimonials and "before and after" photos to market and sell some of our popular products such as our *ageLOC Galvanic Spa* systems and *ageLOC Transformation* anti-aging skin care system. We intend to continue to use testimonials for our popular products, including weight management products. In highly regulated and scrutinized product categories such as weight management, if we or our sales force fails to comply with the Guides or make improper product claims, the FTC could bring an enforcement action against us and we could be fined and/or forced to alter our marketing materials.

Regulations governing the registration or pre-approval of our products could harm our business.

Our products are subject to numerous domestic and foreign government agencies' and authorities' laws and extensive regulations governing the ingredients and products that may be marketed without pre-market approval and/or registration as a drug. Many of these laws and regulations involve a high level of subjectivity, are inherently fact-based and subject to interpretation, and vary significantly from market to market. These laws and regulations can also limit the claims we can make regarding our products and often restrict our ability to introduce products or ingredients into one or more markets.

At times these laws and regulations may delay or prevent us altogether from launching a product in a market, require us to reformulate a product or limit or amend the claims made regarding a product. If these laws and regulations further restrict, inhibit or delay our ability to introduce or market our products or limit the claims we are able to make regarding our products, our business may be harmed.

For example, in the United States some legislators and industry critics have pushed for years to increase regulatory authority by the FDA over nutritional supplements. In 2011, the FDA proposed draft guidance to clarify the FDA's interpretation of the dietary ingredient notification requirements. This draft guidance is not final yet but appears to indicate that the FDA is expanding its definition of what is considered a "new dietary ingredient" in the United States. The industry is providing comments and working with the FDA to modify this guidance. If enacted in final form as proposed, however, this guidance could impose new and significant regulatory barriers for our nutritional supplement products or unique ingredients, which could delay or inhibit our ability to formulate, introduce and sell nutritional supplements as we have in the past.

We face similar pressures in our other markets, including Europe, which is expected to adopt additional regulations setting new limits on acceptable maximum levels of vitamins and minerals. In Europe, for example, we are unable to market supplements that contain ingredients that were not marketed in Europe prior to May 1997 ("novel foods") without going through an extensive registration and pre-market approval process.

Such regulations in any given market can also limit our ability to import products and can delay product launches as we go through the registration and approval process for those products. Furthermore, if we fail to comply with these regulations, we could face enforcement action, and we could be fined or forced to alter or stop selling our products.

New regulations governing the introduction, marketing and sale of our products to consumers could harm our business.

Our operations could be harmed if new laws or regulations are enacted that restrict our ability to market or distribute our products or impose additional burdens or requirements on us in order to continue selling our products. We have observed a general increase in regulatory activity and activism in the United States and across many markets globally where we operate and the regulatory landscape is becoming more complex with increasingly strict requirements. If this trend continues, we may find it necessary to alter some of the ways we have traditionally marketed our products in order to stay in compliance with a changing regulatory landscape and this could add to the costs of our operations and/or have an adverse impact on our business.

Our operations could be harmed if we are found not to be in compliance with Good Manufacturing Practices.

In the United States, FDA regulations on Good Manufacturing Practices and Adverse Event Reporting requirements for the nutritional supplement industry require us and our vendors to maintain good manufacturing processes, including stringent vendor qualifications, ingredient identification, manufacturing controls and record keeping. The ingredient identification requirement, which requires us to confirm the levels, identity and potency of ingredients listed on our product labels within a narrow range, is particularly burdensome and difficult for us with respect to our product formulations, which contain many different ingredients. We are also required to report serious adverse events associated with consumer use of our products. Our operations could be harmed if regulatory authorities make determinations that we, or our vendors, are not in compliance with these regulations or public reporting of adverse events harms our reputation for quality and safety. A finding of noncompliance may result in administrative warnings, penalties or actions impacting our ability to continue selling certain products. In addition, compliance with these regulations has increased and may further increase the cost of manufacturing certain of our products as we work with our vendors to assure they are qualified and in compliance.

The loss of suppliers or shortages in ingredients could harm our business.

We acquire ingredients and products from third-party suppliers and manufacturers. A loss of any of these suppliers and any difficulties in finding or transitioning to alternative suppliers could harm our business. In addition, we obtain some of our products, including our *ageLOC Galvanic Spa* systems and *Tru Face Essence* products from sole suppliers that own or control the product formulations, ingredients or other intellectual property rights associated with such products. We also license the right to distribute some of our products from third parties. In the event we are unable to renew these contracts, we may need to discontinue some products or develop substitute products, which could harm our revenue. In addition, if we experience supply shortages or regulatory impediments with respect to the raw materials and ingredients we use in our products, we may need to seek alternative supplies or suppliers and may experience difficulties in finding ingredients that are comparable in quality and price. Some of our nutritional products, including *g3* juice, incorporate natural products that are only harvested once a year and may have limited supplies. If demand exceeds forecasts, we may have difficulties in obtaining additional supplies to meet the excess demand until the next growing season. If we are unable to successfully respond to such issues, our business could be harmed.

Product diversion to certain markets, including Mainland China, may have a negative impact on our business.

From time to time, we see our products being sold through online or other distribution channels in certain markets. Although we have taken steps to try to control this activity, particularly for products sold in Mainland China, product diversion continues to be a challenge. Product diversion causes confusion regarding our distribution channels and negatively impacts the ability of our sales force to sell our products. It also creates a negative impression regarding the viability of the business opportunity for our sales force, which can harm our ability to recruit new people to join our sales force. Product diversion schemes may also involve illegal importation, investment or other activities. If we are unable to effectively address this issue or if diversion increases, our business could be harmed.

Changes to our sales compensation plans could be viewed negatively by some of our sales force, could fail to achieve desired long-term results and have a negative impact on revenue.

Our sales compensation plans include some components that differ from market to market. We modify components of our sales compensation plans from time to time to keep our sales compensation plans competitive and attractive to our existing sales force and people interested in joining our sales force, to address changing market dynamics, to provide incentives to our sales force that we believe will help grow our business, to conform to local regulations and to address other business needs. Because of the size of our sales force and the complexity of our sales compensation plans, it is difficult to predict how such changes will be viewed by our sales force and whether such changes will achieve their desired results. For example, certain changes we made to our sales compensation plan in the past, which were successful in several markets, did not achieve anticipated results in certain other markets and negatively impacted our business.

In addition, we have been required to modify our compensation plan in certain countries, including South Korea, from time to time to remain in compliance with applicable commission limits. Changes to reduce commission payout have had a negative impact on the sales force in the past and could in the future.

Production difficulties, quality control problems and inaccurate forecasting could harm our business.

Production difficulties and quality control problems and our reliance on third party suppliers to deliver quality products in a timely manner could harm our business. Occasionally, we have experienced production difficulties with respect to our products, including the import or export of ingredients and delivery of products that do not meet our specifications and quality control standards. These quality problems have in the past, and could in the future, result in stock outages or shortages in our markets with respect to such products, harming our sales and creating inventory write-downs for unusable products.

Adverse publicity concerning our business, marketing plan, products or people could harm our business and reputation.

Growth in our sales force and consumers and our results of operations can be particularly impacted by adverse publicity regarding us, the nature of our direct selling business models, our products or the actions of our sales force and employees. Given the nature of our operations and our continuous need to recruit and retain consumers and members of our sales force, we are particularly vulnerable to adverse publicity. Specifically, we are susceptible to adverse publicity concerning:

- suspicions about the legality and ethics of network marketing;
- continued media or regulatory scrutiny regarding our business in Mainland China;
- recent government fines in Mainland China;
- the safety or effectiveness of ingredients in our or our competitors' products;
- regulatory investigations of us, our competitors and our respective products;
- the actions of our current or former members of our sales force and employees; and
- public perceptions of the direct selling industry or the nutritional or personal care industry generally.

In addition, in the past we have experienced negative publicity that has harmed our business in connection with regulatory investigations and inquiries. Critics of our industry, short sellers and other individuals who want to pursue an agenda have in the past and may in the future utilize the Internet, the press and other means to publish criticisms of the industry, our company and our competitors, or make allegations regarding our business and operations, or the business and operations of our competitors. We or others in our industry may receive similar negative publicity or allegations in the future, and it may harm our business and reputation.

Non-compliance with anti-corruption laws could harm our business.

Our international operations are subject to anti-corruption laws, including the Foreign Corrupt Practices Act (the "FCPA"). Any allegations that we are not in compliance with anti-corruption laws may require us to dedicate time and resources to an internal investigation of the allegations or may result in a government investigation. Any determination that our operations or activities are not in compliance with existing anti-corruption laws or regulations could result in the imposition of substantial fines and other penalties from U.S. or other regulatory entities. Although we have implemented anti-corruption policies, controls and training globally to protect against violation of these laws, we cannot be certain that these efforts will be effective. One of our competitors recently entered into a large settlement related to allegations that its employees violated the FCPA in Mainland China and other markets.

Our ability to conduct business in international markets may be affected by political, legal, tax and regulatory risks.

Our ability to capitalize on growth in new international markets and to maintain the current level of operations in our existing international markets is exposed to risks associated with our international operations, including:

- the possibility that a foreign government might ban or severely restrict our business method of direct selling, or that local civil unrest, political instability or changes in diplomatic or trade relationships might disrupt our operations in an international market;
- the lack of well-established or reliable legal systems in certain areas where we operate;
- the presence of high inflation in the economies of international markets in which we operate;
- the possibility that a government authority might impose legal, tax or other financial burdens on us or our sales force, due, for example, to the structure of our operations in various markets;
- the possibility that a government authority might challenge the status of our sales force as independent contractors or impose employment or social taxes on our sales force; and
- the possibility that governments may impose currency remittance restrictions limiting our ability to repatriate cash.

We depend on our key personnel, and the loss of the services provided by any of our executive officers or other key employees could harm our business and results of operations.

Our success depends to a significant degree upon the continued contributions of our senior and regional management, many of whom would be difficult to replace. Our senior and regional management employees may voluntarily terminate their employment with us at any time. In addition, we need to continue to attract and develop qualified management personnel to sustain growth in our markets. If we are not able to successfully retain existing personnel and identify, hire and integrate new personnel, our business and growth prospects could be harmed.

Inability of products and other initiatives to gain or maintain sales force and market acceptance could harm our business.

Our operating results could be adversely affected if our products, business opportunities, and other initiatives do not generate sufficient enthusiasm and economic benefit to retain our existing consumers and sales force or to attract new consumers and people interested in joining our sales force. Potential factors affecting the attractiveness of our products, business opportunities, and other initiatives include, among other items, perceived product quality, product exclusivity or effectiveness, economic success in our business opportunity, adverse media attention or regulatory restrictions on claims.

In addition, our ability to develop and introduce new products could be impacted by, among other items, government regulations, the inability to attract and retain qualified research and development staff, the termination of third-party research and collaborative arrangements, intellectual property of competitors that may limit our ability to offer innovative products or that challenge our own intellectual property, and difficulties in anticipating changes in consumer tastes and buying preferences.

In the second half of 2013, we introduced our *ageLOC TR90* weight management and body shaping system globally through limited-time offers. Weight management is a challenging product category. Frequently, consumers have unrealistic product expectations and weight loss goals. There are also wide ranges in the degree of individual compliance with any weight management program, which can significantly impact consumer success and satisfaction.

Our *TR90* system consists of shakes and nutritional supplements, an eating plan, and exercise recommendations to encourage sustained changes to both eating habits and lifestyle. The *TR90* system is designed to promote healthy weight loss and body composition rather than to rapidly maximize gross weight loss. For example, the *TR90* shakes and eating plan promote consumption of lean protein throughout the day to support metabolism and lean body mass, thereby increasing the daily amount of time when the body is burning more calories from fat than muscle for a more healthy overall body composition.

Unrealistic expectations, non-compliance and misunderstanding of the *TR90* approach to healthy weight loss and body composition contributed to some reports of consumer dissatisfaction with the *TR90* program. We currently plan to simplify the key components of the *TR90* eating plan and take steps to strengthen the training of our sales force with respect to healthy weight loss and body composition. Our operating results could be adversely impacted if any of our products, including *TR90*, fail to gain or maintain sales force and market acceptance.

In addition, in our more mature markets, one of the challenges we face is keeping Sales Leaders with established businesses and high-income levels motivated and actively engaged in business building activities and in developing new Sales Leaders. There can be no assurance that our initiatives will continue to generate excitement among our sales force in the long-term or that planned initiatives will be successful in maintaining sales force activity and productivity or in motivating Sales Leaders to remain engaged in business building and developing new Sales Leaders. Some initiatives may have unanticipated negative impacts on our sales force, particularly changes to our sales compensation plans. The introduction of a new product or key initiative can also negatively impact other product lines to the extent our Sales Leaders focus their efforts on the new product or initiative. In addition, if any of our products fails to gain acceptance, we could see an increase in product returns.

The loss of key Sales Leaders could negatively impact our growth and our revenue.

As of December 31, 2014, we had a global network of approximately 1.2 million Actives. More than 62,000 of our Actives were Sales Leaders. Approximately 750 Sales Leaders occupied the highest level under our global sales compensation plan as of that date. These Sales Leaders, together with their extensive sales networks, generate substantially all of our revenue. As a result, the loss of a high-level Sales Leader or a group of leading Sales Leaders, whether by their own choice or through disciplinary actions by us for violations of our policies and procedures, could negatively impact our growth and our revenue.

Government authorities may question our tax or customs positions or change their laws in a manner that could increase our effective tax rate or otherwise harm our business.

As a U.S. company doing business globally, we are subject to all applicable tax and customs laws, including those relating to intercompany pricing regulations and transactions between our corporate entities in the jurisdictions in which we do business. Periodically, we are audited by tax and customs authorities around the world. If authorities challenge our tax or customs positions, including those regarding transfer pricing and customs valuation and classification, we may be subject to penalties, interest and payment of back taxes or customs duties. Since tax rates vary from country to country, any tax assessments might also impact the ability to fully utilize foreign tax credits on our U.S. consolidated tax return. The tax and customs laws in each jurisdiction are continually changing and are further subject to interpretation by the local government agencies. We have experienced increased efforts by customs authorities in some countries to reclassify our products or otherwise increase the level of duties we pay on our products. Despite our best efforts to be aware of and comply with tax and customs laws, including changes to and interpretations thereof, there is a potential risk that the local authorities may argue that we are out of compliance. Such situations may require that we defend our positions and/or adjust our operating procedures in response to such changes. Any or all of these potential risks may increase our effective tax rate or otherwise harm our business.

We may be held responsible for certain taxes or assessments relating to the activities of our independent distributors, which could harm our financial condition and operating results.

Generally, our independent distributors are subject to taxation in their country of residency. In some jurisdictions, government agencies impose an obligation on us to collect taxes and to maintain appropriate records. Furthermore, in some jurisdictions, we are subject to the risk of being responsible for social security and similar taxes with respect to our independent distributors. In the event that local laws and regulations, or the interpretation of local laws and regulations, change to require us to treat our independent distributors as employees, or that our independent distributors are deemed by local regulatory authorities in one or more of the jurisdictions in which we operate to be our employees rather than independent contractors under existing laws and interpretations, we may be held responsible for social security and related taxes in those jurisdictions, plus any related assessments and penalties, which could harm our financial condition and operating results. If our independent distributors were deemed to be employees rather than independent contractors, we would also face the risk of increased liability for their actions.

The loss of or a disruption in our manufacturing and distribution operations could adversely affect our business.

As of December 31, 2014, our principal properties consisted of our corporate headquarters and other office locations, distribution centers and warehouses, research and development centers, manufacturing facilities, retail stores and service centers located in many of our markets. Additionally, we also use third party manufacturers to manufacture certain of our products. As a company engaged in manufacturing, distribution and research and development on a global scale, we are subject to the risks inherent in such activities, including industrial accidents, environmental events, fires, strikes and other labor or industrial disputes, disruptions in logistics or information systems, loss or impairment of key manufacturing or distribution sites, product quality control, safety, licensing requirements and other regulatory or government issues, as well as natural disasters, pandemics, border disputes, acts of terrorism and other external factors over which we have no control. For example, the earthquake and tsunami in 2011 disrupted our operations in Japan and negatively impacted our operating results. These risks may be exacerbated by our efforts to increase facility consolidation covering our manufacturing, distribution and supply footprints or if we are unable to successfully enhance our disaster recovery planning. The loss of, or damage to, any of our facilities or centers, or that of our third party manufacturers could have a material adverse effect on our business, results of operations and financial condition.

Disruptions to transportation channels that we use to distribute our products to international warehouses may adversely affect our margins and profitability in those markets.

We may experience disruptions to the transportation channels used to distribute our products, including increased airport and shipping port congestion, a lack of transportation capacity, increased fuel expenses, and labor disputes or shortages. Disruptions in our container shipments may result in increased costs, including the additional use of airfreight to meet demand. Congestion to ports can affect previously negotiated contracts with shipping companies, resulting in unexpected increases in shipping costs and reduction in our profitability.

Our markets are intensely competitive and market conditions and the strengths of competitors may harm our business.

The markets for our products are intensely competitive. Our results of operations may be harmed by market conditions and competition in the future. Many competitors have much greater name recognition and financial resources than we have, which may give them a competitive advantage. For example, our Nu Skin products compete directly with branded, premium retail products. We also compete with other direct selling organizations. Because of regulatory restrictions concerning claims about the efficacy of personal care products and dietary supplements, we may have difficulty differentiating our products from our competitors' products, and competing products entering the personal care and nutritional market could harm our revenue.

We also compete with other direct selling companies to attract and retain our sales force and consumers. Some of these competitors have longer operating histories and greater visibility, name recognition and financial resources than we do. Some of our competitors have also adopted and could continue to adopt some of our successful business strategies, including our global sales compensation plan. Consequently, to successfully compete in this industry, and attract and retain our sales force and consumers, we must ensure that our business opportunities and sales compensation plans are financially rewarding. We believe we have significant competitive advantages, but we cannot assure that we will be able to continue to successfully compete in this industry.

We may incur product liability claims that could harm our business.

We sell products for human consumption and use. Our dietary supplement products consist of vitamins, minerals, botanicals and other ingredients that are classified as foods or dietary supplements. Our personal care products are cosmetic and other beautifying products intended to be used on the body and skin. These products are not generally subject to pre-market approval or registration processes so we cannot rely upon a government safety panel to qualify or approve our products for use, and some ingredients may not have long histories of human consumption or use. We rely upon published and unpublished safety information including clinical studies on ingredients used in our products and conduct our own clinical studies on some key ingredients and products, but not all products. A product may be safe for the general population when consumed or used as directed but could cause an adverse reaction for a person who has a health condition or allergies, or who is taking a prescription medication. While we include what we believe are adequate instructions and warnings and we have historically had low numbers of reported reactions, previously unknown adverse reactions could occur. Media reports in Mainland China in 2014 included allegations about our products having harmful side effects for certain of our consumers. While we believe these are isolated incidents, we are investigating these allegations. If we discover that our products are causing adverse reactions, or if we determine that any of our employees have not properly handled reports of adverse reactions, we could suffer further adverse publicity or government sanctions.

As a result of the type of products that we sell, we may be subject to various product liability claims, including that the products fail to meet quality or manufacturing specifications, contain contaminants, include inadequate instructions as to their proper use, include inadequate warnings concerning side effects and interactions with other substances or for persons with health conditions or allergies, or cause adverse reactions or side effects. Product liability claims could increase our costs, and adversely affect our business and financial results. As we continue to offer an increasing number of new products through larger scale, limited-time offers our product liability risk may increase.

If our sales force or employees provide improper or inappropriate advice regarding our products, their use or safety, we may be subject to additional product liability.

We have generally elected to self-insure our product liability risks. We continue to periodically evaluate whether we can and should obtain product liability insurance. Based upon our current approach to product liability risk management, if any of our products are found to cause any injury or damage or we become subject to product liability claims, we will be subject to the full amount of liability associated with any injuries or damages. This liability could be substantial and may exceed our existing reserves and harm our business.

We are involved, and may become involved in the future, in legal proceedings and other matters that, if adversely adjudicated or settled, could adversely affect our financial results.

In addition to the securities class action and shareholder derivative litigation described above in "–We are currently being sued in a purported class action lawsuit and a derivative claim relating to negative media and regulatory scrutiny of our business in Mainland China and the associated decline in our stock price," we are currently, and may in the future become, party to other litigation, investigations or other legal matters. In general, litigation claims can be expensive and time consuming to bring or defend against and could result in settlements or damages that could significantly affect financial results. It is not possible to predict the final resolution of the litigation to which we currently are or may in the future become party to, and the impact of certain of these matters on our business, results of operations and financial condition could be material.

We have been involved in two separate disputes with customs authorities in Japan with respect to duty assessments on several of our products. In November 2013, the Supreme Court of Japan declined to hear our appeal regarding a dispute related to additional customs assessments made by Yokohama Customs for the period of October 2002 through July 2005. In 2011, we recorded an expense for the full amount of these disputed assessments. This matter is now closed. The second dispute relates to additional customs assessments made by Yokohama Customs for the period of October 2006 through September 2009 in connection with post-importation audits, as well as the disputed portion of our import duties from October 2009 to the present, which we have or will hold in bond or pay under protest. The aggregate amount of these assessments and disputed duties was 4.5 billion Japanese yen as of December 31, 2014 (approximately $37.6 million), net of recovery of consumption taxes. In addition, we are currently being required to post a bond or make a deposit equal to the difference between our declared duties and the amount the customs authorities have determined we should be paying on all current imports. We are now pursuing this matter in Tokyo District Court. We currently anticipate the Tokyo District Court will close the proceedings and render a decision sometime this year. Any adverse rulings in these matters could materially impact our results. While we anticipate that additional duty disputes with Japanese authorities will be limited going forward as we have entered into an arrangement to purchase a majority of the affected products in Japan from a Japanese company that purchases and imports the products from the manufacturer, there can be no assurance that this arrangement will have the desired effect or that such arrangement will not be terminated in the future.

Please refer to Item 3. "Legal Proceedings" for more information regarding these litigation matters.

Our intellectual property may infringe on the rights of others, resulting in costly litigation.

In recent years, there has been significant litigation in the United States involving patents and other intellectual property rights. In particular, there has been an increase in the filing of suits alleging infringement of intellectual property rights, which pressure defendants into entering settlement arrangements quickly to dispose of such suits, regardless of their merit. Other companies or individuals may allege that we, or our sales force, consumers, licensees or other parties indemnified by us infringe on their intellectual property rights. Even if we believe that such claims are without merit, defending such intellectual property litigation can be costly, distract management's attention and resources, and the outcome is inherently uncertain. Claims of intellectual property infringement also might require us to redesign affected products, enter into costly settlement or license agreements, pay costly damage awards, or face a temporary or permanent injunction prohibiting us from marketing or selling certain of our products. Any of these results may adversely affect our financial condition.

If we are unable to protect our intellectual property rights, our ability to compete could be negatively impacted.

The market for our products depends to a significant extent upon the value associated with our product innovations and our brand equity. We rely upon patent, copyright, trademark and trade secret laws in the United States and similar laws in other countries, and non-disclosure, confidentiality and other types of agreements with our employees, sales force, consumers, suppliers and other parties, to establish, maintain and enforce our intellectual property rights. Despite these measures, any of our intellectual property rights could be challenged, invalidated, circumvented or misappropriated, or such intellectual property rights may not be sufficient to permit us to provide competitive advantages, which could result in costly product redesign efforts, discontinuance of certain product offerings or other competitive harm. In addition, the laws of certain foreign countries, including emerging markets such as Mainland China, do not protect our intellectual property rights to the same extent as the laws of the United States. The costs required to protect our patents and trademarks may be substantial. We have filed patent applications to protect our intellectual property rights in our new technologies, however, there can be no assurance that our patent applications will be approved, that any patents issued will adequately protect our intellectual property, or that such patents will not be challenged by third parties or found by a judicial authority to be invalid or unenforceable. Moreover, many of our products rely on technologies developed or licensed by third parties, and we may not be able to obtain or continue to obtain licenses and technologies from these third parties on reasonable terms or at all.

To enforce and protect our intellectual property rights, we may initiate litigation against third parties, such as patent infringement suits or interference proceedings. Any lawsuits that we initiate could be expensive, take significant time and divert management's attention from other business concerns. Litigation also puts our patents at risk of being invalidated or interpreted narrowly and our patent applications at risk of not issuing. Additionally, we may provoke third parties to assert claims against us. We may not prevail in any lawsuits that we initiate and the damages or other remedies awarded, if any, may not be commercially valuable. The occurrence of any of these events may adversely affect our financial condition.

If we are unable to protect the confidentiality of our proprietary information and know-how, the value of our products could be adversely affected.

In addition to patented technology, we rely on our unpatented proprietary technology, trade secrets, processes and know-how. Despite these measures, any of our intellectual property rights could be challenged, invalidated, circumvented or misappropriated. We generally seek to protect this information by confidentiality, non-disclosure and assignment of invention agreements with our employees, consultants, scientific advisors and third parties. Our employees may leave to work for competitors. These agreements may be breached, and we may not have adequate remedies for any such breach. In addition, our trade secrets may be disclosed to or otherwise become known or be independently developed by competitors. To the extent that our current or former employees, consultants or contractors use intellectual property owned by others in their work for us, disputes may arise as to the rights in related or resulting know-how and inventions. If, for any of the above reasons, our intellectual property is disclosed or misappropriated, it would harm our ability to protect our rights and adversely affect our financial condition.

We may be subject to claims that we, or our employees, have inadvertently or otherwise used or disclosed alleged trade secrets or other proprietary information of our employees' former employers.

We employ individuals who were previously employed at other personal care product or nutritional supplement companies, including our competitors or potential competitors. To the extent that our employees are involved in research areas that are similar to those in which they were involved with their former employers, we may be subject to claims that such employees have inadvertently or otherwise used or disclosed the alleged trade secrets or other proprietary information of the former employers. Litigation may be necessary to defend against such claims.

Any future acquisitions may expose us to additional risks.

From time to time we review acquisition prospects that would complement our current product offerings, increase the size and geographic scope of our operations or otherwise offer growth and operating efficiency opportunities. The financing for any of these acquisitions could dilute the interests of our stockholders, result in an increase in our indebtedness or both. Acquisitions may entail numerous risks, including:

- difficulties in assimilating acquired operations or products, including the loss of key employees from acquired businesses and disruption to our direct selling channel;
- diversion of management's attention from our core business;
- adverse effects on existing business relationships with our suppliers, sales force or consumers; and
- risks associated with entering markets in which we have limited or no prior experience.

Our failure to successfully complete the integration of any acquired business could have a material adverse effect on our business, financial condition and operating results. In addition, there can be no assurance that we will be able to identify suitable acquisition candidates or consummate acquisitions on favorable terms.

Any failure of our internal controls over financial reporting or our compliance efforts could harm our stock price and our financial and operating results or could result in fines or penalties.

We have implemented internal controls to help ensure the accuracy of our financial reporting and have implemented compliance policies and programs to help ensure that our employees and sales force comply with applicable laws and regulations. Our internal audit team regularly audits our internal controls and various aspects of our business, and we regularly assess the effectiveness of our internal controls. There can be no assurance, however, that our internal or external assessments and audits will identify all significant or material weaknesses in our internal controls. Any failure to correct a weakness in internal controls could result in the disclosure of a material weakness. If a material weakness results in a material misstatement in our financial results, we may also have to restate our financial statements.

For example, as initially disclosed in our Quarterly Report on Form 10-Q/A which was filed with the Securities and Exchange Commission on August 12, 2014, as of March 31, 2014, we did not maintain effective controls over the presentation and disclosure of hyper-inflationary accounting for our Venezuela subsidiary. For more information, see Part II, Item 9A. "Controls and Procedures" of this Annual Report on Form 10-K. As a result of this material weakness, our management concluded that our internal controls over financial reporting were not effective as of March 31, 2014, June 30, 2014 and September 30, 2014, and decided to restate our consolidated financial statements and the related evaluation of our disclosure controls and procedures for the three-month period ended March 31, 2014.

From time to time, we initiate further investigations into our business operations based on the results of our internal and external audits or on complaints, questions or allegations made by employees or other parties regarding our business practices and operations. In addition, our business and operations may be investigated by applicable government authorities. In the event any of these investigations identify material violations of applicable laws by our employees or our sales force, we could be subject to adverse publicity, fines, penalties or loss of licenses or permits.

System failures could harm our business.

With global operations and a complex sales compensation plan, our business is highly dependent on efficiently functioning information technology systems. Our systems may be damaged or disrupted by fires, floods, earthquakes or other natural disasters, telecommunications failures, break-ins, sabotage, intentional acts of vandalism and similar misconduct. We have adopted and implemented a Business Continuity/Disaster Recovery Plan. Our data is archived and stored at third-party secure sites and we have recovery sites for certain critical data and operations. Growth in our business could also strain our systems. There can be no assurance that our systems will not be significantly damaged or disrupted or that our systems will be adequate to meet our future business needs or that a system failure will not significantly damage the Company's reputation.

Cyber security risks and the failure to maintain the integrity of company, employee, sales force or guest data could expose us to data loss, litigation and liability, and our reputation could be significantly harmed.

We collect and retain large volumes of company, employee, sales force and guest data, including credit card numbers and other personally identifiable information, for business purposes, including for transactional and promotional purposes, and our various information technology systems enter, process, summarize and report such data. The integrity and protection of this data is critical to our business. We are subject to significant security and privacy regulations, as well as requirements imposed by the credit card industry. Maintaining compliance with these evolving regulations and requirements could be difficult and may increase our expenses. In addition, a penetrated or compromised data system or the intentional, inadvertent or negligent release or disclosure of data could result in theft, loss or fraudulent or unlawful use of company, employee, sales force or guest data which could harm our reputation, disrupt our operations, or result in remedial and other costs, fines or lawsuits.

Epidemics and other crises could negatively impact our business.

Due to the person-to-person nature of direct selling, our results of operations could be harmed if the fear of a communicable and rapidly spreading disease or other crises such as natural disasters result in travel restrictions or cause people to avoid group meetings or gatherings or interaction with other people. For example, a SARS epidemic in Asia negatively impacted our revenue in 2003. It is difficult to predict the impact on our business, if any, of a recurrence of SARS, the emergence of new epidemics or other crises. In addition, most of our Pharmanex nutritional supplement revenue is generated from products that are encapsulated in bovine- and/or porcine-sourced gel capsules. If we experience production difficulties, quality control problems or shortages in supply in connection with bovine or porcine related health concerns, this could result in additional risk of product shortages or write-downs of inventory. We may be unable to introduce our products in some markets if we are unable to obtain the necessary regulatory approvals or if any product ingredients are prohibited, which could harm our business.

The market price of our Class A common stock is subject to significant fluctuations due to a number of factors that are beyond our control.

Our Class A common stock closed at $42.36 per share on January 31, 2013 and closed at $40.98 per share on January 30, 2015. During this two-year period, our Class A common stock traded as low as $37.93 per share and as high as $140.50 per share. Many factors, including some we may be unable to control, could cause the market price of our Class A common stock to fall. Some of these factors include:

- fluctuations in our operating results;
- government investigations of our business;
- adverse publicity related to our business, products, industry or competitors;
- the sale of shares of Class A common stock by significant stockholders;
- general trends in the market for our products;
- acquisitions by us or our competitors;
- economic or currency exchange issues in markets in which we operate;
- changes in estimates of our operating performance or changes in recommendations by securities analysts;
- speculative trading, including short selling and options trading; and
- general business and political conditions.

Broad market fluctuations could also lower the market price of our Class A common stock regardless of our actual operating performance.

Some of the markets in which we operate may become highly inflationary, which could negatively impact our financial position, results of operations or cash flows.

In some of our markets, we face risks associated with high levels of inflation. High levels of inflation and currency devaluations in any of our markets could negatively impact our balance sheet and results of operations.

For example, effective in 2010, Venezuela was designated as a highly inflationary economy under generally accepted accounting principles in the United States. A country is considered to have a highly inflationary economy if it has a cumulative inflation rate of approximately 100% or more over a three-year period as well as other qualitative factors, including historical inflation rate trends (increasing and decreasing), the capital intensiveness of the operation and other pertinent economic factors. In February 2013, Venezuela devalued its bolivar fuertes ("bolivar") against the U.S. dollar, which resulted in an official exchange rate of 6.3 bolivars per U.S. dollar. During the first quarter of 2014, two new foreign exchange mechanisms ("SICAD I" and "SICAD II") became available in Venezuela, which utilize exchange rates of approximately 10.7 and 50 bolivars per U.S. dollar, respectively. In the first quarter of 2015, a new foreign exchange mechanism ("SIMADI") was announced, which utilizes a variable exchange rate that was initially approximately 170 bolivars per U.S. dollar. Due to the current political and economic environment in Venezuela, there is a risk that there could be additional foreign currency devaluations.

The functional currency in highly inflationary economies is the U.S. dollar, and transactions denominated in the local currency are remeasured as if the functional currency were the U.S. dollar. The remeasurement of local currencies into U.S. dollars creates translation adjustments, which are included in the consolidated statements of operations. During 2014, we recorded $46.3 million of non-cash foreign currency charges related to the devaluation of the Venezuelan currency. During the periods ended December 31, 2012, 2013 and 2014, our Venezuela subsidiary's net sales revenue represented approximately 0.7%, 1.1% and 0.9% of consolidated net sales revenue, respectively. Although we did not operate in any country other than Venezuela that was considered to have a highly inflationary economy during the periods ended December 31, 2012, 2013 and 2014, other countries, including Argentina and Russia, have experienced weakening currencies, and it is currently possible that such countries may be so designated in the future. Our Argentina and Russia subsidiaries' net sales revenue each represented less than 1% of consolidated net sales revenue during each of the periods ended December 31, 2012, 2013 and 2014.

Some of the markets in which we operate have currency controls in place, which may restrict our repatriation of cash.

If foreign governments restrict transfers of cash out of their country and control exchange rates, we may be limited as to the timing and amount of cash we can repatriate and may not be able to repatriate cash at beneficial exchange rates, which could have a material adverse effect on our financial position, results of operations or cash flows.

We typically fund the cash requirements of our operations in the U.S. through intercompany charges for products, license fees and corporate services. However, in some markets such as Mainland China, where we have lower intercompany charges, we may be unable to repatriate cash from current operations in the form of dividends until we file the necessary statutory financial statements for the relevant period. As of December 31, 2014, we had $45.3 million in cash denominated in Chinese RMB.

In addition, as of December 31, 2014, we had $8.2 million in cash denominated in bolivar. Currency exchange restrictions enacted by the government of Venezuela require approval from the government's currency control organization for our subsidiary in Venezuela to obtain U.S. dollars at an official exchange rate to pay for imported products or to repatriate dividends to the United States.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

Our principal properties consist of the following:

Offices

We have administrative offices at our corporate headquarters in Provo, Utah, and in various markets, including in Shanghai, China.

Distribution Centers

We distribute our products through distribution centers and warehouses in many of our markets, including facilities measuring 150,000 square feet or more in Provo, Utah; Shanghai, China; Chungcheong buk-do, Korea; and Tokyo, Japan.

Research and Development Centers

We operate research and development centers in Provo, Utah, and in Shanghai, China.

Manufacturing Facilities

In Mainland China, we operate manufacturing facilities, totaling approximately 700,000 square feet. We are currently in the process of expanding our manufacturing capacity in Mainland China.

Retail Stores, Service Centers, Walk-in Centers and Pick-up Locations

We operate walk-in centers and pick-up locations in many of our markets. We also operate retail stores and service centers in Mainland China.

We own our corporate headquarters buildings, distribution center and research and development center located in Provo, Utah; the structure and improvements of our administrative offices in Shanghai, China; our distribution center in Chungcheong buk-do, Korea; and a few other minor facilities. We currently lease the other properties described above. We believe that our existing and planned facilities are adequate for our current operations in each of our existing markets.

ITEM 3. LEGAL PROCEEDINGS

Securities Class Action

As previously disclosed, beginning in January 2014, six purported class action complaints were filed in the United States District Court for the District of Utah. On April 10, 2014, the plaintiffs filed a stipulated motion requesting that the court consolidate the various purported class actions, appoint State-Boston Retirement System as lead plaintiff in the consolidated action and appoint the law firm Labaton Sucharow as lead counsel for the purported class in the consolidated action. On May 1, 2014, that stipulated motion was granted and on June 30, 2014, a consolidated class action complaint was filed. On August 29, 2014, we filed a motion to dismiss the case and on October 28, 2014, the plaintiffs filed their opposition to our motion to dismiss. A hearing on the motion to dismiss was held on February 18, 2015, and an order denying the motion was issued on February 26, 2015. The consolidated class action complaint purports to assert claims on behalf of certain of our stockholders under Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder against Nu Skin Enterprises, Ritch N. Wood, and M. Truman Hunt and to assert claims under Section 20(a) of the Securities Exchange Act of 1934 against Messrs. Wood and Hunt. The consolidated class action complaint alleges that, inter alia, we made materially false and misleading statements regarding our sales operations in and financial results derived from Mainland China, including purportedly operating a pyramid scheme based on illegal multi-level marketing activities. We believe that the claims asserted in the consolidated class action complaint are without merit and intend to vigorously defend ourselves.

Shareholder Derivative Claim

As previously disclosed, beginning in February 2014, five purported shareholder derivative complaints were filed in the United States District Court for the District of Utah. On April 17, 2014, the plaintiffs filed a joint motion to consolidate the derivative actions, to appoint plaintiffs Amos. C. Acoff and Analisa Suderov as co-lead plaintiffs in the consolidated action, and to appoint the law firms Bernstein Litowitz Berger & Grossmann LLP and The Weiser Law Firm, P.C. as co-lead counsel for the plaintiffs in the consolidated action. On May 1, 2014, that joint motion was granted. On July 25, 2014, a consolidated derivative complaint was filed. On September 25, 2014, we filed a motion to dismiss or stay the case, and on November 25, 2014, the plaintiffs filed their opposition to our motion. Defendants filed a reply brief on January 6, 2015. The consolidated derivative complaint purports to assert claims on behalf of Nu Skin Enterprises for, inter alia, breach of fiduciary duties for disseminating false and misleading information, failing to maintain adequate internal controls, unjust enrichment, abuse of control, and gross mismanagement against M. Truman Hunt, Ritch N. Wood, Steven J. Lund, Nevin N. Andersen, Neil Offen, Daniel W. Campbell, Andrew W. Lipman, Patricia A. Negrón, Thomas R. Pisano, and nominally against Nu Skin Enterprises. The consolidated derivative complaint also purports to assert claims on behalf of Nu Skin Enterprises for breach of fiduciary duty for insider selling and misappropriation of information against Messrs. Wood, Lund, and Campbell. The consolidated derivative complaint alleges that, inter alia, the defendants allowed materially false and misleading statements to be made regarding our sales operations in and financial results derived from Mainland China, including purportedly operating a pyramid scheme based on illegal multi-level marketing activities, and that certain defendants sold common stock on the basis of material, adverse non-public information.

Japan Customs

As previously disclosed, we are currently involved in a dispute related to customs assessments by Yokohama Customs on several of our products for the period of October 2006 through September 2009 in connection with post-importation audits, as well as the disputed portion of our import duties from October 2009 to the present, which we have or will hold in bond or pay under protest. Additional assessments related to any prior period are barred by applicable statutes of limitations. The aggregate amount of these assessments and disputed duties was approximately 4.5 billion Japanese yen as of December 31, 2014 (approximately $37.6 million), net of recovery of consumption taxes. The issue in this case is whether a United States entity utilizing a commissionaire agent in Japan to import its products can use the manufacturer's invoice pursuant to the transaction value method under the World Trade Organization Customs Valuation Agreement or whether it must use one of the alternative valuation methods provided in that agreement, and, if an alternative method must be used, what the allowable deductions would be in determining the proper valuation. Following our review of the assessments and after consulting with our legal and customs advisors, we believe that use of the manufacturer's invoice is the appropriate valuation method and that the additional assessments are improper and are not supported by applicable customs laws because they are based on an alternative valuation method. We filed letters of protest with the applicable Customs authorities, which were rejected. We then appealed the matter to the Ministry of Finance in Japan. In the second quarter of 2011, the Ministry of Finance in Japan denied our administrative appeal. We disagree with the Ministry of Finance's administrative decision. We are now pursuing the matter in Tokyo District Court, which is not required to give deference to the decision made by the Ministry of Finance and which we believe will provide a more independent determination of the matter. We currently anticipate the Tokyo District Court will close the proceedings and render a decision sometime this year. In addition, we are currently being required to post a bond or make a deposit to secure any additional duties that may be due and payable on current imports. Because we believe that the assessment of higher duties by the customs authorities is an improper application of the regulations, we are currently expensing the portion of the duties we believe is supported under applicable customs law, and recording the additional deposit or payment as a receivable within long-term assets on our consolidated financial statements. If we are unsuccessful in recovering the amounts assessed and paid, we will record a non-cash expense for the full amount of the disputed assessments. We anticipate that additional disputed duties will be limited going forward as we purchase a majority of the affected products in Japan from a Japanese company that purchases and imports the products from the manufacturers.

Lazerson, Craig & Harper

As previously disclosed, in September 2011, Elizabeth Craig ("Craig") and Brady Harper ("Harper") filed suit against us and our subsidiaries in the Utah Fourth District Court for malicious prosecution, abuse of criminal process, defamation and intentional infliction of emotional distress. In aggregate, the complaint seeks damages in excess of approximately $42 million and punitive damages in the amount of $200 million. We believe the complaint is without merit and intend to vigorously defend ourselves. In August 2011, we filed suit in the Utah Fourth District Court against Scott Lazerson ("Lazerson") and Nu Lite Sales, LLC ("Nu Lite"), an entity owned by Craig and Harper, alleging fraud, negligent misrepresentation, conversion and unjust enrichment and seeking declaratory and equitable relief. A counterclaim was filed by Nu Lite that includes factual allegations similar to those set forth in the complaint filed on behalf of Craig and Harper. The counterclaim alleges conversion and tortious interference with prospective business relations, and seeks aggregate damages in excess of $2 million and punitive damages in the amount of $20 million. We believe the counterclaim is without merit. In February 2014, Craig and Nu Lite filed an additional complaint in the United States District Court for the District of Utah against Provo City and certain of its personnel, and the Company and certain of its personnel, based on substantially the same facts alleged by them in the state court actions described above, and asserting claims for deprivation of constitutional rights. In October 2014, the United States District Court for the District of Utah dismissed this additional complaint with prejudice.

Other Matters

From time to time, we are involved in legal proceedings arising in the ordinary course of business. We believe that the resolution of these matters will not have a negative material effect on our consolidated financial position, results of operations or liquidity.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Our Class A common stock is listed on the New York Stock Exchange ("NYSE") and trades under the symbol "NUS." The following table is based upon the information available to us and sets forth the range of the high and low sales prices for our Class A common stock for the quarterly periods during 2013 and 2014 based upon quotations on the NYSE.

Quarter Ended	High	Low
March 31, 2013	$ 47.36	$ 36.85
June 30, 2013	63.57	43.00
September 30, 2013	99.60	60.77
December 31, 2013	139.81	88.80

Quarter Ended	High	Low
March 31, 2014	$ 140.50	$ 67.51
June 30, 2014	89.69	71.25
September 30, 2014	74.38	40.06
December 31, 2014	54.41	38.12

The market price of our Class A common stock is subject to significant fluctuations in response to variations in our actual and expected operating results, demand for our products, general trends in our industry, economic and currency exchange issues in the foreign markets in which we operate and other factors, many of which are not within our control. In addition, broad market fluctuations, as well as general economic, business, regulatory and political conditions may adversely affect the market for our Class A common stock, regardless of our performance.

The closing price of our Class A common stock on January 31, 2015, was $40.98. The approximate number of holders of record of our Class A common stock as of January 31, 2015 was 372. This number of holders of record does not represent the actual number of beneficial owners of shares of our Class A common stock because shares are frequently held in "street name" by securities dealers and others for the benefit of individual owners who have the right to vote their shares.

Dividends

We declared and paid a $0.30 per share dividend for Class A common stock each quarter in 2013 and a $0.345 per share dividend for Class A common stock each quarter in 2014. The board of directors has approved an increased quarterly cash dividend of $0.35 per share of Class A common stock to be paid on March 18, 2015, to stockholders of record on February 27, 2015. Annually, this would increase the dividend to $1.40 from $1.38 in the prior year. Currently, we anticipate that our board of directors will continue to declare quarterly cash dividends and that the cash flows from operations will be sufficient to fund our future dividend payments. However, the continued declaration of dividends is subject to the discretion of our board of directors and will depend upon various factors, including our net earnings, financial condition, cash requirements, future prospects and other relevant factors.

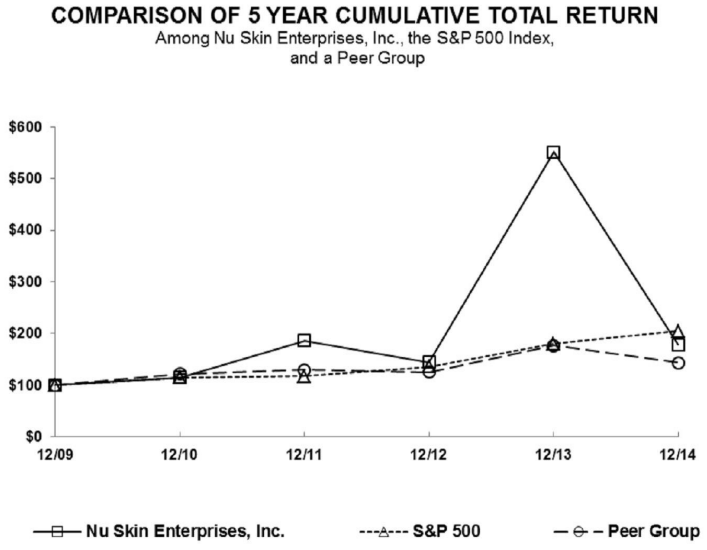
Purchases of Equity Securities by the Issuer

Period	(a) Total Number of Shares Purchased	(b) Average Price Paid per Share	(c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	(d) Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (in millions)[1]
October 1 – 31, 2014	-	N/A	-	$ 369.5
November 1 – 30, 2014	350,000	$ 40.73	350,000	355.3
December 1 – 31, 2014	150,000	43.11	150,000	348.8
Total	500,000	$ 41.43	500,000	

(1) In July 1998, our board of directors approved a plan to repurchase $10.0 million of our Class A common stock on the open market or in private transactions. Our board has from time to time increased the amount authorized under the plan, and the most recent increase of $400.0 million was announced in August 2013. As of December 31, 2014, a total amount of approximately $1,135.0 million was authorized, and we had repurchased approximately $786.2 million of shares under the plan. There has been no termination or expiration of the plan since the initial date of approval.

Stock Performance Graph

Set forth below is a line graph comparing the cumulative total stockholder return (stock price appreciation plus dividends) on our Class A common stock with the cumulative total return of the S&P 500 Index and a market-weighted index of publicly traded peers (the "Peer Group") for the period from December 31, 2009 through December 31, 2014. The graph assumes that $100 was invested in each of the Class A common stock, the S&P 500 Index and the index of publicly traded peers on December 31, 2009 and that all dividends were reinvested. The Peer Group consists of the following companies, which compete in our industry and product categories: Avon Products, Inc., The Estée Lauder Companies Inc., Tupperware Brands Corporation, Herbalife Ltd., USANA Health Sciences, Inc., Nature's Sunshine Products, Inc., Weight Watchers International, Inc., Mannatech, Inc. and Elizabeth Arden, Inc.



Measured Period	Nu Skin	S&P 500 Index	Peer Group Index
December 31, 2009	100.00	100.00	100.00
December 31, 2010	114.64	115.06	121.65
December 31, 2011	186.85	117.49	130.31
December 31, 2012	145.05	136.30	125.91
December 31, 2013	551.21	180.44	176.76
December 31, 2014	178.88	205.14	144.09

The Stock Performance Graph above shall not be deemed to be "soliciting material" or to be "filed" with the U.S. Securities and Exchange Commission or subject to the liabilities of Section 18 under the Securities Exchange Act of 1934 as amended (the "Exchange Act"). In addition, it shall not be deemed incorporated by reference by any statement that incorporates this Annual Report on Form 10-K by reference into any filing under the Securities Act of 1933 (the "Securities Act") or the Exchange Act, except to the extent that we specifically incorporate this information by reference.

ITEM 6. SELECTED FINANCIAL DATA

The following selected consolidated financial data as of and for the years ended December 31, 2010, 2011, 2012, 2013 and 2014 have been derived from the audited consolidated financial statements as revised:

	Year Ended December 31,				
	2010	2011	2012	2013	2014
	(U.S. dollars in thousands, except per share data and cash dividends)				
Income Statement Data:					
Revenue	$ 1,517,759	$ 1,719,588	$ 2,132,257	$ 3,176,718	$ 2,569,495
Cost of sales	272,431	322,624[1]	353,152	505,806	478,434[2]
Gross profit	1,245,328	1,396,964	1,779,105	2,670,912	2,091,061
Operating expenses:					
Selling expenses	626,848	727,045	932,812	1,476,772	1,116,572
General and administrative expenses	401,418	436,177	505,449	640,028	622,301
Total operating expenses	1,028,266	1,163,222	1,438,261	2,116,800	1,738,873
Operating income	217,062	233,742	340,844	554,112	352,188
Other income (expense), net	(9,449)	(6,973)	4,398	2,828	(53,681)[3]
Income before provision for income taxes	207,613	226,769	345,242	556,940	298,507
Provision for income taxes	71,562	73,439	123,597	192,052	109,331
Net income	$ 136,051	$ 153,330	$ 221,645	$ 364,888	$ 189,176
Net income per share:					
Basic	$ 2.18	$ 2.47	$ 3.66	$ 6.23	$ 3.20
Diluted	$ 2.11	$ 2.38	$ 3.52	$ 5.94	$ 3.11
Weighted-average common shares outstanding (000s):					
Basic	62,370	62,066	60,600	58,606	59,073
Diluted	64,547	64,546	63,025	61,448	60,887
Balance Sheet Data (at end of period)**:**					
Cash and cash equivalents and current investments	$ 230,337	$ 290,701	$ 333,403	$ 547,127	$ 300,208
Working capital	206,078	288,916	268,500	341,542	416,338
Total assets	892,224	990,956	1,124,807	1,821,062	1,614,434
Current portion of long-term debt	27,865	28,608	39,019	67,824	82,770
Long-term debt	133,013	107,944	154,963	113,852	164,567
Stockholders' equity	471,249	574,236	590,612	858,619	942,438
Cash dividends declared	0.50	0.59	0.80	1.20	1.38
Supplemental Operating Data (at end of period)**:**					
Approximate number of Actives[4]	799,000	855,000	946,000	1,335,000	1,208,000
Number of Sales Leaders[5]	35,676	41,816	51,790	102,117	62,009

(1) Includes $32.8 million related to an adverse decision in the Japan customs litigation.

(2) Includes a $50.0 million write-down of inventory, primarily in Mainland China.

(3) Includes $46.3 million of foreign currency charges related to the devaluation of the Venezuelan currency.

(4) **"Actives"** are persons who purchased products directly from the company during the previous three months.

(5) **"Sales Leaders"** are independent distributors, and sales employees, contractual sales promoters and independent marketers in China, who achieve certain qualification requirements.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read in conjunction with the consolidated financial statements and related notes, which are included in this Annual Report on Form 10-K.

Business Overview

We are a leading, global direct selling company marketing personal care and nutritional products in 53 markets worldwide. In 2014, we recorded $2.6 billion in revenue. Since our founding in 1984, we have strived to differentiate ourselves through innovation in both our products and our sales channel.

We develop and distribute premium-quality, innovative personal care products and nutritional supplements that are sold worldwide under our Nu Skin and Pharmanex brands and a small number of other products and services. Over the last several years, we have introduced new Nu Skin personal care products and Pharmanex nutritional supplements under our *ageLOC* anti-aging brand.

We operate in the direct selling channel, primarily utilizing person-to-person marketing to promote and sell our products. Our consumers can purchase products either directly from an individual distributor of our products or directly from the company. As of December 31, 2014, we had approximately 1.2 million persons who purchased products directly from the company during the previous three months ("Actives"). We believe a significant majority of Actives purchase our products primarily for personal or family consumption but are not actively pursuing the opportunity we offer to generate income by marketing and reselling products.

Approximately 91% of our 2014 revenue came from outside of the United States. Due to the size of our international operations, our results, as reported in U.S. dollars, are often impacted by foreign currency fluctuations. In addition, our results are impacted by global economic, political, demographic and business trends and conditions.

In 2014, Mainland China was our largest revenue market, accounting for approximately 26% of our revenue. Direct selling is relatively new to Mainland China and we believe the market holds significant potential. We have implemented a distinct business model in Mainland China to conform with local laws and regulations, which are significantly different from regulations outside of Mainland China.

Our business is subject to various laws and regulations globally, particularly with respect to our direct selling business models and our product categories. As is the case with most companies in our industry, we receive inquiries from time to time from government regulatory authorities regarding the nature of our business and other issues. For example, in 2014, our revenue and number of Sales Leaders and Actives in the Greater China region was negatively impacted by our voluntary suspension of business meetings and acceptance of applications for new sales representatives in Mainland China in response to adverse media reports and a government review in the first part of the year.

Our revenue depends on the number and productivity of our Actives and Sales Leaders. Sales Leaders are primarily independent distributors who achieve certain qualification requirements. In Mainland China, because of the unique regulatory framework, our Sales Leaders are classified as sales employees, contractual sales promoters or independent marketers. We have been successful in attracting and motivating our sales force by:

- developing and marketing innovative, technologically and scientifically advanced products;

- providing compelling initiatives and strong support; and
- offering an attractive sales compensation structure.

Our sales force markets and sells our products and recruits others based on the distinguishing benefits and innovative characteristics of our products. As a result, it is vital to our business that we continuously leverage our product development resources to develop and introduce innovative products and provide our sales force with an attractive portfolio of products. Since 2008, we have successfully introduced a portfolio of innovative anti-aging skin care and nutritional products under our ageLOC brand, including our *ageLOC Transformation, Galvanic Spa Gels with ageLOC, ageLOC Galvanic Spa Body Shaping Gel* and *ageLOC Dermatic Effects Body Contouring Lotion, ageLOC Tru Face Essence Ultra, ageLOC Vitality, ageLOC R*^{2} and *ageLOC TR90*. We currently plan to introduce additional products in 2015 and 2016, including our *ageLOC Youth* anti-aging nutritional supplement, our *ageLOC Me* personalized skin care system, and our essential oil products, which will be marketed under the Epoch and ageLOC brands. Any delays or difficulties in introducing compelling products or attractive initiatives or tools into our markets may have a negative impact on our revenue and our number of Actives and Sales Leaders.

Although our product launch process may vary by market, we generally introduce new products to our sales force and consumers in all markets where the products are registered, through limited-time offers. The limited-time offers typically generate significant activity and a high level of purchasing, which may result in a higher than normal increase in revenue during the quarter of the limited-time offer and skew year-over-year and sequential comparisons. We believe our product launch process also attracts new people to our business, driving growth in our Sales Leaders and Actives through increased consumer trial. For example, limited-time offers of our a*geLOC TR90* weight management and body shaping system in the second half of 2013 generated significant revenue. We currently plan to introduce additional products through limited-time offers in 2015 and 2016, including *ageLOC Youth* and *ageLOC Me*.

We may experience difficulty effectively managing growth associated with these limited-time offers and may face increased risk of improper sales force activities. In addition, the size and condensed schedule of these product launches increase pressure on our supply chain. If we are unable to accurately forecast sales levels in each market, obtain sufficient ingredients or produce a sufficient supply to meet demand, we may incur higher expedited shipping costs and we may temporarily run out of stock of certain products, which could negatively impact the enthusiasm of our sales force and consumers. Conversely, if demand does not meet our expectations for a product launch or if we change our planned initiatives or launch strategies, we could incur inventory write-downs. For example, given heightened media and regulatory scrutiny in Mainland China and the voluntary measures we took in that market, we adjusted our 2014 product launch plans. This change in plans resulted in a $50 million write-down of estimated surplus inventory, primarily in Mainland China, during the second quarter of 2014. In addition, our order processing systems could have difficulties handling the high volume of orders generated by limited-time offers. Although our previous limited-time offers have not materially affected our product return rate, these events may increase our product return rate in the future.

Our global sales force helps us to rapidly introduce products and penetrate our markets with modest up-front promotional expense. We rely on our sales force to create consumer demand for our products, as opposed to a traditional approach of advertising-generated consumer awareness. Our approach is particularly effective with products that benefit from education and demonstration. Similar to other companies in our industry, we experience relatively high turnover among our sales force. To enhance customer retention, we have developed product subscription and loyalty programs that provide incentives for consumers to commit to purchase a specific amount of product on a monthly basis. All purchases under these programs are subject to our standard product payment and return policies. We believe these subscription and loyalty programs have improved consumer retention, have had a stabilizing impact on revenue and have helped generate recurring sales.

Income Statement Presentation

We report revenue in five geographic regions and we translate revenue from each market's local currency into U.S. dollars using weighted-average exchange rates. The following table sets forth revenue information by region for the periods indicated. This table should be reviewed in connection with the information presented under "Results of Operations," which describes selling expenses and other costs associated with generating the aggregate revenue presented.

Revenue by Region

	Year Ended December 31,					
(U.S. dollars in millions)	**2012**		**2013**		**2014**	
Greater China	$ 550.7	26%	$ 1,363.2	43%	$ 948.5	37%
North Asia	785.3	37	869.4	27	783.0	30
Americas	285.3	13	370.1	12	329.0	13
South Asia/Pacific	328.6	15	379.0	12	328.4	13
EMEA	182.4	9	195.0	6	180.6	7
	$ 2,132.3	100%	$ 3,176.7	100%	$ 2,569.5	100%

Cost of sales primarily consists of:

- cost of products purchased from third-party vendors;
- costs of self-manufactured products;
- cost of adjustments to inventory carrying value;
- freight cost of shipping products to our sales force and import duties for the products; and
- royalties and related expenses for licensed technologies.

We source the majority of our products from third-party vendors. Under direct selling regulations in Mainland China, we are required to manufacture the products we distribute through independent direct sellers in Mainland China. Cost of sales and gross profit, on a consolidated basis, may fluctuate as a result of changes in the ratio between self-manufactured products and products sourced from third-party vendors. In addition, because we purchase a significant amount of our goods in U.S. dollars and recognize revenue in local currencies, our gross margin is subject to exchange rate risks. Because our gross margins vary from product to product and due to higher pricing in some markets, changes in product mix and geographic revenue mix can impact our gross margin on a consolidated basis.

Selling expenses are our most significant expense and are classified as operating expenses. Selling expenses include sales commissions paid to our sales force, special incentives, costs for incentive trips and other rewards, as well as wages, benefits, bonuses and other labor and unemployment expenses we pay to our sales force in Mainland China. Selling expenses do not include amounts we pay to our sales force based on their personal purchases; rather, such amounts are reflected as reductions to revenue. Our global sales compensation plan, which we employ in all our markets except Mainland China, is an important factor in our ability to attract and retain our Sales Leaders. Under our global sales compensation plan, Sales Leaders can earn "multi-level" compensation, where they earn commissions for product sales to their consumer groups as well as the product sales made through the sales network they have developed and trained. We do not pay commissions on sales materials. Small fluctuations occur in the amount of commissions paid as the Actives and Sales Leaders change from month to month. However, with over 1.2 million Actives and 62,000 Sales Leaders, the fluctuation in the overall payout is relatively small. Selling expenses as a percentage of revenue typically increase in connection with a limited-time offer due to growth in the number of Sales Leaders qualifying for increased sales compensation and promotional incentives. From time to time, we make modifications and enhancements to our global sales compensation plan in an effort to help motivate our sales force and develop leadership characteristics, which can have an impact on selling expenses.

Outside of Mainland China, distributors also have the opportunity to make profits by purchasing products from us at a discount and selling them to consumers with a mark-up. We do not account for nor pay additional commissions on these mark-ups received by distributors. In many markets, we also allow individuals who are not part of our sales force, whom we refer to as "preferred customers," to buy products directly from us at a discount. We pay commissions on preferred customer purchases to the referring member of our sales force.

General and administrative expenses include:

- wages and benefits;
- rents and utilities;
- depreciation and amortization;
- promotion and advertising;
- professional fees;
- travel;
- research and development; and
- other operating expenses.

Labor expenses are the most significant portion of our general and administrative expenses. Promotion and advertising expenses include costs of sales force conventions held in various markets worldwide, which we expense in the period in which they are incurred. Because our various sales force conventions are not held during each fiscal year, or in the same period each year, their impact on our general and administrative expenses may vary from year to year and from quarter to quarter. For example, we held our global convention in October 2013 and will have another global convention in the fall of 2015 as we currently plan to hold a global convention every other year. In addition, we hold regional conventions and conventions in our major markets at different times during the year. These conventions have significant expenses associated with them. Because we have not incurred expenses for these conventions during every fiscal year or in comparable interim periods, year-over-year comparisons have been impacted accordingly.

Provision for income taxes depends on the statutory tax rates in each of the jurisdictions in which we operate. For example, statutory tax rates in 2014 were approximately 16.5% in Hong Kong, 17.0% in Taiwan, 24.2% in South Korea, 42.1% in Japan and 25.0% in Mainland China. We are subject to taxation in the United States at the statutory corporate federal tax rate of 35%, and we pay taxes in multiple states within the United States at various tax rates. Our overall effective tax rate was 36.6% for the year ended December 31, 2014.

Critical Accounting Policies

The following critical accounting policies and estimates should be read in conjunction with our audited Consolidated Financial Statements and related Notes thereto. Management considers our critical accounting policies to be the recognition of revenue, accounting for income taxes and accounting for intangible assets. In each of these areas, management makes estimates based on historical results, current trends and future projections.

Revenue. We recognize revenue when products are shipped, which is when title and risk of loss pass to the purchaser of the products. With some exceptions based on local regulations, we offer a return policy that allows our sales force to return unopened and unused product for up to 12 months subject to a 10% restocking fee. Reported revenue is net of returns, which have historically been less than 5% of annual revenue. A reserve for product returns is accrued based on historical experience. We classify selling discounts as a reduction of revenue.

Through our product subscription and loyalty programs, which vary from market to market, participants who commit to purchase on a monthly basis receive a discount from suggested retail or wholesale prices, as applicable. We apply this discount at the time of each purchase and not through a larger discount on the initial purchase. Participants may cancel their commitment at any time, however some markets charge a one-time early cancellation fee. All purchases under these programs are subject to our standard product payment and return policies. In accordance with ASC 605-50, we classify selling discounts and rebates, as a reduction of revenue at the time the sale is recorded.

Income Taxes. We account for income taxes in accordance with the Income Taxes Topic of the Financial Accounting Standards Codification . This Topic establishes financial accounting and reporting standards for the effects of income taxes that result from an enterprise's activities during the current and preceding years. We take an asset and liability approach for financial accounting and reporting of income taxes. We pay income taxes in many foreign jurisdictions based on the profits realized in those jurisdictions, which can be significantly impacted by terms of intercompany transactions between Nu Skin affiliates around the world. Deferred tax assets and liabilities are created in this process. As of December 31, 2014, we had net deferred tax assets of $40.0 million. We net these deferred tax assets and deferred tax liabilities by jurisdiction. Valuation allowances are established when necessary to reduce deferred tax assets to the amounts expected to be ultimately realized. These net deferred tax assets assume sufficient future earnings will exist for their realization, and are calculated using anticipated tax rates. In certain foreign jurisdictions, valuation allowances have been recorded against the deferred tax assets specifically related to use of net operating losses. When we determine that there is sufficient taxable income to utilize the net operating losses, the valuation allowances will be released. In the event we were to determine that we would not be able to realize all or part of our net deferred tax assets in the future, an adjustment to the deferred tax assets would be charged to earnings in the period such determination was made.

We evaluate our indefinite reinvestment assertions with respect to foreign earnings for each period. Other than earnings we intend to reinvest indefinitely, we accrue for the U.S. federal and state income taxes applicable to the earnings. For all foreign earnings, we accrue the applicable foreign income taxes. We intend to utilize the offshore earnings to fund foreign investments, specifically capital expenditures. Undistributed earnings that we have indefinitely reinvested, for which no federal or state income taxes in the U.S. have been provided, aggregate to $50.0 million as of December 31, 2014 and 2013. If this amount were repatriated to the United States, the amount of incremental taxes would be approximately $5.3 million.

We file income tax returns in the U.S. federal jurisdiction, and in various state and foreign jurisdictions. We have filed U.S. federal tax returns for all years through and including 2013, and we are no longer subject to tax examinations from the United States Internal Revenue Service (the "IRS") for any of these years except for 2011. With a few exceptions, we are no longer subject to state and local income tax examination by tax authorities for the years before 2010. In 2009, we entered into a voluntary program with the IRS called Compliance Assurance Process ("CAP"). The objective of CAP is to contemporaneously work with the IRS to achieve federal tax compliance and resolve all or most of the issues prior to filing of the tax return. We have elected to participate in the CAP program for 2015 and may elect to continue participating in CAP for future tax years; we may withdraw from the program at any time. In major foreign jurisdictions, we are generally not subject to income tax examinations for years before 2009. However, statutes in certain countries may be as long as ten years for transfer pricing related issues. Along with the IRS examination of 2011, we are currently under examination in certain foreign jurisdictions; however, the outcomes of those reviews are not yet determinable.

Our unrecognized tax benefits related to multiple foreign and domestic jurisdictions. Due to potential increases in unrecognized tax benefits from the multiple jurisdictions in which we operate, as well as the expiration of various statutes of limitation, it is reasonably possible that our gross unrecognized tax benefits, net of foreign currency adjustments, may increase within the next 12 months by a range of approximately $1 to $2 million.

At December 31, 2014, we had $6.0 million in unrecognized tax benefits of which $1.1 million, if recognized, would affect the effective tax rate. In comparison, at December 31, 2013, we had $7.5 million in unrecognized tax benefits of which $2.1 million, if recognized, would affect the effective tax rate. We recognized approximately $(0.1) million and $0.4 million in interest and penalties expenses (benefits), during each of the years ended December 31, 2013 and 2014, respectively. We had approximately $1.1 million, $0.9 million and $1.3 million of accrued interest and penalties related to uncertain tax positions at December 31, 2012, 2013 and 2014, respectively. Interest and penalties related to uncertain tax positions are recognized as a component of income tax expense.

We are subject to regular audits by federal, state and foreign tax authorities. These audits may result in additional tax liabilities. We account for such contingent liabilities in accordance with relevant accounting standards and believe we have appropriately provided for income taxes for all years. Several factors drive the calculation of our tax reserves. Some of these factors include: (i) the expiration of various statutes of limitations; (ii) changes in tax law and regulations; (iii) issuance of tax rulings; and (iv) settlements with tax authorities. Changes in any of these factors may result in adjustments to our reserves, which would impact our reported financial results.

Intangible Assets. Acquired intangible assets may represent indefinite-lived assets, determinable-lived intangibles or goodwill. Of these, only the costs of determinable-lived intangibles are amortized to expense over their estimated life. The value of indefinite-lived intangible assets and residual goodwill is not amortized, but is tested at least annually for impairment. Our impairment testing for goodwill is performed separately from our impairment testing of indefinite-lived intangibles. We test goodwill for impairment, at least annually, by reviewing the book value compared to the fair value at the reportable unit level. Beginning in 2011, we had the option to perform a qualitative assessment to determine whether further impairment testing is necessary or to perform a quantitative assessment by comparing the fair value of a reporting unit to its carrying amount, including goodwill. Under the qualitative assessment, an entity is not required to calculate the fair value of a reporting unit unless the entity determines that it is more likely than not that its fair value is less than its carrying amount. If under the quantitative assessment the fair value of a reporting unit is less than its carrying amount, then the amount of the impairment loss, if any, must be measured. We used the quantitative assessment for all periods presented. Considerable management judgment is necessary to measure fair value. We did not recognize any impairment charges for goodwill or intangible assets during the periods presented.

Results of Operations

The following table sets forth our operating results as a percentage of revenue for the periods indicated:

	Year Ended December 31,		
	2012	2013	2014
Revenue	100.0%	100.0%	100.0%
Cost of sales	16.6	15.9	18.6
Gross profit	83.4	84.1	81.4
Operating expenses:			
Selling expenses	43.7	46.5	43.5
General and administrative expenses	23.7	20.2	24.2
Total operating expenses	67.4	66.7	67.7
Operating income	16.0	17.4	13.7
Other income (expense), net	0.2	0.1	(2.1)
Income before provision for income taxes	16.2	17.5	11.6
Provision for income taxes	5.8	6.0	4.2
Net income	10.4%	11.5%	7.4%

2014 Compared to 2013

Overview

Revenue in 2014 decreased 19% to $2.6 billion from $3.2 billion in 2013, with foreign currency fluctuations negatively impacting revenue 3%. Sales Leaders and Actives were down 39% and 10%, respectively, compared to the prior year. We believe these declines were largely driven by two primary factors. First, our business in Mainland China was significantly disrupted following our voluntary suspension of business meetings and the acceptance of applications for new sales representatives in response to media and regulatory scrutiny of our business in January 2014. In May 2014, we resumed business meetings and acceptance of applications for new sales representatives, and in the second half of 2014, we continued to expand our business meetings. We believe our business in Mainland China showed signs of stabilization during the second half of 2014 as sales were relatively even from the second to the fourth quarter of the year. For additional information, see "–Revenue–Greater China."

Second, the declines reflect difficult comparisons with the prior year, which included significant Sales Leader activity and revenue related to the global limited-time offer of *ageLOC TR90*. This limited-time offer generated $550 million of sales during the second half of 2013. This product was sold in a kit containing a three-month supply, and we believe the significant 2013 sales and the three-month supply kit configuration decreased demand in subsequent regional limited-time offers of this product. In addition, *TR90* was developed to decrease fat without sacrificing lean muscle. The result is a healthier body composition but not necessarily maximum weight loss. Our research shows that some consumers of *TR90* were dissatisfied with the extent of their weight loss. In some markets, we have elected to make *TR90* generally available shortly following a regional limited-time offer, rather than waiting a longer period as in previous limited-time offers for other products. We believe these issues and the disruption in China combined to result in significantly lower regional limited-time offer sales of *TR90* and *ageLOC Tru Face Essence Ultra* in 2014, which generated $194 million.

Earnings per share in 2014 decreased to $3.11, compared to $5.94 in 2013. The decrease in earnings per share in 2014 reflects a 19% revenue decline, a $46.3 million foreign currency charge taken in the first half of 2014 related to the devaluation of the Venezuelan currency and the increased tax rate related to this foreign currency charge. The decrease in earnings per share in 2014 also reflects a $50.0 million charge taken in the second quarter of 2014 for the write-down of inventory primarily in Mainland China. We currently expect that the strengthening U.S. dollar will continue to impact our results in 2015. For more information regarding these items, please see "–Gross profit," "–Other income (expense), net," "–Provision for income taxes" and "–Liquidity and Capital Resources."

Revenue

Greater China. The following table sets forth revenue for the Greater China region and its principal markets (U.S. dollars in millions):

	2013	2014	Change
Mainland China	$ 1,005.4	$ 675.1	(33%)
Taiwan/Hong Kong	357.8	273.4	(24%)
Greater China total	$ 1,363.2	$ 948.5	(30%)

Foreign currency exchange rate fluctuations did not impact revenue in the Greater China region in 2014. Sales Leaders and Actives in Mainland China decreased 63% and 21%, respectively, compared to 2013. Sales Leaders and Actives in Taiwan were down 49% and 17%, respectively, compared to 2013. Sales Leaders and Actives in Hong Kong were down 49% and 10%, compared to 2013.

The year-over-year comparisons were impacted by significant Sales Leader activity and revenue related to the global limited-time offer of *ageLOC TR90* in the second half of 2013, which generated $327 million in sales in the Greater China region. In 2014, smaller regional limited-time offers of *ageLOC Tru Face Essence Ultra* and *TR90* generated revenue of $130 million in the region. Revenue in the region for the fourth quarter of 2014 also benefited from product promotions.

Our revenue and number of Sales Leaders and Actives in this region during 2014 were also negatively impacted by our voluntary suspension of business meetings and acceptance of applications for new sales representatives in Mainland China in response to adverse media reports and a government review of our business in the first part of the year. Following completion of this government review, in May 2014 we resumed business meetings and acceptance of applications for new sales representatives, and in the second half of 2014, we continued to expand our business meetings. We believe our business in Mainland China showed signs of stabilization during the second half of 2014 as sales were relatively even from the second to the fourth quarter of the year. We continue to act cautiously to properly educate and train our sales force.

We may encounter unanticipated complications or other difficulties in rebuilding our business in Mainland China, which could further impact our business negatively. In addition, as we have not previously undertaken such a lengthy suspension of business meetings and acceptance of applications for new sales representatives, there is uncertainty regarding the full impact the voluntary actions we took during the first part of 2014 could have on our sales force and business going forward.

We believe that the negative publicity and regulatory uncertainty in Mainland China caused some distraction among our Sales Leaders globally, but more specifically in Taiwan and Hong Kong, given the proximity of these markets to Mainland China. Revenue in these markets was also negatively impacted by year-over-year declines in Sales Leaders and Actives.

North Asia. The following table sets forth revenue for the North Asia region and its principal markets (U.S. dollars in millions):

	2013	2014	Change
South Korea	$ 466.8	$ 467.7	*
Japan	402.6	315.3	(22%)
North Asia total	$ 869.4	$ 783.0	(10%)

*Less than 1%

Foreign currency fluctuations negatively impacted revenue 1% in this region compared to the prior year.

Reported revenue remained level in South Korea despite difficult comparisons. Foreign currency fluctuations positively impacted revenue by 4% compared to the prior year. We introduced our *ageLOC TR90* and related products in South Korea through a global limited-time offer in the second half of 2013, which generated approximately $70 million. In 2014, smaller regional limited-time offers of *TR90* and *ageLOC Tru Face Essence Ultra* generated revenue of approximately $39 million in South Korea. Sales Leaders and Actives in South Korea were down 15% and 3%, respectively, compared to 2013.

Local currency revenue decreased 15% in Japan in 2014 compared to 2013. Revenue was negatively impacted an additional 7% by the weakening of the Japanese yen against the U.S. dollar, compared to 2013. The year-over-year revenue comparison was impacted by the global limited-time offer of *ageLOC TR90* in the second half of 2013, which generated approximately $34 million. In 2014, smaller regional limited-time offers of *ageLOC Tru Face Essence Ultra* and *TR90* generated revenue of approximately $5 million in Japan. In 2014, Sales Leaders and Actives in Japan decreased 7% and 6%, respectively, compared to 2013, reflecting challenges related to the difficult direct selling environment in Japan. We continue to be cautious in our promotional activities in Japan, and we frequently meet with regulatory agencies regarding our ongoing distributor education, training and compliance efforts.

Americas. The following table sets forth revenue for the Americas region (U.S. dollars in millions):

	2013	2014	Change
United States/Canada	$ 311.1	$ 272.4	(12%)
Latin America	59.0	56.6	(4%)
Americas total	$ 370.1	$ 329.0	(11%)

Revenue in the Americas decreased 11% in 2014 compared to 2013, including a negative impact of 18% caused by foreign currency. Sales Leaders and Actives in the region decreased 10% and 4%, respectively, in 2014 compared to 2013. The year-over-year results for the United States and Canada were impacted by the global limited-time offer of *ageLOC TR90* in the second half of 2013, which generated $36 million. In 2014, smaller regional limited-time offers of *TR90* generated revenue of $10 million in the United States and Canada. Strong local currency growth in Latin America was offset by the devaluation of the Venezuelan currency and the weakening of other currencies against the U.S. dollar. In the first quarter of 2015, Venezuela announced a new foreign exchange mechanism. For more information, see "— Liquidity and Capital Resources."

South Asia/Pacific. The following table sets forth revenue for the South Asia/Pacific region (U.S. dollars in millions):

	2013	2014	Change
South Asia/Pacific	$ 379.0	$ 328.4	(13%)

Foreign currency exchange rate fluctuations negatively impacted revenue in South Asia/Pacific by 5% in 2014, compared to the prior year. Sales Leaders and Actives in the region increased 6% and 3%, respectively, in 2014 compared to the prior year.

The year-over-year decline in South Asia/Pacific was impacted largely by the global limited-time offer of *ageLOC TR90* in the second half of 2013, which generated approximately $64 million.

EMEA. The following table sets forth revenue for the Europe, Middle East and Africa ("EMEA") region (U.S. dollars in millions):

	2013	2014	Change
EMEA	$ 195.0	$ 180.6	(7%)

Foreign currency exchange rate fluctuations negatively impacted revenue in the EMEA region by 1% in 2014 compared to the prior year. The year-over-year decline in EMEA was impacted largely by the global limited-time offer of *ageLOC TR90* in the second half of 2013, which generated approximately $18 million in sales in the region during the second half of 2013. In 2014, smaller regional limited-time offers of *TR90* generated revenue of $8 million in the region. Revenue was also negatively impacted by a decline in Sales Leaders and Actives of 9% and 7%, respectively, when compared to 2013.

Gross profit

Gross profit as a percentage of revenue in 2014 decreased to 81.4% compared to 84.1% in 2013. Gross profit as a percentage of revenue for 2014 was negatively impacted by a $50.0 million write-down of inventory, primarily in Mainland China. Gross profit as a percentage of revenue in 2014 was also negatively impacted by currency fluctuations, decreased utilization of our manufacturing operations in Mainland China and a decline in the percentage of global revenue represented by Mainland China, where our gross margin on a consolidated basis benefits from self-manufactured products. Gross profit as a percentage of revenue in 2014 was also negatively impacted by increased product promotions.

Selling expenses

Selling expenses as a percentage of revenue decreased to 43.5% in 2014, compared to 46.5% in 2013. Selling expenses as a percentage of revenue in 2013 were relatively high as a result of the significant growth in the number of Sales Leaders qualifying for increased sales compensation and promotional incentives related to the limited-time offer of *TR90* in 2013. Selling expenses as a percentage of revenue also decreased in 2014, due to a reduction in the number of Sales Leaders qualifying for incentive trips and other promotional incentives based on 2014 results.

General and administrative expenses

As a percentage of revenue, general and administrative expenses increased to 24.2% in 2014 from 20.2% in 2013, reflecting lower revenue and relatively stable general and administrative expenses.

Other income (expense), net

Other income (expense), net was $53.7 million of expense in 2014, compared to $2.8 million of income in 2013. The increase in expense in 2014 was primarily due to a $46.3 million non-cash foreign currency charge related to the impact of the devaluation of the Venezuelan currency on monetary assets and liabilities of our Venezuela entity and a fourth-quarter charge of $7.4 million related to the prepayment of debt. Foreign currency translation expenses related to the strengthening of the U.S. dollar were offset by tax incentives related to our new China headquarters. In the first quarter of 2015, Venezuela announced a new foreign exchange mechanism. For more information, see "–Liquidity and Capital Resources."

Provision for income taxes

Provision for income taxes decreased to $109.3 million in 2014 from $192.1 million in 2013. The effective tax rate increased to 36.6% in 2014 from 34.5% of pre-tax income in 2013. The increase in the effective tax rate in 2014 was due largely to the impact of the foreign currency charge relating to Venezuela, for which a deductible tax expense is not allowed until profit is realized in this market.

Net income

As a result of the foregoing factors, net income in 2014 decreased to $189.2 million, compared to $364.9 million in 2013.

2013 Compared to 2012

Overview

Revenue in 2013 increased 49% to $3.2 billion from $2.1 billion in 2012. This increase reflected growth in each of our regions with significant growth in Greater China, South Asia/Pacific, the Americas and South Korea. Sustained interest in our innovative product portfolio and our business opportunity continued to drive year-over-year growth in our Sales Leaders and Actives. In 2012, limited-time offers of *ageLOC R*^{2} and *ageLOC Body Spa* and related products in connection with a series of regional events generated approximately $116 million in our Greater China region and $68 million in our South Asia/Pacific region. In the second half of 2013, the successful limited-time offers of *ageLOC TR90* generated approximately $550 million in revenue with over half of this volume coming from the Greater China region.

Foreign currency exchange fluctuations had a negative 3% impact on revenue in 2013 compared to 2012. Globally, our Sales Leaders and Actives grew 97% and 41%, respectively, compared to the prior-year period.

Earnings per share in 2013 increased to $5.94, compared to $3.52 in 2012. The increase in earnings is largely the result of increased revenue, as discussed above, coupled with improved margins and controlled expenses.

Revenue

Greater China. The following table sets forth revenue for the Greater China region and its principal markets (U.S. dollars in millions):

	2012	2013	Change
Mainland China	$ 256.8	$ 1,005.4	292%
Taiwan/Hong Kong	293.9	357.8	22%
Greater China total	$ 550.7	$ 1,363.2	148%

Foreign currency exchange rate fluctuations positively impacted revenue in the Greater China region by 5% in 2013.

Strong revenue and sales force growth in the Greater China region, including significant growth in Mainland China, was driven by continued interest in our business opportunity and our strong product portfolio, including successful limited-time offers of our *ageLOC TR90*. This limited-time offer generated approximately $327 million in revenue in the second half of 2013. Revenue for 2012 included approximately $116 million of limited-time offer revenue of our *ageLOC R*^{2} and our *ageLOC Body Spa* and related products, with most of the sales recorded in Hong Kong in connection with our Greater China regional convention.

Local currency revenue in Mainland China and Taiwan was up 280% and 49%, respectively, in 2013 compared to 2012. Local currency revenue in Hong Kong remained level when comparing 2013 to 2012. Mainland China reported a 187% and 285% increase in Actives and number of Sales Leaders, respectively, compared to the prior-year period. Sales Leaders and Actives in Taiwan increased 89% and 21% compared to the prior-year period. Sales Leaders and Actives in Hong Kong were up 168% and 67% compared to 2012.

Our rapid growth in Greater China put pressure on our supply chain and other systems and resources in this region, causing us to take measures to help alleviate this pressure, including staging the limited-time offer of *ageLOC TR90* over several months in the Greater China region. We, along with our management team in the Greater China region, focused resources to successfully manage the expansion of our management team, labor force, sales force, manufacturing operations, systems, government relations efforts, retail stores and service centers.

North Asia. The following table sets forth revenue for the North Asia region and its principal markets (U.S. dollars in millions):

	2012	2013	Change
South Korea	$ 296.0	$ 466.8	58%
Japan	489.3	402.6	(18%)
North Asia total	$ 785.3	$ 869.4	11%

Foreign currency fluctuations negatively impacted revenue 10% in this region compared to the prior-year period.

Local currency revenue in Japan increased 1% in 2013 compared to 2012. During 2013, the Japanese yen weakened against the U.S. dollar, negatively impacting our revenue in this market by 19% compared to 2012. Japan's 2013 revenue was positively impacted by the limited-time offer of our *ageLOC TR90* in the second half of 2013, which generated approximately $34 million. Japan's revenue in 2012 included approximately $34 million from the regional limited-time offer of our *ageLOC R*^{2} and *ageLOC Body Spa* and related products. As a result of concerns from a regional Japanese regulatory authority in 2013, we implemented additional steps to further reinforce our distributor education, training and compliance efforts. These issues also led us to be cautious in our promotional activities. We believe these steps negatively impacted our revenue in this market during the latter-half of 2013, with local-currency revenue in Japan down 9% in the fourth quarter of 2013, compared to the same prior-year period. In 2013, Sale Leaders and Actives in Japan decreased 13% and 5%, respectively, compared to the prior year, reflecting challenges related to the difficult direct selling environment in Japan and our focus on distributor education, training and compliance.

Local currency growth of 53% in South Korea in 2013, compared to the prior year, reflected continued growth in Actives and Sales Leaders, interest generated by our ageLOC products and alignment with our product launch process. We introduced our *ageLOC TR90* and related products in South Korea through a limited-time offer in the second half of 2013, which generated approximately $70 million. South Korea's revenue in 2012 included approximately $25 million from the regional limited-time offer of our *ageLOC R*^{2} and *ageLOC Body Spa* and related products. In 2013, our Sales Leaders and Actives in South Korea increased 46% and 40%, respectively, compared to the prior year, driven by strong interest in our innovative anti-aging portfolio and business opportunity.

Americas. The following table sets forth revenue for the Americas region (U.S. dollars in millions):

	2012	2013	Change
United States/Canada	$ 251.1	$ 311.1	24%
Latin America	34.2	59.0	73%
Americas total	$ 285.3	$ 370.1	30%

Revenue in the Americas increased 30% in 2013 compared to 2012, reflecting strong Sales Leader growth and continued interest in our ageLOC anti-aging products including the limited-time offer of our *ageLOC TR90*. Year-over-year revenue growth in the region was positively impacted by strong growth in Canada and Latin America. In the United States, revenue was up 18% over 2012. We believe our inability to market our facial spa in the United States limited revenue growth in this market. In the third quarter of 2013, we received clearance from the United States Food and Drug Administration to market a facial spa device for over-the-counter use. Revenue in the second half of 2013 for the region was positively impacted by the limited-time offer of *ageLOC TR90*. In the second half of 2012, we introduced our new *ageLOC Tru Face Essence Ultra* through a limited-time offer in connection with the Americas regional convention. Sales Leaders and Actives in the region increased 30% and 18% in 2013, compared to the prior-year period.

South Asia/Pacific. The following table sets forth revenue for the South Asia/Pacific region (U.S. dollars in millions):

	2012	2013	Change
South Asia/Pacific	$ 328.6	$ 379.0	15%

Foreign currency exchange rate fluctuations negatively impacted revenue in South Asia/Pacific by 3% in 2013, compared to the prior year. Strong growth in our revenue in this region reflected continued interest in our strong product portfolio, including a limited-time offer of *ageLOC TR90*, which generated approximately $64 million in revenue in the second half of 2013. In 2012, a regional limited-time offer generated approximately $68 million in revenue in the second and third quarters of 2012. Sales Leaders and Actives in the region increased 60% and 22% in 2013, compared to the prior year.

EMEA. The following table sets forth revenue for the Europe, Middle East and Africa ("EMEA") region (U.S. dollars in millions):

	2012	2013	Change
EMEA	$ 182.4	$ 195.0	7%

Foreign currency exchange rate fluctuations positively impacted revenue in the EMEA region by 3% in 2013 compared to the prior year. Local currency revenue growth of 4% in EMEA during 2013 reflected continued interest in our strong product portfolio, including our ageLOC products. We introduced *ageLOC TR90* in the majority of our markets in the EMEA region through limited-time-offers in the second half of 2013. Our Sales Leaders in EMEA decreased by 1% and our Actives increased by 3% when compared to 2012.

Gross profit

Gross profit as a percentage of revenue in 2013 increased to 84.1% compared to 83.4% in 2012. This increase reflected strong gross margins on a consolidated basis for our *ageLOC TR90* products. Similarly, revenue growth in Mainland China, where our gross margin on a consolidated basis benefits from our self-manufactured products, also continued to positively impact our gross profit as a percentage of revenue.

Selling expenses

Selling expenses as a percentage of revenue increased to 46.5% in 2013 compared to 43.7% in 2012. This increase was largely due to growth in the number of Sales Leaders qualifying for increased sales compensation and promotional incentives in connection with our limited-time offers in the second half of 2013.

General and administrative expenses

Although our general and administrative expenses increased by $134.6 million compared to the prior-year, as we grew our operations to support the growth of our business, general and administrative expenses as a percentage of revenue decreased to 20.2% in 2013 from 23.7% in 2012. This improvement was due to our significant revenue growth, particularly from the large amount of limited-time-offer sales of *ageLOC TR90*.

Other income (expense), net

Other income (expense), net was $2.8 million of income in 2013 compared to $4.4 million of income in 2012. The decrease in income was due primarily to the impact of changes in foreign currency exchange rates.

Provision for income taxes

Provision for income taxes increased to $192.1 million in 2013 from $123.6 million in 2012. The effective tax rate decreased to 34.5% in 2013 from 35.8% of pre-tax income in 2012. The decrease in our effective tax rate was primarily due to a portion of our non-U.S. earnings being indefinitely reinvested outside the U.S. in connection with the build-out of our regional headquarters and other infrastructure in Mainland China.

Net income

As a result of the foregoing factors, net income in 2013 increased to $364.9 million, compared to $221.6 million in 2012.

Liquidity and Capital Resources

Historically, our principal uses of cash have included operating expenses, particularly selling expenses, and working capital (principally inventory purchases), as well as capital expenditures, stock repurchases, dividends, debt repayment, and the development of operations in new markets. We have at times incurred long-term debt in order to fund strategic transactions and stock repurchases. We typically generate positive cash flow from operations due to favorable margins and have generally relied on cash flow from operations to fund operating activities. However, during 2014 we used $56.5 million in cash for operations, compared to generating $530.2 million in cash in 2013, due to three primary factors. First, we had a significant amount of accrued expenses at the end of December 2013, following record sales and a record number of sales representatives who qualified for incentive trips. The selling expenses and incentive trip expenses, although accrued in 2013, were paid in 2014. Second, we had significant amounts payable at the end of December 2013, as we built a large amount of inventory for planned product launches in 2014. Finally, the decrease in revenue due to disruption of our Mainland China business lowered our net income in 2014. As we worked through these issues, we generated positive cash flow from operations in the second half of 2014 of $128.4 million.

As of December 31, 2014, working capital was $416.3 million compared to $341.5 million as of December 31, 2013. Cash and cash equivalents, including current investments, at December 31, 2014 were $300.2 million compared to $547.1 million at December 31, 2013. The decrease in cash and cash equivalents reflects decreased income, and cash payments for inventory, accrued taxes and selling and other expenses.

Capital expenditures in 2014 totaled $101.5 million, and we anticipate capital expenditures of approximately $75 million for 2015. We expect that the capital expenditures in 2015 will be primarily related to:

- expansion of our corporate facilities in the United States, Greater China and South Korea;
- purchases of computer systems and software, including equipment and development costs;
- purchase of tooling and manufacturing equipment related to the development of new products; and
- the build-out and upgrade of leasehold improvements in our various markets, including retail stores and service centers in Mainland China.

On October 9, 2014, we entered into a Credit Agreement (the "Credit Agreement") with various financial institutions, and Bank of America, N.A. as administrative agent. The Credit Agreement provides for a $127.5 million term loan facility, a 6.6 billion Japanese yen term loan facility and a $187.5 million revolving credit facility, each with a term of five years. On October 10, 2014, we drew the full amount of the term loan facilities in U.S. dollars and Japanese yen and $112.5 million of the revolving credit facility, which bear interest at variable rates, which were 2.9117%, 2.8243% and 2.9117% as of December 31, 2014, respectively. Half of the principal amount of the term loan facilities is payable in increasing quarterly installments over a five-year period, with the remainder payable at the end of the five-year term. The Credit Agreement requires that we maintain a consolidated leverage ratio not exceeding 2.25 to 1.00 and a consolidated interest coverage ratio of no less than 3.00 to 1.00. As of December 31, 2014, we had debt pursuant to the Credit Agreement of $252.8 million, consisting of $125.9 million and 6.5 billion Japanese yen ($54.4 million) under the term loan facilities and $72.5 million under the revolving credit facility, less a debt discount of $5.5 million.

On October 10, 2014, in connection with our entrance into the Credit Agreement, we repaid debt that was outstanding under our credit agreements with Bank of America, N.A. and notes with Prudential Investment Management, Inc. and affiliates. We also paid a $7.4 million fee related to the prepayment of debt.

Our board of directors has approved a stock repurchase program authorizing us to repurchase our outstanding shares of Class A common stock on the open market or in private transactions. The repurchases are used primarily to offset dilution from our equity incentive plans and for strategic initiatives. In July 2013, our board of directors authorized a $400.0 million extension of our ongoing share repurchase authorization. During the year ended December 31, 2014, we repurchased approximately 0.8 million shares of Class A common stock under this program for $45.7 million. At December 31, 2014, $348.8 million was available for repurchases under the stock repurchase program.

Our board of directors declared cash dividends on our Class A common stock of $0.345 per share during each quarter of 2014. These quarterly cash dividends totaled approximately $81.4 million and were paid during 2014 to stockholders of record in 2014. The board of directors has approved an increased quarterly cash dividend of $0.35 per share of Class A common stock to be paid on March 18, 2015, to stockholders of record on February 27, 2015. Annually, this would increase the dividend to $1.40 from $1.38 in the prior year. Currently, we anticipate that our board of directors will continue to declare quarterly cash dividends and that the cash flows from operations will be sufficient to fund our future dividend payments. However, the continued declaration of dividends is subject to the discretion of our board of directors and will depend upon various factors, including our net earnings, financial condition, cash requirements, future prospects and other relevant factors.

As of December 31, 2014 and 2013, we held $288.4 million and $525.2 million, respectively, in cash and cash equivalents, including $195.7 million and $493.9 million, respectively, held in our operations outside of the U.S. Substantially all of our non-U.S. cash and cash equivalents are readily convertible into U.S. dollars or other currencies, with the exception of cash in Venezuela which is subject to currency exchange restrictions by the government of Venezuela. Currency exchange restrictions in Venezuela require approval from the government's currency control organization for our subsidiary in Venezuela to obtain U.S. dollars at an official exchange rate to pay for imported products or to repatriate dividends to the United States. We have been unsuccessful in obtaining U.S. dollars at the official exchange rates and under alternative exchange mechanisms described below. As a result, these foreign exchange controls in Venezuela have limited our ability to repatriate earnings and settle our intercompany obligations, which has resulted in the accumulation of bolivar denominated cash and cash equivalents in Venezuela.

During the first quarter of 2014, two new foreign exchange mechanisms ("SICAD I" and "SICAD II") became available in Venezuela. As of March 31, 2014, we determined it would be most appropriate to utilize the SICAD I rate, which was approximately 10.7 bolivars per U.S. dollar. As a result of this determination, we incurred a $14.7 million charge related to the translation of our monetary assets in Venezuela. During the second quarter, we determined that it would most appropriate to use the SICAD II rate, which is approximately 50 bolivars per U.S. dollar, as we had still not received any approvals under SICAD I. The remeasurement of our net monetary assets and liabilities denominated in bolivars as a result of this change resulted in a foreign exchange loss of $25.3 million during the three months ended June 30, 2014. As of December 31, 2014, cash and cash equivalents in Venezuela were $8.2 million. In the first quarter of 2015, a new foreign exchange mechanism ("SIMADI") was announced, which utilizes a variable exchange rate that was initially approximately 170 bolivars per U.S. dollar. We are evaluating this new mechanism and expect that, if we adopt the SIMADI rate, the estimated impact would be approximately $10 million as an expense in Other Income (Expense) for the first quarter of 2015, assuming a rate of 170 bolivars per U.S. dollar.

We typically fund the cash requirements of our operations in the U.S. through intercompany charges for products, license fees and corporate services. However, in some markets such as Mainland China, where we have lower intercompany charges, we may be unable to repatriate cash from current operations in the form of dividends until we file the necessary statutory financial statements for the relevant period. We currently have in place an intercompany loan arrangement, which allows us to access a portion of available cash in Mainland China pending our repatriation of dividends. As of December 31, 2014, we had $45.3 million in cash denominated in Chinese RMB. We currently plan to repatriate undistributed earnings from our non-U.S. operations as necessary, considering the cash needs of our non-U.S. operations and the cash needs of our U.S. operations for dividends, stock repurchases, capital investments, debt repayment and strategic transactions. In all but two jurisdictions, we have not designated our investments as indefinitely reinvested, but rather have these funds available for our operations in the U.S. as needed. Any repatriation of non-U.S. earnings requires payment of U.S. taxes in accordance with applicable U.S. tax rules and regulations. Accordingly, we have accrued the necessary U.S. taxes related to the funds that are not indefinitely reinvested.

We currently believe that existing cash balances, future cash flows from operations and existing lines of credit will be adequate to fund our cash needs on both a short- and long-term basis. The majority of our historical expenses have been variable in nature and as such, a potential reduction in the level of revenue would reduce our cash flow needs. In the event that our current cash balances, future cash flow from operations and current lines of credit are not sufficient to meet our obligations or strategic needs, we would consider raising additional funds in the debt or equity markets or restructuring our current debt obligations. Additionally, we would consider realigning our strategic plans, including a reduction in capital spending, stock repurchases or dividend payments.

Contractual Obligations and Contingencies

The following table sets forth payments due by period for fixed contractual obligations as of December 31, 2014 (U.S. dollars in thousands):

	Total	2015	2016-2017	2018-2019	Thereafter
Long-term debt obligations[1]	$ 252,791	$ 82,770	$ 34,232	$ 135,789	$ —
Interest payable	22,864	7,000	9,175	6,689	—
Operating lease obligations	106,904	29,382	46,376	30,468	678
Purchase obligations	219,262	175,643	29,297	8,647	5,675
Other long-term liabilities reflected on the balance sheet[2]	89,100	16,930	24,786	2,528	44,856
Total	$ 690,921	$ 311,725	$ 143,866	$ 184,121	$ 51,209

(1) The carrying value of the debt reflects the amounts stated in the above table less a debt discount of $5.5 million.

(2) The timing of the commitments in Other long-term liabilities reflected on the balance sheet is uncertain and represents management's best estimate.

Contingent Liabilities

We are currently involved in a dispute related to customs assessments by Yokohama Customs on several of our products for the period of October 2006 through September 2009 in connection with post-importation audits, as well as the disputed portion of our import duties from October 2009 to the present, which we have or will hold in bond or pay under protest. Additional assessments related to any prior period are barred by applicable statutes of limitations. The aggregate amount of these assessments and disputed duties was approximately 4.5 billion Japanese yen as of December 31, 2014 (approximately $37.6 million), net of recovery of consumption taxes. The issue in this case is whether a United States entity utilizing a commissionaire agent in Japan to import its products can use the manufacturer's invoice pursuant to the transaction value method under the World Trade Organization Customs Valuation Agreement or whether it must use one of the alternative valuation methods provided in that agreement, and, if an alternative method must be used, what the allowable deductions would be in determining the proper valuation. Following our review of the assessments and after consulting with our legal and customs advisors, we believe that use of the manufacturer's invoice is the appropriate valuation method and that the additional assessments are improper and are not supported by applicable customs laws because they are based on an alternative valuation method. We filed letters of protest with the applicable Customs authorities, which were rejected. We then appealed the matter to the Ministry of Finance in Japan. In the second quarter of 2011, the Ministry of Finance in Japan denied our administrative appeal. We disagree with the Ministry of Finance's administrative decision. We are now pursuing the matter in Tokyo District Court, which is not required to give deference to the decision made by the Ministry of Finance and which we believe will provide a more independent determination of the matter. We currently anticipate the Tokyo District Court will close the proceedings and render a decision sometime this year. In addition, we are currently being required to post a bond or make a deposit to secure any additional duties that may be due and payable on current imports. Because we believe that the assessment of higher duties by the customs authorities is an improper application of the regulations, we are currently expensing the portion of the duties we believe is supported under applicable customs law, and recording the additional deposit or payment as a receivable within long-term assets on our consolidated financial statements. If we are unsuccessful in recovering the amounts assessed and paid, we will record a non-cash expense for the full amount of the disputed assessments. We anticipate that additional disputed duties will be limited going forward as we purchase a majority of the affected products in Japan from a Japanese company that purchases and imports the products from the manufacturers.

We are also currently being sued in a purported class action lawsuit and derivative claim relating to negative media and regulatory scrutiny regarding our business in Mainland China and the associated decline in our stock price. Beginning in January 2014, six purported class action complaints were filed in the United States District Court for the District of Utah. On April 10, 2014, the plaintiffs filed a stipulated motion requesting that the court consolidate the various purported class actions, appoint State-Boston Retirement System as lead plaintiff in the consolidated action and appoint the law firm Labaton Sucharow as lead counsel for the purported class in the consolidated action. On May 1, 2014, that stipulated motion was granted and on June 30, 2014, a consolidated class action complaint was filed. On August 29, 2014, we filed a motion to dismiss the case and on October 28, 2014, the plaintiffs filed their opposition to our motion to dismiss. A hearing on the motion to dismiss was held on February 18, 2015, and an order denying the motion was issued on February 26, 2015. The consolidated class action complaint purports to assert claims on behalf of certain of our stockholders under Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder against Nu Skin Enterprises, Ritch N. Wood, and M. Truman Hunt and to assert claims under Section 20(a) of the Securities Exchange Act of 1934 against Messrs. Wood and Hunt. The consolidated class action complaint alleges that, *inter alia*, we made materially false and misleading statements regarding our sales operations in and financial results derived from Mainland China, including purportedly operating a pyramid scheme based on illegal multi-level marketing activities. We believe that the claims asserted in the consolidated class action complaint are without merit and intend to vigorously defend ourselves.

In addition, beginning in February 2014, five purported shareholder derivative complaints were filed in the United States District Court for the District of Utah. On April 17, 2014, the plaintiffs filed a joint motion to consolidate the derivative actions, to appoint plaintiffs Amos. C. Acoff and Analisa Suderov as co-lead plaintiffs in the consolidated action, and to appoint the law firms Bernstein Litowitz Berger & Grossmann LLP and The Weiser Law Firm, P.C. as co-lead counsel for the plaintiffs in the consolidated action. On May 1, 2014, that joint motion was granted. On July 25, 2014, a consolidated derivative complaint was filed. On September 25, 2014, we filed a motion to dismiss or stay the case, and on November 25, 2014, the plaintiffs filed their opposition to our motion. Defendants filed a reply brief on January 6, 2015. The consolidated derivative complaint purports to assert claims on behalf of Nu Skin Enterprises for, *inter alia*, breach of fiduciary duties for disseminating false and misleading information, failing to maintain adequate internal controls, unjust enrichment, abuse of control, and gross mismanagement against M. Truman Hunt, Ritch N. Wood, Steven J. Lund, Nevin N. Andersen, Neil Offen, Daniel W. Campbell, Andrew W. Lipman, Patricia A. Negrón, Thomas R. Pisano, and nominally against Nu Skin Enterprises. The consolidated derivative complaint also purports to assert claims on behalf of Nu Skin Enterprises for breach of fiduciary duty for insider selling and misappropriation of information against Messrs. Wood, Lund and Campbell. The consolidated derivative complaint alleges that, *inter alia*, the defendants allowed materially false and misleading statements to be made regarding our sales operations in and financial results derived from Mainland China, including purportedly operating a pyramid scheme based on illegal multi-level marketing activities, and that certain defendants sold common stock on the basis of material, adverse non-public information.

The purported class action lawsuit and derivative claim, or others filed alleging similar facts, could result in monetary or other penalties that may affect our operating results and financial condition.

Please refer to Item 1A. "Risk Factors" and Item 3. "Legal Proceedings" for more information regarding these matters.

Seasonality and Cyclicality

In addition to general economic factors, we are impacted by seasonal factors and trends such as major cultural events and vacation patterns. For example, most Asian markets celebrate their respective local New Year in the first quarter, which generally has a negative impact on that quarter. We believe that direct selling is also generally negatively impacted during the third quarter, when many individuals, including our sales force, traditionally take vacations.

Although our product launch process may vary by market, we generally introduce new key products to our sales force and consumers in all markets where the products are registered, through limited-time offers. The limited-time offers typically generate significant activity and a high level of purchasing, which may result in a higher than normal increase in revenue during the quarter of the limited-time offer and skew year-over-year and sequential comparisons.

Actives and Sales Leaders

The following table provides information concerning the number of Actives and Sales Leaders as of the dates indicated. "Actives" are persons who have purchased products directly from the Company during the three months ended as of the date indicated. "Sales Leaders" are independent distributors, and sales employees, contractual sales promoters and independent marketers in China, who achieve certain qualification requirements.

	As of December 31, 2012		As of December 31, 2013		As of December 31, 2014	
	Actives	Sales Leaders	Actives	Sales Leaders	Actives	Sales Leaders
Greater China	216,000	18,527	490,000	61,546	393,000	24,537
North Asia	349,000	17,395	409,000	19,816	391,000	17,478
Americas	164,000	6,352	193,000	8,274	186,000	7,471
South Asia/Pacific	98,000	4,988	120,000	7,992	124,000	8,458
EMEA	119,000	4,528	123,000	4,489	114,000	4,065
Total	946,000	51,790	1,335,000	102,117	1,208,000	62,009

Quarterly Results

The following table sets forth selected unaudited quarterly data for the periods shown as revised (U.S. dollars in millions, except per share amounts):

	2013				2014			
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Revenue	$ 541.3	$ 671.3	$ 908.3	$ 1,055.8	$ 671.1	$ 650.0	$ 638.8	$ 609.6
Gross profit	451.3	560.0	768.5	891.1	564.4	494.0	529.5	503.1
Operating income	82.6	114.6	168.3	188.6	101.2	54.7	105.0	91.3
Net income	54.3	74.4	110.9	125.3	54.9	19.5	68.3	46.5
Net income per share:								
Basic	0.93	1.27	1.89	2.13	0.93	0.33	1.15	0.79
Diluted	0.90	1.22	1.80	2.02	0.90	0.32	1.12	0.77

Recent Accounting Pronouncements

In April 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-08, *Presentation of Financial Statements (Topic 205) and Property, Plant, and Equipment (Topic 360): Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity.* This ASU changes the threshold for a disposal to qualify as a discontinued operation. To be considered a discontinued operation a disposal now must represent a strategic shift that has or will have a major effect on an entity's operations and financial results. This ASU also requires new disclosures for individually material disposal transactions that do not meet the definition of a discontinued operation. This update will be applied prospectively and is effective for annual periods, and interim periods within those years, beginning after December 15, 2014. Early adoption is permitted provided the disposal was not previously disclosed. The adoption of this guidance is not expected to have a material impact on the Company's consolidated financial statements.

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. The new revenue recognition standard provides a five-step analysis of transactions to determine when and how revenue is recognized. The core principle is that a company should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This ASU is effective for annual periods beginning after December 15, 2016 and shall be applied either retrospectively to each period presented or as a cumulative-effect adjustment as of the date of adoption. The Company is evaluating the potential impact of this adoption on its consolidated financial statements.

In June 2014, the FASB issued ASU No. 2014-12, *Compensation—Stock Compensation (Topic 718): Accounting for Share-Based Payments When the Terms of an Award Provide That a Performance Target Could Be Achieved after the Requisite Service Period (a consensus of the FASB Emerging Issues Task Force)*. This ASU clarifies that a performance target that affects vesting and that could be achieved after the requisite service period be treated as a performance condition. A reporting entity should apply existing guidance in Topic 718 as it relates to awards with performance conditions that affect vesting to account for such awards. As such, the performance target should not be reflected in estimating the grant-date fair value of the award. Compensation cost should be recognized in the period in which it becomes probable that the performance target will be achieved and should represent the compensation cost attributable to the period(s) for which the requisite service has already been rendered. This ASU is effective for annual periods, and interim periods within those years, beginning after December 15, 2015. Early adoption is permitted. This ASU may be applied either (a) prospectively to all awards granted or modified after the effective date or (b) retrospectively to all awards with performance targets that are outstanding as of the beginning of the earliest annual period presented in the financial statements and to all new or modified awards thereafter. The Company is evaluating the potential impact of this adoption on its consolidated financial statements.

In August 2014, the FASB issued ASU No. 2014-15, *Presentation of Financial Statements — Going Concern (Subtopic 205-40).* The purpose of this ASU is to incorporate into U.S. GAAP management's responsibility to evaluate whether there is substantial doubt about an entity's ability to continue as a going concern within one year after the date that the financial statements are issued, and to provide related footnote disclosures. This update is effective for the annual period ending after December 15, 2016, and for annual periods and interim periods thereafter. Early application is permitted. The adoption of this guidance is not expected to have a material impact on the Company's consolidated financial statements.

Currency Risk and Exchange Rate Information

A majority of our revenue and many of our expenses are recognized outside of the United States, except for inventory purchases, a significant portion of which are primarily transacted in U.S. dollars from vendors in the United States. The local currency of each of our subsidiaries' primary markets is considered the functional currency with the exception of our subsidiaries in Singapore and Venezuela. All revenue and expenses are translated at weighted-average exchange rates for the periods reported. Therefore, our reported revenue and earnings will be positively impacted by a weakening of the U.S. dollar and will be negatively impacted by a strengthening of the U.S. dollar. Given the large portion of our business derived from Mainland China, South Korea and Japan, any weakening of these currencies negatively impacts reported revenue and profits, whereas a strengthening of these currencies positively impacts our reported revenue and profits. Given the uncertainty of exchange rate fluctuations, it is difficult to predict the effect of these fluctuations on our future business, product pricing and results of operations or financial condition. During 2014, the strengthening of the U.S. dollar against other currencies significantly impacted our financial results.

Foreign exchange risk is managed in certain jurisdictions through the use of foreign currency debt. Included in the cumulative translation adjustment are $7.3 million of pretax net gains, $10.5 million of pretax net gains and $1.4 million of pretax net gains for the years ended December 31, 2012, 2013 and 2014, respectively, from Japanese yen borrowings.

Additionally, we may seek to reduce our exposure to fluctuations in foreign currency exchange rates through the use of foreign currency exchange contracts and through intercompany loans of foreign currency. We do not use derivative financial instruments for trading or speculative purposes. We regularly monitor our foreign currency risks and periodically take measures to reduce the impact of foreign exchange fluctuations on our operating results. As of December 31, 2014, we held forward contracts designated as foreign currency cash flow hedges with notional amounts totaling approximately 2.1 billion Japanese yen ($17.5 million as of December 31, 2014) and 4.0 million euros ($4.8 million as of December 31, 2014) to hedge forecasted foreign-currency-denominated intercompany transactions; and at December 31, 2013, we held forward contracts designated as foreign currency cash flow hedges with notional amounts totaling approximately 2.5 billion Japanese yen ($23.7 million as of December 31, 2013) and 12 million euros ($16.5 million as of December 31, 2013). Because of our foreign exchange contracts at December 31, 2014, the impact of a 10% appreciation or 10% depreciation of the U.S. dollar against the Japanese yen would not represent a material potential loss in fair value, earnings or cash flows against these contracts. This potential loss does not consider the underlying foreign currency transaction or translation exposures to which we are subject.

Following are the weighted-average currency exchange rates of U.S. $1 into local currency for each of our international or foreign markets in which revenue exceeded U.S. $5.0 million for at least one of the quarters listed:

	2013				2014			
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Australia/New Zealand	1.0	1.0	1.1	1.1	1.1	1.1	1.1	1.2
Canada	1.0	1.0	1.0	1.0	1.1	1.1	1.1	1.1
Colombia	1,799.4	1,863.6	1,908.8	1,913.0	2,010.6	1,911.1	1,908.9	2,181.3
Hong Kong	7.8	7.8	7.8	7.8	7.8	7.8	7.8	7.8
Indonesia	9,679	9,793	10,589	11,559	11,734	11,611	11,781	12,254
Japan	92.6	98.7	98.9	100.1	102.7	102.1	104.1	115.3
Mainland China	6.2	6.2	6.1	6.1	6.1	6.2	6.2	6.1
Malaysia	3.1	3.1	3.2	3.2	3.3	3.2	3.2	3.4
Philippines	40.7	41.9	43.7	43.6	44.9	44.1	43.7	44.8
Singapore	1.2	1.2	1.3	1.2	1.3	1.3	1.2	1.3
South Korea	1,086.2	1,122.7	1,108.4	1,063.6	1,070.0	1,029.3	1,027.7	1,087.4
Taiwan	29.5	29.9	29.9	29.6	30.3	30.1	30.1	30.9
Thailand	29.8	29.9	31.5	31.8	32.6	32.5	32.1	32.7
Venezuela	5.7	6.3	6.3	6.3	10.5	10.7	50.0	50.0

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The information required by Item 7A of Form 10-K is incorporated herein by reference from the information contained in Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operation – Currency Risk and Exchange Rate Information" and Note 17 to the Consolidated Financial Statements.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

1. Financial Statements. Set forth below is the index to the Financial Statements included in this Item 8:

2. Financial Statement Schedules: Financial statement schedules have been omitted because they are not required or are not applicable, or because the required information is shown in the financial statements or notes thereto.

NU SKIN ENTERPRISES, INC.
Consolidated Balance Sheets
(U.S. dollars in thousands)

	December 31, 2013	December 31, 2014
ASSETS		
Current assets		
Cash and cash equivalents	$ 525,153	$ 288,415
Current investments	21,974	11,793
Accounts receivable	68,652	35,834
Inventories, net	339,669	338,491
Prepaid expenses and other	162,886	160,134
	1,118,334	834,667
Property and equipment, net	396,042	464,783
Goodwill	112,446	112,446
Other intangible assets, net	83,168	75,062
Other assets	111,072	127,476
Total assets	$ 1,821,062	$ 1,614,434
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	$ 82,684	$ 34,712
Accrued expenses	626,284	300,847
Current portion of long-term debt	67,824	82,770
	776,792	418,329
Long-term debt	113,852	164,567
Other liabilities	71,799	89,100
Total liabilities	962,443	671,996
Commitments and contingencies (Notes 10 and 20)		
Stockholders' equity		
Class A common stock – 500 million shares authorized, $.001 par value, 90.6 million shares issued	91	91
Additional paid-in capital	397,383	414,394
Treasury stock, at cost – 31.6 million shares	(826,904)	(862,608)
Accumulated other comprehensive loss	(46,228)	(51,521)
Retained earnings	1,334,277	1,442,082
	858,619	942,438
Total liabilities and stockholders' equity	$ 1,821,062	$ 1,614,434

The accompanying notes are an integral part of these consolidated financial statements.

NU SKIN ENTERPRISES, INC.
Consolidated Statements of Income
(U.S. dollars in thousands, except per share amounts)

	Year Ended December 31,		
	2012	**2013**	**2014**
Revenue	$ 2,132,257	$ 3,176,718	$ 2,569,495
Cost of sales	353,152	505,806	478,434
Gross profit	1,779,105	2,670,912	2,091,061
Operating expenses:			
Selling expenses	932,812	1,476,772	1,116,572
General and administrative expenses	505,449	640,028	622,301
Total operating expenses	1,438,261	2,116,800	1,738,873
Operating income	340,844	554,112	352,188
Other income (expense), net (Note 23)	4,398	2,828	(53,681)
Income before provision for income taxes	345,242	556,940	298,507
Provision for income taxes	123,597	192,052	109,331
Net income	$ 221,645	$ 364,888	$ 189,176
Net income per share:			
Basic	$ 3.66	$ 6.23	$ 3.20
Diluted	$ 3.52	$ 5.94	$ 3.11
Weighted-average common shares outstanding (000s):			
Basic	60,600	58,606	59,073
Diluted	63,025	61,448	60,887

The accompanying notes are an integral part of these consolidated financial statements.

NU SKIN ENTERPRISES, INC.
Consolidated Statements of Comprehensive Income
(U.S. dollars in thousands)

	Year Ended December 31,		
	2012	**2013**	**2014**
Net income	$ 221,645	$ 364,888	$ 189,176
Other comprehensive income:			
Foreign currency translation adjustment, net of taxes of $(3,949), $(650) and $420, respectively	7,843	6,251	(5,113)
Net unrealized gains/(losses) on foreign currency cash flow hedges, net of taxes of $(1,870), $(1,470) and $(869), respectively	3,299	2,650	1,578
Less: Reclassification adjustment for realized losses/(gains) in current earnings, net of taxes of $222, $1,842 and $968, respectively	(399)	(3,307)	(1,758)
	10,743	5,594	(5,293)
Comprehensive income	$ 232,388	$ 370,482	$ 183,883

The accompanying notes are an integral part of these consolidated financial statements.

NU SKIN ENTERPRISES, INC.
Consolidated Statements of Stockholders' Equity
(U.S. dollars in thousands)

	Class A Common Stock	Additional Paid-in Capital	Treasury Stock	Accumulated Other Comprehensive Loss	Retained Earnings	Total
Balance at January 1, 2012	$ 91	$ 292,240	$ (522,162)	$ (62,565)	$ 866,632	$ 574,236
Net income	—	—	—	—	221,645	221,645
Other comprehensive income, net of tax	—	—	—	10,743	—	10,743
Repurchase of Class A common stock (Note 11)	—	—	(201,471)	—	—	(201,471)
Exercise of employee stock options (0.8 million shares)/vesting of stock awards	—	(4,214)	8,780	—	—	4,566
Excess tax benefit from equity awards	—	7,909	—	—	—	7,909
Stock-based compensation	—	21,358	—	—	—	21,358
Cash dividends	—	—	—	—	(48,374)	(48,374)
Balance at December 31, 2012	91	317,293	(714,853)	(51,822)	1,039,903	590,612
Net income	—	—	—	—	364,888	364,888
Other comprehensive income, net of tax	—	—	—	5,594	—	5,594
Repurchase of Class A common stock (Note 11)	—	—	(140,865)	—	—	(140,865)
Exercise of employee stock options (2.2 million shares)/vesting of stock awards	—	5,556	28,814	—	—	34,370
Excess tax benefit from equity awards	—	41,914	—	—	—	41,914
Stock-based compensation	—	32,620	—	—	—	32,620
Cash dividends	—	—	—	—	(70,514)	(70,514)
Balance at December 31, 2013	91	397,383	(826,904)	(46,228)	1,334,277	858,619
Net income	—	—	—	—	189,176	189,176
Other comprehensive income, net of tax	—	—	—	(5,293)	—	(5,293)
Repurchase of Class A common stock (Note 11)	—	—	(45,724)	—	—	(45,724)
Exercise of employee stock options (0.8 million shares)/vesting of stock awards	—	(12,440)	10,020	—	—	(2,420)
Excess tax benefit from equity awards	—	11,947	—	—	—	11,947
Stock-based compensation	—	17,504	—	—	—	17,504
Cash dividends	—	—	—	—	(81,371)	(81,371)
Balance at December 31, 2014	$ 91	$ 414,394	$ (862,608)	$ (51,521)	$ 1,442,082	$ 942,438

The accompanying notes are an integral part of these consolidated finacial statements.

NU SKIN ENTERPRISES, INC.
Consolidated Statements of Cash Flows
(U.S. dollars in thousands)

	Year Ended December 31,		
	2012	**2013**	**2014**
Cash flows from operating activities:			
Net income	$ 221,645	$ 364,888	$ 189,176
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	33,412	34,923	54,924
Foreign currency (gains)/losses	(3,874)	(1,077)	53,828
Stock-based compensation	21,358	32,620	17,504
Deferred taxes	4,692	(41,748)	10,399
Changes in operating assets and liabilities:			
Accounts receivable	(7,884)	(34,304)	30,766
Inventories, net	(22,605)	(207,436)	(16,518)
Prepaid expenses and other	(2,358)	(23,317)	(25,167)
Other assets	(11,579)	(22,619)	(16,219)
Accounts payable	15,831	32,643	(45,953)
Accrued expenses	62,056	389,093	(309,180)
Other liabilities	282	6,510	(24)
Net cash provided by (used in) operating activities	310,976	530,176	(56,464)
Cash flows from investing activities:			
Purchases of property and equipment	(96,645)	(185,103)	(101,476)
Proceeds on investment sales	20,086	13,075	27,328
Purchases of investments	(15,737)	(21,671)	(17,522)
Acquisition (Note 24)	(12,562)	-	-
Net cash used in investing activities	(104,858)	(193,699)	(91,670)
Cash flows from financing activities:			
Payment of cash dividends	(48,374)	(70,514)	(81,371)
Repurchase of shares of common stock	(201,471)	(140,865)	(45,724)
Exercise of employee stock options and taxes paid related to the net shares settlement of stock awards	4,565	34,370	(2,420)
Income tax benefit of equity awards	7,750	45,187	11,801
Payments on long-term debt	(28,279)	(37,903)	(333,803)
Payment of debt issuance costs	-	-	(5,739)
Proceeds from long-term debt	101,922	49,000	416,180
Net cash used in financing activities	(163,887)	(120,725)	(41,076)
Effect of exchange rate changes on cash	4,820	(10,624)	(47,528)
Net increase (decrease) in cash and cash equivalents	47,051	205,128	(236,738)
Cash and cash equivalents, beginning of period	272,974	320,025	525,153
Cash and cash equivalents, end of period	$ 320,025	$ 525,153	$ 288,415

The accompanying notes are an integral part of these consolidated financial statements.

1. The Company

Nu Skin Enterprises, Inc. (the "Company") is a leading, global direct selling company that develops and distributes premium-quality, innovative personal care products and nutritional supplements that are sold worldwide under the Nu Skin and Pharmanex brands and a small number of other products and services. Over the last several years, the Company has introduced new Pharmanex nutritional supplements and Nu Skin personal care products under its *ageLOC* anti-aging brand. The Company reports revenue from five geographic regions: Greater China, which consists of Mainland China, Hong Kong, Macau and Taiwan; North Asia, which consists of Japan and South Korea; Americas, which consists of the United States, Canada and Latin America; South Asia/Pacific, which consists of Australia, Brunei, French Polynesia, Indonesia, Malaysia, New Caledonia, New Zealand, the Philippines, Singapore, Thailand and Vietnam; and Europe, Middle East and Africa ("EMEA"), which consists of several markets in Europe as well as Israel, Russia and South Africa (the Company's subsidiaries operating in these countries in each region are collectively referred to as the "Subsidiaries").

2. Summary of Significant Accounting Policies

Consolidation

The consolidated financial statements include the accounts of the Company and the Subsidiaries. All significant intercompany accounts and transactions are eliminated in consolidation.

Use of estimates

The preparation of these financial statements, in conformity with accounting principles generally accepted in the United States of America, required management to make estimates and assumptions that affected the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results may differ from these estimates.

Cash and cash equivalents

Cash equivalents are short-term, highly liquid instruments with original maturities of 90 days or less.

Inventories

Inventories consist primarily of merchandise purchased for resale and are stated at the lower of standard cost or market, using a standard cost method which approximates the first-in, first-out method. The Company had adjustments to its inventory carrying value totaling $5.9 million and $56.0 million as of December 31, 2013 and 2014, respectively. During the second quarter of 2014, the Company made a determination to adjust its inventory carrying value. Heightened media and regulatory scrutiny in Mainland China in the first part of 2014, and the voluntary actions the Company took in response to such scrutiny, had a negative impact on the size of the Company's limited-time offer in June, which significantly reduced its expectations for plans to sell *ageLOC TR90* in a limited-time offer later in 2014 or the beginning of 2015. This resulted in a $50 million write-down of estimated surplus inventory primarily in Mainland China.

Inventories consist of the following (U.S. dollars in thousands):

	December 31,	
	2013	2014
Raw materials	$ 117,982	$ 101,479
Finished goods	221,687	237,012
	$ 339,669	$ 338,491

Adjustments to inventories consist of the following (U.S. dollars in millions):

	December 31,		
	2012	2013	2014
Beginning balance, adjustments to inventory carrying value	$ 7.1	$ 5.5	$ 5.9
Additions	11.6	12.3	77.4
Write-offs	(13.2)	(11.9)	(27.3)
Ending balance, adjustments to inventory carrying value	$ 5.5	$ 5.9	$ 56.0

Property and equipment

Property and equipment are stated at cost less accumulated depreciation. Depreciation is recorded using the straight-line method over the following estimated useful lives:

Buildings	20 - 39 years
Furniture and fixtures	5 - 7 years
Computers and equipment	3 - 5 years
Leasehold improvements	Shorter of estimated useful life or lease term
Scanners	3 years
Vehicles	3 - 5 years

Expenditures for maintenance and repairs are charged to expense as incurred. When an asset is sold or otherwise disposed of, the cost and associated accumulated depreciation are removed from the accounts and the resulting gain or loss is recognized in the statement of income. Property and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. An impairment loss is recognized if the carrying amount of the asset exceeds its fair value.

Goodwill and other intangible assets

Goodwill is recorded when the cost of acquired businesses exceeds the fair value of the identifiable net assets acquired. Goodwill and intangible assets with indefinite useful lives are not amortized, but are assessed for impairment annually. In addition, impairment testing is conducted when events occur or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying amount. Goodwill and intangible assets with indefinite useful lives would be written down to fair value if considered impaired. Guidance under Accounting Standards Codification ("ASC") 350, *Intangibles - Goodwill and Other*, requires an entity to test goodwill for impairment on at least an annual basis. The Company had the option to perform a qualitative assessment to determine whether further impairment testing is necessary or to perform a quantitative assessment by comparing the fair value of a reporting unit to its carrying amount, including goodwill. Under the qualitative assessment, an entity is not required to calculate the fair value of a reporting unit unless the entity determines that it is more likely than not that its fair value is less than its carrying amount. If under the quantitative assessment the fair value of a reporting unit is less than its carrying amount, then the amount of the impairment loss, if any, must be measured. The Company used the quantitative assessment for all periods presented. Intangible assets with finite useful lives are amortized to their estimated residual values over such finite lives using the straight-line method and reviewed for impairment whenever events or circumstances warrant such a review.

No impairment charges were recorded for goodwill or intangibles during the periods presented.

Revenue recognition

Revenue is recognized when products are shipped, which is when title and risk of loss pass to the purchaser of the products. A reserve for product returns is accrued based on historical experience totaling $11.0 million and $10.1 million as of December 31, 2013 and 2014, respectively. During the years ended December 31, 2012, 2013 and 2014, the Company recorded sales returns of $56.1 million, $79.4 million and $83.6 million, respectively. The Company generally requires cash or credit card payment at the point of sale. Accounts receivable generally represents amounts due from credit card companies and are generally collected within a few days of the purchase. As such, the Company has determined that no allowance for doubtful accounts is necessary. Amounts received prior to shipment of products and title passage to the purchaser of the products are recorded as deferred revenue. The Company's sales compensation plans generally do not provide rebates or selling discounts for purchasing its products and services. The Company classifies selling discounts and rebates, if any, as a reduction of revenue at the time the sale is recorded.

Through the Company's product subscription and loyalty programs, which can vary from market to market, participants who commit to purchases on a monthly basis receive a discount from suggested retail or wholesale prices, as applicable. The Company applies this discount at the time of each purchase and not through a larger discount on the initial purchase. Participants may cancel their commitment at any time, however some markets charge a one-time early cancellation fee. All purchases under these programs are subject to the Company's standard product payment and return policies. In accordance with ASC 605-50, the Company classifies selling discounts and rebates, as a reduction of revenue at the time the sale is recorded.

Shipping and handling costs

Shipping and handling costs are recorded as cost of sales and are expensed as incurred.

Advertising expenses

Advertising costs are expensed as incurred. Advertising expense incurred for the years ended December 31, 2012, 2013 and 2014 totaled $5.1 million, $11.3 million and $19.6 million, respectively.

Selling expenses

Selling expenses are the Company's most significant expense and are classified as operating expenses. Selling expenses include distributor commissions as well as wages, benefits, bonuses and other labor and unemployment expenses the Company pays to its sales force in Mainland China. In each of the Company's markets, except Mainland China, Sales Leaders can earn "multi-level" compensation under the Company's global sales compensation plan, including commissions for product sales to their consumer groups as well as the product sales made through the sales network they have developed and trained. The Company does not pay commissions on sales materials.

Outside of Mainland China, the Company's distributors may make profits by purchasing the products from the Company at a discount and selling them to consumers with a mark-up. The Company does not account for nor pay additional commissions on these mark-ups received by distributors. In many markets, the Company also allows individuals who are not members of its sales force, referred to as "preferred customers," to buy products directly from the Company at a discount. The Company pays commissions on preferred customer purchases to the referring member of its sales force.

Research and development

Research and development costs are included in general and administrative expenses in the accompanying consolidated statements of income and are expensed as incurred and totaled $14.9 million, $18.0 million and $18.9 million in 2012, 2013 and 2014, respectively.

Deferred tax assets and liabilities

The Company accounts for income taxes in accordance with the Income Taxes Topic of the Financial Accounting Standards Codification. These standards establish financial accounting and reporting standards for the effects of income taxes that result from an enterprise's activities during the current and preceding years. The Company takes an asset and liability approach for financial accounting and reporting of income taxes. The Company pays income taxes in many foreign jurisdictions based on the profits realized in those jurisdictions, which can be significantly impacted by terms of intercompany transactions between the Company and its foreign affiliates. Deferred tax assets and liabilities are created in this process. The Company has netted these deferred tax assets and deferred tax liabilities by jurisdiction. Valuation allowances are established when necessary to reduce deferred tax assets to the amounts expected to be ultimately realized.

Uncertain Tax Positions

The Company files income tax returns in the U.S. federal jurisdiction, and in various state and foreign jurisdictions. In 2013, the Company entered into a closing agreement with the United States Internal Revenue Service (the "IRS") for all adjustments for the 2009 and 2010 tax years. As a result of entering into the closing agreement, the Company is no longer subject to tax examinations from the IRS for all years for which tax returns have been filed except for 2011. With a few exceptions, the Company is no longer subject to state and local income tax examination by tax authorities for the years before 2010. In 2009, the Company entered into a voluntary program with the IRS called Compliance Assurance Process ("CAP"). The objective of CAP is to contemporaneously work with the IRS to achieve federal tax compliance and resolve all or most of the issues prior to filing of the tax return. The Company has elected to participate in the CAP program for 2015 and may elect to continue participating in CAP for future tax years; the Company may withdraw from the program at any time. In major foreign jurisdictions, the Company is no longer subject to income tax examinations for years before 2009. However, statutes in certain countries may be as long as ten years for transfer pricing related issues. Along with the IRS examination of 2011, the Company is currently under examination in certain foreign jurisdictions; however, the outcomes of those reviews are not yet determinable.

A reconciliation of the beginning and ending amount of unrecognized tax benefits included in other liabilities is as follows (U.S. dollars in thousands):

	2012	2013	2014
Gross balance at January 1	$ 7,387	$ 9,045	$ 7,484
Increases related to current year tax positions	2,430	1,188	2,700
Settlements	-	(1,671)	-
Decreases due to lapse of statutes of limitations	(854)	(1,086)	(4,106)
Currency adjustments	82	8	(91)
Gross balance at December 31	$ 9,045	$ 7,484	$ 5,987

At December 31, 2014, the Company had $6.0 million in unrecognized tax benefits of which $1.1 million, if recognized, would affect the effective tax rate. In comparison, at December 31, 2013, the Company had $7.5 million in unrecognized tax benefits of which $2.1 million, if recognized, would affect the effective tax rate. The Company's unrecognized tax benefits relate to multiple foreign and domestic jurisdictions. Due to potential increases in unrecognized tax benefits from the multiple jurisdictions in which the Company operates, as well as the expiration of various statutes of limitation, it is reasonably possible that the Company's gross unrecognized tax benefits, net of foreign currency adjustments, may increase within the next 12 months by a range of approximately $1 to $2 million.

During each of the years ended December 31, 2012, 2013 and 2014, the Company recognized $0.3 million, $(0.1) million and $0.4 million, respectively in interest and penalties expenses/(benefits). The Company had $1.1 million, $0.9 million and $1.3 million of accrued interest and penalties related to uncertain tax positions at December 31, 2012, 2013 and 2014, respectively. Interest and penalties related to uncertain tax positions are recognized as a component of income tax expense.

Net income per share

Net income per share is computed based on the weighted-average number of common shares outstanding during the periods presented. Additionally, diluted earnings per share data gives effect to all potentially dilutive common shares that were outstanding during the periods presented (Note 11).

Foreign currency translation

A significant portion of the Company's business operations occur outside of the United States. The local currency of each of the Company's Subsidiaries is considered its functional currency, except for the Company's subsidiaries in Singapore and Venezuela where the U.S. dollar is used. All assets and liabilities are translated into U.S. dollars at exchange rates existing at the balance sheet dates, revenue and expenses are translated at weighted-average exchange rates and stockholders' equity is recorded at historical exchange rates. The resulting foreign currency translation adjustments are recorded as a separate component of stockholders' equity in the consolidated balance sheets and transaction gains and losses are included in other income and expense in the consolidated financial statements. Net of tax, the accumulated other comprehensive income related to the foreign currency translation adjustments are $54.7 million (net of tax of $12.2 million), $47.6 million (net of tax of $10.4 million) and $52.6 million (net of tax of $10.8 million) at December 31, 2012, 2013 and 2014, respectively.

Classification of Venezuela as a Highly Inflationary Economy and Devaluation of Its Currency

The Company commenced operations in Venezuela in 2007, where it markets a variety of personal care and nutritional products. Total assets in Venezuela as of December 31, 2013 and 2014 are $38.8 million and $14.6 million, of which $34.0 million and $8.2 million are monetary assets in each year respectively. The Venezuela subsidiary also had a $37.9 million and $34.8 million intercompany balance to its parent company as of December 31, 2013 and 2014, with respect to charges for inventory, commissions, license fees and service fees. The Company imports all of its products into Venezuela from the United States. Venezuela represents a very small portion of the Company's overall business with sales during 2012, 2013 and 2014 representing approximately 0.7%, 1.1% and 1.0% of the Company's overall revenue, respectively.

Since November of 2009, Venezuela has been considered a highly inflationary economy. A country is considered to have a highly inflationary economy if it has a cumulative inflation rate of approximately 100% or more over a three-year period as well as other qualitative factors including historic inflation rate trends (increasing and decreasing), the capital intensiveness of the operation and other pertinent economic factors. The functional currency in highly inflationary economies is required to be the functional currency of the entity's parent company (which for our Venezuela subsidiary is the U.S. dollar), and transactions denominated in the local currency are remeasured to the functional currency. The remeasurement of bolivars into U.S. dollars creates foreign currency transaction gains or losses, which the Company includes in its consolidated statement of income.

The Venezuela subsidiary did not transition to highly inflationary status until the first quarter of 2014. As a result, the Company continued to account for the Venezuela subsidiary as a bolivar functional currency entity, rather than a U.S. dollar functional currency entity. In the first quarter of 2014, the Company began to account for this subsidiary as highly inflationary, and therefore changed the functional currency of the entity to the U.S. dollar. The consolidated statement of income for the year ended December 31, 2014, includes an out-of-period adjustment of $6.3 million to correct this error as it was not deemed to be material to the current or prior period financial statements.

The current operating environment in Venezuela continues to be challenging, with high inflation in the country, government restrictions on foreign exchange and pricing controls, and the possibility of the government announcing further devaluations to its currency. Currency restrictions enacted by the Venezuelan government have impacted the ability of the Company to exchange foreign currency at the official rate to pay for imported products, license fees, commissions and other service fees. The Company has been unsuccessful in obtaining U.S. dollars at the official exchange rates and under alternative exchange mechanisms described below. As a result, these foreign exchange controls in Venezuela have limited the Company's ability to repatriate earnings and settle the Company's intercompany obligations, which has resulted in the accumulation of bolivar-denominated cash and cash equivalents in Venezuela.

During the first quarter of 2014, two new foreign exchange mechanisms ("SICAD I" and "SICAD II") became available in Venezuela. As of March 31, 2014, the Company determined it would be most appropriate for it to utilize the SICAD I rate, which was approximately 10.7 bolivars per U.S. dollar. As a result of the adoption of this rate during the period ended March 31, 2014, the Company recorded a $14.7 million charge in Other Income (Expense) to reflect foreign currency transaction losses on its net monetary assets denominated in bolivar, which is reflected in the year ended December 31, 2014.

As of June 30, 2014, the Company determined that it would be most appropriate for it to utilize the SICAD II rate, which was approximately 50 bolivars per U.S. dollar, as the Company had not been successful in getting approval under SICAD I and believed the SICAD II rate better reflects the rate at which the Company will be able to convert bolivars to U.S. dollars. As a result of the adoption of this rate during the three months ended June 30, 2014, the Company recorded an additional $25.3 million charge in Other Income (Expense) to reflect additional foreign currency translation losses on its net monetary assets denominated in bolivar, which is reflected in the year ended December 31, 2014.

In the first quarter of 2015, a new foreign exchange mechanism ("SIMADI") was announced, which utilizes a variable exchange rate that was initially approximately 170 bolivars per U.S. dollar.

Fair value of financial instruments

The carrying value of financial instruments including cash and cash equivalents, accounts receivable and accounts payable approximate fair values due to the short-term nature of these instruments. The Company's current investments as of December 31, 2014 include certificates of deposits and pre-refunded municipal bonds that are classified by management as held-to-maturity as the Company had the positive intent and ability to hold to maturity. The carrying value of these current investments approximate fair values due to the short-term nature of these instruments. As of December 31, 2013 and 2014, the long-term debt fair value is $188.3 million and $252.8 million, respectively. The estimated fair value of the Company's debt is based on interest rates available for debt with similar terms and remaining maturities. The Company has classified these instruments as Level 2 in the fair value hierarchy. Fair value estimates are made at a specific point in time, based on relevant market information.

The FASB Codification defines fair value as the price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. On a quarterly basis, the Company measures at fair value certain financial assets, including cash equivalents. Accounting standards specify a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect data obtained from independent sources, while unobservable inputs reflect the Company's market assumptions. These two types of inputs have created the following fair-value hierarchy:

- Level 1 – quoted prices in active markets for identical assets or liabilities;
- Level 2 – inputs, other than the quoted prices in active markets, that are observable either directly or indirectly;
- Level 3 – unobservable inputs based on the Company's own assumptions.

Accounting standards permit companies, at their option, to measure many financial instruments and certain other items at fair value. The Company has elected not to apply the fair value option to existing eligible items.

Stock-based compensation

All share-based payments, including grants of stock options and restricted stock units, are required to be recognized in our financial statements based upon their respective grant date fair values. The Black-Scholes option-pricing model is used to estimate the fair value of stock options. The determination of the fair value of stock options is affected by our stock price and a number of assumptions, including expected volatility, expected life, risk-free interest rate and expected dividends. We use historical volatility as the expected volatility assumption required in the Black-Scholes model. The expected life of the stock options is based on historical data trended into the future. The risk-free interest rate assumption is based on observed interest rates appropriate for the expected terms of our stock options. The fair value of our restricted stock units is based on the closing market price of our stock on the date of grant less our expected dividend yield. We recognize stock-based compensation net of any estimated forfeitures over the requisite service period of the award.

The total compensation expense related to equity compensation plans was $21.4 million, $32.6 million and $17.5 million for the years ended December 31, 2012, 2013 and 2014. For the years ended December 31, 2012, 2013 and 2014, all stock-based compensation expense was recorded within general and administrative expenses.

Reporting comprehensive income

Comprehensive income is defined as the change in equity of a business enterprise during a period from transactions and other events and circumstances from non-owner sources, and it includes all changes in equity during a period except those resulting from investments by owners and distributions to owners.

Accounting for derivative instruments and hedging activities

The Company recognizes all derivatives as either assets or liabilities, with the instruments measured at fair value.

Portions of the Company's Japanese yen borrowings prior to its October 2014 refinancing were designated, and were effective as, economic hedges of the net investment in its foreign operations. Accordingly, foreign currency transaction gains or losses due to spot rate fluctuations on these debt instruments were included in foreign currency translation adjustments within other comprehensive income. Included in the cumulative translation adjustment are $7.3 million of pretax net gains, $10.5 million of pretax net losses and $1.4 million of pretax net gains for the years ended December 31, 2012, 2013 and 2014, respectively, from Japanese yen borrowings.

Additionally, the Company's Subsidiaries enter into significant transactions with each other and third parties that may not be denominated in the respective Subsidiaries' functional currencies. The Company regularly monitors its foreign currency risks and seeks to reduce its exposure to fluctuations in foreign exchange rates using foreign currency exchange contracts and through certain intercompany loans of foreign currency.

Hedge effectiveness is assessed at inception and throughout the life of the hedge to ensure the hedge qualifies for hedge accounting treatment. Changes in fair value associated with hedge ineffectiveness, if any, are recorded in the results of operations currently. In the event that an anticipated transaction is no longer likely to occur, the Company recognizes the change in fair value of the derivative in its results of operations currently.

Changes in the fair value of derivatives are recorded in current earnings or accumulated other comprehensive loss, depending on the intended use of the derivative and its resulting designation. The gains and losses in accumulated other comprehensive loss stemming from these derivatives will be reclassified into earnings in the period during which the hedged forecasted transaction affects earnings. The fair value of the receivable and payable amounts related to these unrealized gains and losses is classified as other current assets and liabilities. The Company does not use such derivative financial instruments for trading or speculative purposes. Gains and losses on certain intercompany loans of foreign currency are recorded as other income and expense in the consolidated statements of income.

Recent accounting pronouncements

In April 2014, the FASB issued ASU No. 2014-08, *Presentation of Financial Statements (Topic 205) and Property, Plant, and Equipment (Topic 360): Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity*. This ASU changes the threshold for a disposal to qualify as a discontinued operation. To be considered a discontinued operation a disposal now must represent a strategic shift that has or will have a major effect on an entity's operations and financial results. This ASU also requires new disclosures for individually material disposal transactions that do not meet the definition of a discontinued operation. This update will be applied prospectively and is effective for annual periods, and interim periods within those years, beginning after December 15, 2014. Early adoption is permitted provided the disposal was not previously disclosed. The adoption of this guidance is not expected to have a material impact on the Company's consolidated financial statements.

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. The new revenue recognition standard provides a five-step analysis of transactions to determine when and how revenue is recognized. The core principle is that a company should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This ASU is effective for annual periods beginning after December 15, 2016 and shall be applied either retrospectively to each period presented or as a cumulative-effect adjustment as of the date of adoption. The Company is evaluating the potential impact of this adoption on its consolidated financial statements.

In June 2014, the FASB issued ASU No. 2014-12, *Compensation—Stock Compensation (Topic 718): Accounting for Share-Based Payments When the Terms of an Award Provide That a Performance Target Could Be Achieved after the Requisite Service Period (a consensus of the FASB Emerging Issues Task Force)*. This ASU clarifies that a performance target that affects vesting and that could be achieved after the requisite service period be treated as a performance condition. A reporting entity should apply existing guidance in Topic 718 as it relates to awards with performance conditions that affect vesting to account for such awards. As such, the performance target should not be reflected in estimating the grant-date fair value of the award. Compensation cost should be recognized in the period in which it becomes probable that the performance target will be achieved and should represent the compensation cost attributable to the period(s) for which the requisite service has already been rendered. This ASU is effective for annual periods, and interim periods within those years, beginning after December 15, 2015. Early adoption is permitted. This ASU may be applied either (a) prospectively to all awards granted or modified after the effective date or (b) retrospectively to all awards with performance targets that are outstanding as of the beginning of the earliest annual period presented in the financial statements and to all new or modified awards thereafter. The Company is evaluating the potential impact of this adoption on its consolidated financial statements.

In August 2014, the FASB issued ASU No. 2014-15, *Presentation of Financial Statements — Going Concern (Subtopic 205-40).* The purpose of this ASU is to incorporate into U.S. GAAP management's responsibility to evaluate whether there is substantial doubt about an entity's ability to continue as a going concern within one year after the date that the financial statements are issued, and to provide related footnote disclosures. This update is effective for the annual period ending after December 15, 2016, and for annual periods and interim periods thereafter. Early application is permitted. The adoption of this guidance is not expected to have a material impact on the Company's consolidated financial statements.

3. Prepaid Expenses and Other

Prepaid expenses and other consist of the following (U.S. dollars in thousands):

	December 31,	
	2013	2014
Deferred tax assets	$ 73,456	$ 40,840
Intercompany deferred charges	15,108	26,776
Prepaid income taxes	-	37,113
Prepaid inventory and import costs	43,755	21,060
Prepaid rent, insurance and other occupancy costs	11,486	10,400
Prepaid promotion and event cost	6,030	4,275
Prepaid other taxes	3,340	3,037
Forward contracts	1,939	1,661
Deposits	1,081	1,244
Other	6,691	13,728
	$ 162,886	$ 160,134

4. Property and Equipment

Property and equipment are comprised of the following (U.S. dollars in thousands):

	December 31,	
	2013	2014
Land	$ 34,442	$ 34,087
Buildings	156,734	230,934
Construction in progress	78,556	63,941
Furniture and fixtures	56,160	61,643
Computers and equipment	115,551	118,248
Leasehold improvements	87,635	110,539
Scanners	18,408	14,594
Vehicles	2,226	2,725
	549,712	636,711
Less: accumulated depreciation	(153,670)	(171,928)
	$ 396,042	$ 464,783

Depreciation of property and equipment totaled $25.5 million, $27.1 million and $46.5 million for the years ended December 31, 2012, 2013 and 2014.

5. Goodwill and Other Intangible Assets

Goodwill and other intangible assets consist of the following (U.S. dollars in thousands):

Goodwill and indefinite life intangible assets:	Carrying Amount at December 31, 2013	Carrying Amount at December 31, 2014
Goodwill	$ 112,446	$ 112,446
Trademarks and trade names	24,599	24,599
	$ 137,045	$ 137,045

Finite life intangible assets:	December 31, 2013 Gross Carrying Amount	December 31, 2013 Accumulated Amortization	December 31, 2014 Gross Carrying Amount	December 31, 2014 Accumulated Amortization	Weighted-average Amortization Period
Scanner technology	$ 46,482	$ 27,533	$ 46,482	$ 30,557	18 years
Developed technology	22,500	15,909	22,500	16,734	20 years
Distributor network	11,598	10,093	11,598	10,594	15 years
Trademarks	14,086	11,660	14,404	12,461	15 years
Other	53,540	24,442	45,006	19,181	8 years
	$ 148,206	$ 89,637	$ 139,990	$ 89,527	15 years

Amortization of finite-life intangible assets totaled $7.9 million, $7.8 million and $8.4 million for the years ended December 31, 2012, 2013 and 2014, respectively. Annual estimated amortization expense is expected to approximate $8.0 million for each of the five succeeding fiscal years.

All of the Company's goodwill is based in the U.S. Goodwill and indefinite life intangible assets are not amortized, rather they are subject to annual impairment tests. Annual impairment tests were completed resulting in no impairment charges for any of the periods shown. Finite life intangibles are amortized over their useful lives unless circumstances occur that cause the Company to revise such lives or review such assets for impairment.

6. Other Assets

Other assets consist of the following (U.S. dollars in thousands):

	December 31, 2013	December 31, 2014
Deferred taxes	$ 5,174	$ 15,128
Deposits for noncancelable operating leases	24,406	29,957
Deposit for customs assessment (Note 20)	40,181	31,825
Cash surrender value for life insurance policies	23,172	26,280
Other	18,139	24,286
	$ 111,072	$ 127,476

7. Accrued Expenses

Accrued expenses consist of the following (U.S. dollars in thousands):

	December 31,	
	2013	2014
Accrued sales force commissions and other payments	$ 330,870	$ 167,914
Accrued income taxes	46,006	-
Accrued other taxes	63,823	32,246
Accrued payroll and other employee expenses	68,695	29,220
Accrued payable to vendors	42,447	28,341
Accrued royalties	17,673	10,475
Sales return reserve	10,734	10,118
Deferred revenue	13,596	6,160
Other	32,440	16,373
	$ 626,284	$ 300,847

8. Other Liabilities

Other liabilities consist of the following (U.S. dollars in thousands):

	December 31,	
	2013	2014
Deferred tax liabilities	$ 13,952	$ 16,017
Reserve for other tax liabilities	8,786	7,324
Reserve for customs assessment	9,810	4,727
Liability for deferred compensation plan	28,544	32,398
Pension plan benefits reserve	6,176	5,844
Build to suit – financing obligation	-	10,421
Deferred rent and deferred tenant incentives	-	7,102
Asset retirement obligation	4,090	4,611
Other	441	656
	$ 71,799	$ 89,100

9. Long Term Debt

On October 9, 2014, the Company entered into a Credit Agreement (the "Credit Agreement") with various financial institutions, and Bank of America, N.A. as administrative agent. The Credit Agreement provides for a $127.5 million term loan facility, a 6.6 billion Japanese yen term loan facility and a $187.5 million revolving credit facility, each with a term of five years. On October 10, 2014, the Company drew the full amount of the term loan facilities and as of December 31, 2014, the Company has drawn $72.5 million of the revolving credit facility. Any additional amounts drawn under the revolving credit facility will bear interest at rates that will be determined in accordance with the Credit Agreement. The Credit Agreement requires that the Company maintains a consolidated leverage ratio not exceeding 2.25 to 1.00 and a consolidated interest coverage ratio of no less than 3.00 to 1.00. The Company believes these covenants provide it with greater flexibility to pay dividends and repurchase stock. The Company is in compliance with its debt covenants.

The following table summarizes the Company's debt facilities as of December 31, 2014. The Company's book value for both the individual and consolidated debt included in the table approximates fair value. The estimated fair value of its debt is based on interest rates available for debt with similar terms and remaining maturities. The Company has classified these instruments as Level 2 in the fair value hierarchy.

Facility or Arrangement	Original Principal Amount	Balance as of December 31, 2014[1][2]	Interest Rate	Repayment terms
Credit Agreement term loan facility:				
U.S. dollar denominated:	$127.5 million	$125.9 million	Variable 30 day: 2.9117%	One half of the principal amount payable in increasing quarterly installments over a five-year period beginning on December 31, 2014, with the remainder payable at the end of the five-year term.
Japanese yen denominated:	6.6 billion yen	6.5 billion yen ($54.4 million as of December 31, 2014)	Variable 30 day: 2.8243%	One half of the principal amount payable in increasing quarterly installments over a five-year period beginning on December 31, 2014, with the remainder payable at the end of the five-year term.
Credit Agreement revolving credit facility:				
		$72.5 million	Variable 30 day: 2.9117%	Revolving line of credit expires October 2019.
Korean subsidiary loan:	$20.0 million	—	2.5%	Paid in full.

(1) As of December 31, 2014, the current portion of the Company's debt (i.e. becoming due in the next 12 months) included $79.7 million of the balance of its U.S. dollar denominated debt under the Credit Agreement facility and $3.1 million of the balance of its Japanese yen-denominated debt under the Credit Agreement facility. The Company has classified the amounts borrowed under the revolving line of credit as short term because it is the Company's intention to use the line of credit to borrow and pay back funds over short periods of time.

(2) The carrying value of the debt reflects the amounts stated in the above table less a debt discount of $5.5 million, which is not reflected in this table.

As of December 31, 2013, the Company had debt pursuant to various credit facilities and other borrowings. The following table summarizes the Company's debt facilities as of December 31, 2013. The Company's book value for both the individual and consolidated debt included in the table approximates fair value. The estimated fair value of its debt is based on interest rates available for debt with similar terms and remaining maturities. The Company has classified these instruments as Level 2 in the fair value hierarchy.

Facility or Arrangement	Original Principal Amount	Balance as of December 31, 2013	Interest Rate	Repayment terms
Multi-currency uncommitted shelf facility:				
U.S. dollar denominated:	$40.0 million	$17.1 million	6.2%	Paid in full on October 10, 2014.
	$20.0 million	$11.4 million	6.2%	Paid in full on October 10, 2014.
Japanese yen denominated:	3.1 billion yen	0.4 billion yen ($4.1 million as of December 31, 2013)	1.7%	Paid in full on October 10, 2014.
	2.3 billion yen	1.3 billion yen ($12.3 million as of December 31, 2013)	2.6%	Paid in full on October 10, 2014.
	2.2 billion yen	1.2 billion yen ($11.8 million as of December 31, 2013)	3.3%	Paid in full on October 10, 2014.
	8.0 billion yen	8.0 billion yen ($75.8 million as of December 31, 2013)	1.7%	Paid in full on October 10, 2014.
Revolving credit facilities				
2010		$35.0 million	Variable 30 day: 0.670%	Revolving line of credit paid in full prior to August 8, 2014.
2013		$14.0 million	Variable 30 day: 0.5933%	Revolving line of credit paid in full on October 10, 2014.

Interest expense relating to debt totaled $5.2 million, $3.0 million and $5.7 million for the years ended December 31, 2012, 2013 and 2014, respectively.

Maturities of all long-term debt at December 31, 2014, based on the year-end exchange rate, are as follows (U.S. dollars in thousands):

Year Ending December 31,	
2015	$ 82,770
2016	14,834
2017	19,398
2018	23,963
2019	111,826
Thereafter	-
Total [1]	$ 252,791

[1] The carrying value of the debt reflects the amounts stated in the above table less a debt discount of $5.5 million, which is not reflected in this table.

10. Lease and Financing Obligations

In 2014, the Company's subsidiary in South Korea entered into a lease agreement (the "Lease") with a third-party landlord for a new regional headquarters. As part of the Lease, the landlord agreed to renovate an existing building (the "Existing Building") and construct a new building (the "New Building") adjacent to the Existing Building. The Lease provides that when such renovations and construction are completed, the Company and the landlord will enter into a new lease agreement (the "New Lease") for the Existing Building and the New Building.

The Company accounts for its lease of the Existing Building as an operating lease, and it expects to continue doing so under the New Lease. As an inducement to enter into the Lease, the landlord agreed to make certain improvements on behalf of the Company to the Existing Building. The improvements have been accounted for by the Company as a tenant incentive.

The Company has concluded that it is the deemed owner (for accounting purposes only) of the New Building during the construction period under build-to-suit lease accounting. Construction of the New Building began in June 2014. Since construction began, the Company has recorded estimated project construction costs as a construction in progress asset in "Property and equipment, net" and a corresponding long-term liability in "Other liabilities," respectively, in its consolidated balance sheets. The Company will continue to increase the asset and corresponding long-term liability as additional building costs are incurred by the landlord during the construction period. In addition, the amounts that the Company has paid or incurred for normal tenant improvements have also been recorded to the construction-in-progress asset.

Construction of the New Building is expected to be completed in June 2015. Once the landlord completes the construction of the New Building, the Company will evaluate whether the New Lease of the New Building meets the criteria for "sale-leaseback" accounting treatment under U.S. GAAP. If the New Lease of the New Building meets the "sale-leaseback" criteria, the Company will remove the asset and the related liability from its consolidated balance sheets and classify and account for the New Lease of the New Building as either an operating or capital lease. However, the Company currently expects that upon completion of construction, the New Lease of the New Building will not meet the "sale-leaseback" criteria.

If the New Lease of the New Building does not meet "sale-leaseback" criteria, the asset and obligation recognized during construction will remain recorded in the Company's consolidated balance sheets. The Company will account for the New Lease of the New Building as a financing with the associated lease payments allocated between the New Building and the underlying parcel of land on a relative fair value basis. Rent expense attributed to the underlying parcel of land, and representing the imputed cost to lease the land, will be accounted for on a straight-line basis as the land element will be considered an operating lease. Although the Company will not begin making lease payments pursuant to the New Lease until the renovations to the Existing Building and construction of the New Building are completed, the portion of the lease obligation attributed to the underlying parcel of land will be deemed to have commenced on the date construction of the New Building began.

Lease payments attributed to the New Building will be allocated between principal and interest expense using the effective interest method. The principal portion of the lease payment attributed to the New Building is reflected as a principal reduction of the financing obligation. In addition, the asset, which represents the total estimated cost of construction of the New Building at the end of the construction period, will be depreciated over the initial term of the New Lease to its expected residual value. At the conclusion of the New Lease, the Company will de-recognize both the net book value of the asset and the unamortized portion of the financing obligation. The amount of asset depreciation and financing obligation amortization is structured at the outset such that the remaining residual book value of the asset is always equal to or less than the remaining financing obligation at the end of the lease term. If the remaining financing obligation is greater than the residual book value of the asset at the end of the lease term, the Company will recognize a gain at the end of the lease term. The Company currently does not expect to recognize a gain at the conclusion of the New Lease.

At December 31, 2014, the Company had recognized $13.1 million in estimated project costs associated with the construction of the New Building as part of construction-in-progress and a financing obligation in the amount of $10.4 million, net of a $2.7 million deposit paid directly to the landlord, as part of Other liabilities in its consolidated balance sheets. The Company expects to recognize an additional $8.6 million in project costs associated with the construction of the New Building and an additional financing obligation of $1.3 million, net of $7.3 million in deposits to be paid directly to the landlord.

The Company had also recognized a $6.4 million tenant incentive asset and deferred tenant incentive liability associated with the Existing Building at December 31, 2014.

In addition to the lease arrangements described above, the Company leases office space and computer hardware under noncancelable long-term operating leases. Most leases include renewal options of at least three years.

Minimum future operating leases and financing obligations at December 31, 2014 are as follows (U.S. dollars in thousands):

Year Ending December 31,	Operating Leases	Financing Obligations
2015	$ 29,382	$ 386
2016	24,980	673
2017	21,396	693
2018	18,285	714
2019	12,183	735
Thereafter	678	4,382
Total minimum lease payments	$ 106,904	$ 7,583

Rent expense for operating leases totaled $27.7 million, $34.6 million and $52.3 million for the years ended December 31, 2012, 2013 and 2014, respectively. Interest expense associated with the financing obligations was nil for the years ended December 31, 2012, 2013 and 2014.

11. Capital Stock

The Company's authorized capital stock consists of 25 million shares of preferred stock, par value $.001 per share, 500 million shares of Class A common stock, par value $.001 per share, and 100 million shares of Class B common stock, par value $.001 per share. The shares of Class A common stock and Class B common stock are identical in all respects, except for voting rights and certain conversion rights and transfer restrictions, as follows: (1) each share of Class A common stock entitles the holder to one vote on matters submitted to a vote of the Company's stockholders and each share of Class B common stock entitles the holder to ten votes on each such matter; (2) stock dividends of Class A common stock may be paid only to holders of Class A common stock and stock dividends of Class B common stock may be paid only to holders of Class B common stock; (3) if a holder of Class B common stock transfers such shares to a person other than a permitted transferee, as defined in the Company's Certificate of Incorporation, such shares will be converted automatically into shares of Class A common stock; and (4) Class A common stock has no conversion rights; however, each share of Class B common stock is convertible into one share of Class A common stock, in whole or in part, at any time at the option of the holder. All outstanding Class B shares have been converted to Class A shares. As of December 31, 2013 and 2014, there were no preferred or Class B common shares outstanding.

Weighted-average common shares outstanding

The following is a reconciliation of the weighted-average common shares outstanding for purposes of computing basic and diluted net income per share (in thousands):

	Year Ended December 31,		
	2012	**2013**	**2014**
Basic weighted-average common shares outstanding	60,600	58,606	59,073
Effect of dilutive securities:			
Stock awards and options	2,425	2,842	1,814
Diluted weighted-average common shares outstanding	63,025	61,448	60,887

For the years ended December 31, 2012, 2013 and 2014, other stock options totaling 0.1 million, 1.2 million and 2.7 million, respectively, were excluded from the calculation of diluted earnings per share because they were anti-dilutive.

Repurchases of common stock

The board of directors has approved a stock repurchase program authorizing the Company to repurchase the Company's outstanding shares of Class A common stock on the open market or in private transactions. The repurchases are used primarily to offset dilution from the Company's equity incentive plans and for strategic initiatives. During the years ended December 31, 2012, 2013 and 2014, the Company repurchased 4.6 million, 1.7 million and 0.8 million shares of Class A common stock for an aggregate price of $201.5 million, $140.9 million and $45.7 million, respectively. In May 2012 and July 2013, the Company's board of directors authorized an increase of $250.0 million and $400.0 million, respectively, in the amount available under the Company's ongoing stock repurchase program. At December 31, 2014, $348.8 million was available for repurchases under the stock repurchase program.

12. Stock–Based Compensation

At December 31, 2014, the Company had the following stock-based employee compensation plans:

Equity Incentive Plans

In April 2010, the Company's Board of Directors approved the Nu Skin Enterprises, Inc. 2010 Omnibus Incentive Plan (the "2010 Omnibus Incentive Plan"). This plan was approved by the Company's stockholders at the Company's 2010 Annual Meeting of Stockholders held in May of 2010. The 2010 Omnibus Incentive Plan provides for granting of a variety of equity based awards including stock options, stock appreciation rights, restricted stock, restricted stock units, other share based awards, performance cash, performance shares and performance units to executives, other employees, independent consultants and directors of the Company and its subsidiaries. Options granted under the 2010 Omnibus Incentive Plan are generally non-qualified stock options, but the 2010 Omnibus Incentive Plan permits some stock options granted to qualify as "incentive stock options" under the U.S. Internal Revenue Code. The exercise price of a stock option generally is equal to the fair market value of the Company's common stock on the stock option grant date. The contractual term of a stock option granted under the 2010 Omnibus Incentive Plan is seven years. Currently, all shares issued upon the exercise of stock options are from the Company's treasury shares. Subject to certain adjustments, 7.0 million shares,were authorized for issuance under the 2010 Omnibus Incentive Plan. On June 3, 2013, the Company's stockholders approved an Amended and Restated 2010 Omnibus Incentive Plan which among other things increased the number of shares available for awards by 3.2 million shares.

In November 2010, the compensation committee of the board of directors approved the grant of performance stock options to certain key employees under the 2010 Omnibus Incentive Plan. Vesting for the options is performance based, with the options vesting in three installments if the Company's earnings per share equal or exceed the three established performance levels, measured in terms of diluted earnings per share. One third of the options will vest upon earnings per share meeting or exceeding the first performance level, one third of the options will vest upon earnings per share meeting or exceeding the second performance level and one third of the options will vest upon earnings per share meeting or exceeding the third performance level. During the second quarter of 2012, first quarter of 2013 and third quarter of 2013 the first, second and third performance levels were fully achieved.

In July 2013, the compensation committee of the board of directors approved the grant of performance stock options to certain key employees under the Amended and Restated 2010 Omnibus Incentive Plan. Vesting for the options is performance based, with the options vesting in four installments if the Company's earnings per share equal or exceed the four established performance levels, measured in terms of diluted earnings per share. One fourth of the options will vest upon earnings per share meeting or exceeding the first performance level, one fourth of the options will vest upon earnings per share meeting or exceeding the second performance level, one fourth of the options will vest upon earnings per share meeting or exceeding the third performance level and one fourth of the options will vest upon earnings per share meeting or exceeding the fourth performance level. The unvested options will terminate upon the Company's failure to meet certain performance thresholds for each of years 2013 through 2019. In addition, all unvested options will terminate on March 30, 2020. The Company records an expense each period for the estimated amount of expense associated with the Company's projected achievement of the performance based targets.

The Company has also issued other performance based awards to a limited number of participants that similarly vest, or become eligible for vesting, upon achievement of various performance targets.

The fair value of stock option awards was estimated using the Black-Scholes option-pricing model with the following assumptions and weighted-average fair values as follows:

	December 31,		
Stock Options:	**2012**	**2013**	**2014**
Weighted average grant date fair value of grants	$ 13.31	$ 22.10	$ 23.01
Risk-free interest rate[1]	0.8%	1.4%	1.7%
Dividend yield[2]	2.7%	3.1%	1.9%
Expected volatility[3]	46.8%	41.7%	45.4%
Expected life in months[4]	58 months	62 months	62 months

(1) The risk-free interest rate is based upon the rate on a zero coupon U.S. Treasury bill, for periods within the contractual life of the option, in effect at the time of the grant.

(2) The dividend yield is based on the average of historical stock prices and actual dividends paid.

(3) Expected volatility is based on the historical volatility of the Company's stock price, over a period similar to the expected life of the option.

(4) The expected term of the option is based on the historical employee exercise behavior, the vesting terms of the respective option, and a contractual life of either seven or ten years.

Options under the plans as of December 31, 2014 and changes during the year ended December 31, 2014 were as follows:

	Shares (in thousands)	**Weighted-average Exercise Price**	**Weighted-average Remaining Contractual Term** (in years)	**Aggregate Intrinsic Value** (in thousands)
Options activity – service based				
Outstanding at December 31, 2013	2,159.8	$ 26.01		
Granted	90.6	65.43		
Exercised	(326.2)	18.83		
Forfeited/cancelled/expired	-	-		
Outstanding at December 31, 2014	1,924.2	29.08	2.31	$ 39,897
Exercisable at December 31, 2014	1,618.5	21.22	1.70	39,310
Options activity – performance based				
Outstanding at December 31, 2013	4,483.1	$ 57.25		
Granted	68.8	65.70		
Exercised	(425.0)	22.42		
Forfeited/cancelled/expired	(88.6)	78.10		
Outstanding at December 31, 2014	4,038.3	60.61	4.60	$ 18,790
Exercisable at December 31, 2014	1,459.2	31.21	2.92	18,680
Options activity – all options				
Outstanding at December 31, 2013	6,642.9	$ 47.10		
Granted	159.4	65.55		
Exercised	(751.2)	20.86		
Forfeited/cancelled/expired	(88.6)	78.10		
Outstanding at December 31, 2014	5,962.5	50.43	3.86	$ 58,657
Exercisable at December 31, 2014	3,077.7	25.95	2.28	57,989

The aggregate intrinsic value in the table above represents the total pretax intrinsic value (the difference between the Company's closing stock price on the last trading day of the respective years and the exercise price, multiplied by the number of in-the-money options) that would have been received by the option holders had all option holders exercised their options on December 31, 2014. This amount varies based on the fair market value of the Company's stock. The total fair value of options vested and expensed was $4.2 million, net of tax, for the year ended December 31, 2014.

Cash proceeds, tax benefits, and intrinsic value related to total stock options exercised during 2012, 2013 and 2014, were as follows (in millions):

	December 31,		
	2012	2013	2014
Cash proceeds from stock options exercised	$ 8.0	$ 37.9	$ 11.1
Tax benefit realized for stock options exercised	6.3	41.9	11.9
Intrinsic value of stock options exercised	10.6	241.7	17.2

Nonvested restricted stock awards as of December 31, 2014 and changes during the year ended December 31, 2014 were as follows:

	Number of Shares (in thousands)	Weighted-average Grant Date Fair Value
Nonvested at December 31, 2013	729.6	$ 42.48
Granted	289.9	82.66
Vested	(325.8)	40.74
Forfeited	(19.9)	58.55
Nonvested at December 31, 2014	673.8	60.14

The Company recognizes stock-based compensation on a straight-line basis, except for performance based awards for which expense is recognized using a graded-attribution method if the results are materially different than the straight-line method. As of December 31, 2014, there was $19.9 million of unrecognized stock-based compensation expense related to nonvested restricted stock awards. That cost is expected to be recognized over a weighted-average period of 2.7 years. As of December 31, 2014, there was $16.9 million of unrecognized stock-based compensation expense related to nonvested stock option awards. That cost is expected to be recognized over a weighted-average period of 4.0 years.

13. Fair Value

Assets and liabilities recorded at fair value in the consolidated balance sheets are categorized based upon the level of judgment associated with the inputs used to measure their fair value.

The following tables present the fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of December 31, 2013 and 2014 (U.S. dollars in thousands):

	Fair Value at December 31, 2013			
	Level 1	Level 2	Level 3	Total
Financial assets (liabilities):				
Cash equivalents and current investments	$ 61,136	$ -	$ -	$ 61,136
Forward contracts	-	1,939	-	1,939
Life insurance contracts	-	-	23,172	23,172
Total	$ 61,136	$ 1,939	$ 23,172	$ 86,247

	Fair Value at December 31, 2014			
	Level 1	Level 2	Level 3	Total
Financial assets (liabilities):				
Cash equivalents and current investments	$ 86,574	$ -	$ -	$ 86,574
Forward contracts	-	1,661	-	1,661
Life insurance contracts	-	-	26,280	26,280
Total	$ 86,574	$ 1,661	$ 26,280	$ 114,515

The following methods and assumptions were used to determine the fair value of each class of assets and liabilities recorded at fair value in the consolidated balance sheets:

Cash equivalents and current investments: Cash equivalents and current investments primarily consist of highly rated money market funds with maturities of three months or less, and are purchased daily at par value with specified yield rates. Due to the high ratings and short-term nature of the funds, the Company considers all cash equivalents and current investments as Level 1. Current investments include $22.0 million and $11.8 million as of December 31, 2013 and 2014, respectively, that is restricted for the Company's voluntary participation in a consumer protection cooperative in South Korea.

Forward contracts: To hedge foreign currency risks, the Company uses foreign currency exchange forward contracts, where possible and practical. These forward contracts are valued using standard valuation formulas with assumptions about foreign currency exchange rates derived from existing exchange rates as discussed in Note 17 "Derivative Financial Instruments".

Life insurance contracts: ASC 820 preserves practicability exceptions to fair value measurements provided by other applicable GAAP. The guidance in ASC 715-30-35-60 allows a reporting entity, as a practical expedient, to use cash surrender value or conversion value as an expedient for fair value when it is present. Accordingly, the Company determines the fair value of its life insurance contracts as the cash-surrender value of life insurance policies held in its Rabbi Trust as disclosed in Note 16 "Executive Deferred Compensation Plan".

The following table provides a summary of changes in fair value of the Company's Level 3 marketable securities (U.S. dollars in thousands):

Life Insurance Contracts	**2013**	**2014**
Beginning balance at January 1	$ 18,605	$ $23,172
Actual return on plan assets:		
Relating to assets still held at the reporting date	2,568	1,249
Purchases and issuances	3,408	2,798
Sales and settlements	(1,409)	(939)
Transfers into Level 3	-	-
Ending balance at December 31	$ 23,172	$ 26,280

14. Income Taxes

Consolidated income before provision for income taxes consists of the following for the years ended December 31, 2012, 2013 and 2014 (U.S. dollars in thousands):

	2012	**2013**	**2014**
U.S.	$ 259,309	$ 307,994	$ 184,476
Foreign	85,933	248,946	114,031
Total	$ 345,242	$ 556,940	$ 298,507

The provision for current and deferred taxes for the years ended December 31, 2012, 2013 and 2014 consists of the following (U.S. dollars in thousands):

	2012	**2013**	**2014**
Current			
Federal	$ 70,727	$ 81,871	$ 37,402
State	2,425	361	2,095
Foreign	45,851	148,310	48,904
	119,003	230,542	88,401
Deferred			
Federal	12,918	(2,831)	(380)
State	656	551	444
Foreign	(8,980)	(36,210)	20,866
	4,594	(38,490)	20,930
Provision for income taxes	$ 123,597	$ 192,052	$ 109,331

The Company's foreign taxes paid are high relative to foreign operating income and the Company's U.S. taxes paid are low relative to U.S. operating income due largely to the flow of funds among the Company's Subsidiaries around the world. As payments for services, management fees, license arrangements and royalties are made from the Company's foreign affiliates to its U.S. corporate headquarters, these payments often incur withholding and other forms of tax that are generally creditable for U.S. tax purposes. Therefore, these payments lead to increased foreign effective tax rates and lower U.S. effective tax rates. Variations occur in the Company's foreign and U.S. effective tax rates from year to year depending on several factors. These factors include the impact of global transfer prices, the timing and level of remittances from foreign affiliates, profits and losses in various markets, the valuation of deferred tax assets or liabilities, or changes in tax laws, regulations, accounting principles, or interpretations thereof.

The principal components of deferred taxes are as follows (U.S. dollars in thousands):

	Year Ended December 31,	
	2013	**2014**
Deferred tax assets:		
Inventory differences	$ 2,927	$ 12,362
Foreign tax credit and other foreign benefits	120,534	116,603
Stock-based compensation	18,132	17,211
Accrued expenses not deductible until paid	88,465	48,189
Foreign currency exchange	13,734	10,774
Net operating losses	10,808	17,530
Capitalized research and development	6,202	3,362
Exchange gains and losses	-	41,542
Other	739	841
Gross deferred tax assets	261,541	268,414
Deferred tax liabilities:		
Exchange gains and losses	9,924	-
Intangibles step-up	16,375	15,106
Overhead allocation to inventory	2,523	10,781
Amortization of intangibles	17,360	18,374
Foreign outside basis in controlled foreign corporation	76,470	100,016
Other	63,409	48,187
Gross deferred tax liabilities	186,061	192,464
Valuation allowance	(10,803)	(35,999)
Deferred taxes, net	$ 64,677	$ 39,951

At December 31, 2014, the Company had foreign operating loss carryforwards of $74.2 million for tax purposes, which will be available to offset future taxable income. If not used, $49.6 million of carryforwards will expire between 2015 and 2024, while $24.6 million do not expire. A valuation allowance has been placed on foreign operating loss carryforwards of $31.0 million.

The valuation allowance primarily represents amounts for foreign operating loss carryforwards and unrealized foreign exchange losses for which it is more likely than not some portion or all of the deferred tax asset will not be realized. In making such determination, the Company considers all available positive and negative evidence, including future reversals of existing taxable temporary difference, projected future taxable income, tax planning strategies and recent financial operations. When the Company determines that there is sufficient taxable income to utilize the net operating losses, the valuation will be released which would reduce the provision for income taxes.

The components of deferred taxes, net on a jurisdiction basis are as follows (U.S. dollars in thousands):

	Year Ended December 31,	
	2013	**2014**
Net current deferred tax assets	$ 73,456	$ 40,840
Net noncurrent deferred tax assets	5,174	15,128
Total net deferred tax assets	78,630	55,968
Net current deferred tax liabilities	1	-
Net noncurrent deferred tax liabilities	13,952	16,017
Total net deferred tax liabilities	13,953	16,017
Deferred taxes, net	$ 64,677	$ 39,951

The Company is subject to regular audits by federal, state and foreign tax authorities. These audits may result in proposed assessments that may result in additional tax liabilities.

The actual tax rate for the years ended December 31, 2012, 2013 and 2014 compared to the statutory U.S. Federal tax rate is as follows:

	Year Ended December 31,		
	2012	**2013**	**2014**
Income taxes at statutory rate	35.00%	35.00%	35.00%
Indefinitely invested earnings of non-U.S. subsidiaries	–	(0.76)	–
Non-deductible expenses	0.12	0.12	0.12
Controlled foreign corporation losses	–	–	1.48
Other	0.68	0.12	0.03
	35.80%	34.48%	36.63%

The lower effective tax rate in 2013 compared to 2012 and 2014 was primarily attributable to indefinitely invested earnings of non-U.S. Subsidiaries. The effective tax rate in 2014 was also impacted by the foreign currency charge relating to Venezuela, for which a valuation allowance was recognized, offset by the re-measurement of Venezuela's books due to the highly inflationary accounting treatment under U.S. GAAP.

The cumulative amount of undistributed earnings of the Company's non-U.S. Subsidiaries held for indefinite reinvestment is approximately $50.0 million at December 31, 2013 and 2014. If this amount were repatriated to the United States, the amount of incremental taxes would be approximately $5.3 million.

15. Employee Benefit Plan

The Company has a 401(k) defined contribution plan which permits participating employees to defer up to a maximum of 100% of their compensation, subject to limitations established by the Internal Revenue Service. Employees age 18 and older are eligible to contribute to the plan starting the first day of employment. After completing at least one day of service, employees are eligible to receive matching contributions from the Company. In 2012, 2013, and 2014 the Company matched employees' base pay up to 4% each year. The Company's matching contributions cliff vest after two years of service. The Company recorded compensation expense of $2.4 million, $2.7 million and $2.7 million for the years ended December 31, 2012, 2013 and 2014, respectively, related to its contributions to the plan. The Company may make additional discretionary contributions to the plan of up to 10% of employees' base pay. The Company's discretionary contributions vest 20% per year for an employee's first five years of service. For the years ended December 31, 2012 and 2013, the Company made additional discretionary contributions of $3.5 million and $6.2 million. For the year ended December 31, 2014, the Company did not make an additional discretionary contribution.

The Company has a defined benefit pension plan for its employees in Japan. All employees of Nu Skin Japan, after certain years of service, are entitled to pension plan benefits when they terminate employment with Nu Skin Japan. The accrued pension liability was $7.6 million, $6.2 million and $5.8 million as of December 31, 2012, 2013 and 2014, respectively. Although Nu Skin Japan has not specifically funded this obligation, as it is not required to do so, Nu Skin Japan believes it maintains adequate cash balances for this defined benefit pension plan. The Company recorded pension expense of $1.1 million, $0.8 million and $0.9 million for the years ended December 31, 2012, 2013 and 2014, respectively.

16. Executive Deferred Compensation Plan

The Company has an executive deferred compensation plan for select management personnel. Under this plan, the Company may make a contribution of up to 10% of a participant's salary. In addition, each participant has the option to defer a portion of their compensation up to a maximum of 80% of their base salary and 100% of their bonuses. Participant contributions are immediately vested. Company contributions vest 50% after ten years of service and 5% each year of service thereafter. In addition, any unvested company contributions will fully vest on the earlier of: (a) the participant attaining 60 years of age; and (b) death or disability.

The Company recorded compensation expense of $1.2 million, $3.1 million and $0.3 million for the years ended December 31, 2012, 2013 and 2014, respectively, related to its contributions to the plan. The total long-term deferred compensation liability under the deferred compensation plan was $28.5 million and $32.4 million for the years ended December 31, 2013 and 2014, respectively, related to its contributions to the plan and is included in other long-term liabilities.

All benefits under the deferred compensation plan are unsecured obligations of the Company. The Company has contributed assets to a "rabbi trust" for the payment of benefits under the deferred compensation plan. As the assets of the trust are available to satisfy the claims of general creditors if the Company becomes insolvent, the amounts held in the trust are accounted for as an investment on the Company's consolidated balance sheet of $23.2 million and $26.3 million for the years ended December 31, 2013 and 2014, respectively.

17. Derivative Financial Instruments

The Company held mark-to-market forward contracts designated as foreign currency cash flow hedges with notional amounts totaling 2.1 billion Japanese yen and 4.0 million euros ($17.5 million and $4.8 million, respectively) as of December 31, 2014 and 2.5 billion Japanese yen and 12.0 million euros ($23.7 million and $16.5 million, respectively) as of December 31, 2013 to hedge forecasted foreign-currency-denominated intercompany transactions. The fair value of these hedges were $1.9 million and $1.7 million as of December 31, 2013 and 2014, respectively.

The contracts held at December 31, 2014 have maturities through September 2015, and accordingly, all unrealized gains and losses on foreign currency cash flow hedges included in accumulated other comprehensive loss will be recognized in current earnings over the next 12 months. The pre-tax net losses/gains on foreign currency cash flow hedges reclassified from accumulated other comprehensive loss to revenue were $0.5 million of pre-tax net gains, $5.1 million of pre-tax net gains and $2.7 million of pre-tax net losses for the years ended December 31, 2012, 2013 and 2014, respectively. The corresponding tax effects of these transactions were recorded in provision for income tax expense. As of December 31, 2013 and 2014, there were $1.3 million and $1.1 million of unrealized gains included in accumulated other comprehensive loss related to foreign currency cash flow hedges. The remaining $47.5 million and $52.6 million as of December 31, 2013 and 2014, respectively, in accumulated other comprehensive income are related to cumulative translation adjustments.

18. Supplemental Cash Flow Information

Cash paid for interest totaled $5.1 million, $4.8 million and $5.3 million for the years ended December 31, 2012, 2013 and 2014, respectively. Cash paid for income taxes totaled $95.2 million, $130.1 million and $171.4 million for the years ended December 31, 2012, 2013 and 2014, respectively. There was a non-cash item for the year ended December 31, 2012 of $7.0 million in deferred tax liabilities and intangibles in conjunction with the NOX Technologies, Inc. acquisition. For the years ended December 31, 2012 and 2013, there were non-cash additions of fixed assets of $5.5 million and $9.2 million, respectively, associated with the construction of the Company's worldwide headquarters.

For the year ended December 31, 2014, the Company had non-cash charges associated with the accounting of its Nu Skin Korea building lease increasing both fixed assets by $19.4 million and long-term liabilities by $16.7 million, and decreasing long-term assets by $2.7 million.

19. Segment Information

The Company operates in a single operating segment by selling products through a global network of independent distributors that operates in a seamless manner from market to market, except for its operations in Mainland China. In Mainland China, the Company utilizes sales employees, contractual sales promoters, independent direct sellers and independent marketers to distribute its products. Contractual sales promoters sell products in similar fashion to the Company's sales employees, but act as independent agents, to sell products through its retail stores and website. Independent direct sellers can sell away from the Company's stores where the Company has obtained a direct selling license to do so. Independent marketers are licensed business owners who are authorized to sell the Company's products either at their own approved premises or through the Company's stores. Selling expenses are the Company's largest expense comprised of the commissions paid to its worldwide independent distributors as well as remuneration to its sales force in Mainland China. The Company manages its business primarily by managing its sales force. The Company does not use profitability reports on a regional or divisional basis for making business decisions. However, the Company does report revenue in five geographic regions: Greater China, North Asia, Americas, South Asia/Pacific and EMEA.

Revenue generated in each of these regions is set forth below (U.S. dollars in thousands):

	Year Ended December 31,		
Revenue:	**2012**	**2013**	**2014**
Greater China	$ 550,690	$ 1,363,182	$ 948,523
North Asia	785,302	869,400	782,985
Americas	285,283	370,087	329,027
South Asia/Pacific	328,597	378,988	328,388
EMEA	182,385	195,061	180,572
Total	$ 2,132,257	$ 3,176,718	$ 2,569,495

Revenue generated by each of the Company's product lines is set forth below (U.S. dollars in thousands):

	Year Ended December 31,		
Revenue:	**2012**	**2013**	**2014**
Nu Skin	$ 1,158,213	$ 1,641,618	$ 1,562,595
Pharmanex	966,572	1,529,211	1,000,279
Other	7,472	5,889	6,621
Total	$ 2,132,257	$ 3,176,718	$ 2,569,495

Additional information as to the Company's operations in the most significant geographical areas is set forth below (U.S. dollars in thousands):

	Year Ended December 31,		
Revenue:	**2012**	**2013**	**2014**
Japan	$ 489,302	$ 402,580	$ 315,265
Mainland China	256,833	1,005,395	675,082
South Korea	296,000	466,820	467,720
United States	227,872	268,232	230,767

	December 31,	
Long-lived assets:	**2013**	**2014**
Japan	$ 9,970	$ 13,768
Mainland China	82,726	103,445
South Korea	14,345	46,626
United States	273,388	287,103

20. Commitments and Contingencies

The Company is subject to government regulations pertaining to product formulation, labeling and packaging, product claims and advertising and to the Company's direct selling system. The Company is also subject to the jurisdiction of numerous foreign tax and customs authorities. Any assertions or determination that either the Company or the Company's sales force is not in compliance with existing statutes, laws, rules or regulations could have a material adverse effect on the Company's operations. In addition, in any country or jurisdiction, the adoption of new statutes, laws, rules or regulations or changes in the interpretation of existing statutes, laws, rules or regulations could have a material adverse effect on the Company and its operations. Although management believes that the Company is in compliance in all material respects with the statutes, laws, rules and regulations of every jurisdiction in which it operates, no assurance can be given that the Company's compliance with applicable statutes, laws, rules and regulations will not be challenged by foreign authorities or that such challenges will not have a material adverse effect on the Company's financial position or results of operations or cash flows. The Company and its Subsidiaries are defendants in litigation and proceedings involving various matters. Except as noted below, in the opinion of the Company's management, based upon advice of its counsel handling such litigation and proceedings, adverse outcomes, if any, will not likely result in a material effect on the Company's consolidated financial condition, results of operations or cash flows.

The Company is subject to regular audits by federal, state and foreign tax authorities. These audits may result in additional tax liabilities. The Company believes it has appropriately provided for income taxes for all years. Several factors drive the calculation of its tax reserves. Some of these factors include: (i) the expiration of various statutes of limitations; (ii) changes in tax law and regulations; (iii) issuance of tax rulings; and (iv) settlements with tax authorities. Changes in any of these factors may result in adjustments to the Company's reserves, which would impact its reported financial results.

The Company is currently involved in a dispute related to customs assessments by Yokohama Customs on several of the Company's products for the period of October 2006 through September 2009 in connection with post-importation audits, as well as the disputed portion of the Company's import duties from October 2009 to the present, which the Company has or will hold in bond or pay under protest. Additional assessments related to any prior period are barred by applicable statutes of limitations. The aggregate amount of these assessments and disputed duties was approximately 4.5 billion Japanese yen as of December 31, 2014 (approximately $37.6 million), net of recovery of consumption taxes. The issue in this case is whether a United States entity utilizing a commissionaire agent in Japan to import its products can use the manufacturer's invoice pursuant to the transaction value method under the World Trade Organization Customs Valuation Agreement or whether it must use one of the alternative valuation methods provided in that agreement, and, if an alternative method must be used, what the allowable deductions would be in determining the proper valuation. Following the Company's review of the assessments and after consulting with the Company's legal and customs advisors, the Company believes that use of the manufacturer's invoice is the appropriate valuation method and that the additional assessments are improper and are not supported by applicable customs laws because they are based on an alternative valuation method. The Company filed letters of protest with the applicable Customs authorities, which were rejected. The Company then appealed the matter to the Ministry of Finance in Japan. In the second quarter of 2011, the Ministry of Finance in Japan denied the Company's administrative appeal. The Company disagrees with the Ministry of Finance's administrative decision. The Company is now pursuing the matter in Tokyo District Court, which is not required to give deference to the decision made by the Ministry of Finance and which the Company believes will provide a more independent determination of the matter. We currently anticipate the Tokyo District Court will close the proceedings and render a decision sometime this year. In addition, the Company is currently being required to post a bond or make a deposit to secure any additional duties that may be due and payable on current imports. Because the Company believes that the assessment of higher duties by the customs authorities is an improper application of the regulations, the Company is currently expensing the portion of the duties the Company believes is supported under applicable customs law, and recording the additional deposit or payment as a receivable within long-term assets on its consolidated financial statements. If the Company is unsuccessful in recovering the amounts assessed and paid, the Company will record a non-cash expense for the full amount of the disputed assessments. The Company anticipates that additional disputed duties will be limited going forward as the Company purchases a majority of the affected products in Japan from a Japanese company that purchases and imports the products from the manufacturers.

The Company is also currently being sued in a purported class action lawsuit and derivative claim relating to negative media and regulatory scrutiny regarding the Company's business in Mainland China and the associated decline in the Company's stock price. Beginning in January 2014, six purported class action complaints were filed in the United States District Court for the District of Utah. On April 10, 2014, the plaintiffs filed a stipulated motion requesting that the court consolidate the various purported class actions, appoint State-Boston Retirement System as lead plaintiff in the consolidated action and appoint the law firm Labaton Sucharow as lead counsel for the purported class in the consolidated action. On May 1, 2014, that stipulated motion was granted and on June 30, 2014, a consolidated class action complaint was filed. On August 29, 2014, the Company filed a motion to dismiss the case and on October 28, 2014, the plaintiffs filed their opposition to the Company's motion to dismiss. A hearing on the motion to dismiss was held on February 18, 2015, and an order denying the motion was issued on February 26, 2015. The consolidated class action complaint purports to assert claims on behalf of certain of the Company's stockholders under Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder against Nu Skin Enterprises, Ritch N. Wood, and M. Truman Hunt and to assert claims under Section 20(a) of the Securities Exchange Act of 1934 against Messrs. Wood and Hunt. The consolidated class action complaint alleges that, inter alia, the Company made materially false and misleading statements regarding its sales operations in and financial results derived from Mainland China, including purportedly operating a pyramid scheme based on illegal multi-level marketing activities. The Company believes that the claims asserted in the consolidated class action complaint are without merit and intends to vigorously defend itself.

In addition, beginning in February 2014, five purported shareholder derivative complaints were filed in the United States District Court for the District of Utah. On April 17, 2014, the plaintiffs filed a joint motion to consolidate the derivative actions, to appoint plaintiffs Amos. C. Acoff and Analisa Suderov as co-lead plaintiffs in the consolidated action, and to appoint the law firms Bernstein Litowitz Berger & Grossmann LLP and The Weiser Law Firm, P.C. as co-lead counsel for the plaintiffs in the consolidated action. On May 1, 2014, that joint motion was granted. On July 25, 2014, a consolidated derivative complaint was filed. On September 25, 2014, we filed a motion to dismiss or stay the case, and on November 25, 2014, the plaintiffs filed their opposition to our motion. Defendants filed a reply brief on January 6, 2015. The consolidated derivative complaint purports to assert claims on behalf of Nu Skin Enterprises for, inter alia, breach of fiduciary duties for disseminating false and misleading information, failing to maintain adequate internal controls, unjust enrichment, abuse of control, and gross mismanagement against M. Truman Hunt, Ritch N. Wood, Steven J. Lund, Nevin N. Andersen, Neil Offen, Daniel W. Campbell, Andrew W. Lipman, Patricia A. Negrón, Thomas R. Pisano, and nominally against Nu Skin Enterprises. The consolidated derivative complaint also purports to assert claims on behalf of Nu Skin Enterprises for breach of fiduciary duty for insider selling and misappropriation of information against Messrs. Wood, Lund and Campbell. The consolidated derivative complaint alleges that, inter alia, the defendants allowed materially false and misleading statements to be made regarding their sales operations in and financial results derived from Mainland China, including purportedly operating a pyramid scheme based on illegal multi-level marketing activities, and that certain defendants sold common stock on the basis of material, adverse non-public information.

The purported class action lawsuit and derivative claim, or others filed alleging similar facts, could result in monetary or other penalties that may affect the Company's operating results and financial condition.

21. Dividends per Share

Quarterly cash dividends for the years ended December 31, 2013 and 2014 totaled $70.5 million and $81.4 million or $0.30 per share in all quarters of 2013 and $0.345 for all quarters of 2014. The board of directors has declared a quarterly cash dividend of $0.35 per share for all classes of common stock to be paid on March 18, 2015 to stockholders of record on February 27, 2015.

22. Quarterly Results

The following table sets forth selected unaudited quarterly data for the periods shown as revised (U.S. dollars in millions, except per share amounts):

	2013				2014			
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Revenue	$ 541.3	$ 671.3	$ 908.3	$ 1,055.8	$ 671.1	$ 650.0	$ 638.8	$ 609.6
Gross profit	451.3	560.0	768.5	891.1	564.4	494.0	529.5	503.1
Operating income	82.6	114.6	168.3	188.6	101.2	54.7	105.0	91.3
Net income	54.3	74.4	110.9	125.3	54.9	19.5	68.3	46.5
Net income per share:								
Basic	0.93	1.27	1.89	2.13	0.93	0.33	1.15	0.79
Diluted	0.90	1.22	1.80	2.02	0.90	0.32	1.12	0.77

23. Other Income (Expense), Net

Other income (expense), net was $4.4 million of income in 2012, $2.8 million of income in 2013 and $53.7 million of expense in 2014. In 2014, a $46.3 million foreign currency charge was taken by the Company related to the impact of the devaluation of the Venezuelan currency on monetary assets and liabilities of its Venezuela entity and a charge of $7.4 million was recorded related to the prepayment of debt during the fourth quarter of 2014. Foreign currency translation expenses related to the strengthening of the U.S. dollar were offset by tax incentives related to the Company's new China headquarters. Other income (expense), net also includes $5.2 million, $3.0 million and $5.7 million in interest expense during 2012, 2013 and 2014, respectively. The Company cannot estimate the degree to which its operations will be impacted in the future, but it remains subject to these currency risks. However, the majority of these transaction losses are non-cash, non-operating losses.

24. Acquisition

In the fourth quarter of 2012, a subsidiary of the Company acquired NOX Technologies, Inc. ("NOX"), a biotechnology and biodiagnostic company based in Malvern, Pennsylvania, for approximately $12.6 million in cash. The NOX acquisition included patents and previously licensed technology utilized in connection with the Company's research efforts and incorporated into some of the Company's products. As the acquisition was deemed to be an asset acquisition, the Company has allocated the purchase price to the patents and will amortize the patents over their remaining lives, which were approximately 8 years.

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of Nu Skin Enterprises, Inc.:

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of income, comprehensive income, stockholders' equity, and cash flows present fairly, in all material respects, the financial position of Nu Skin Enterprises, Inc. and its subsidiaries at December 31, 2013 and 2014, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2014 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2014, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control over Financial Reporting appearing in Item 9A. Our responsibility is to express opinions on these financial statements and on the Company's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ PricewaterhouseCoopers LLP
Salt Lake City, Utah
February 27, 2015

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures. Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as such term is defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")). Disclosure controls and procedures are the controls and other procedures that we designed to ensure that we record, process, summarize and report in a timely manner the information we must disclose in reports that we file with or submit to the Securities and Exchange Commission under the Exchange Act, and they include, without limitation, controls and procedures designed to ensure that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure. Based on this evaluation, our Chief Executive Officer and our Chief Financial Officer concluded that our disclosure controls and procedures were effective as of December 31, 2014.

Management's Report on Internal Control over Financial Reporting. Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rule 13a-15(f) under the Exchange Act as a process designed by, or under the supervision of, our Chief Executive Officer and Chief Financial Officer and effected by our board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorization of management and directors; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we assessed, as of December 31, 2014, the effectiveness of our internal control over financial reporting. This assessment was based on criteria established in the framework *Internal Control-Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on our assessment, our management concluded that our internal control over financial reporting was effective as of December 31, 2014.

The effectiveness of our internal control over financial reporting as of December 31, 2014, has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report which appears herein.

Remediation of Material Weakness. As initially disclosed in our Quarterly Report on Form 10-Q/A which was filed with the Securities and Exchange Commission on August 12, 2014, as of March 31, 2014, we did not maintain effective controls over the presentation and disclosure of hyper-inflationary accounting for our Venezuela subsidiary. Specifically, our controls to evaluate and implement hyper-inflationary accounting for our Venezuela subsidiary did not operate at an appropriate level of precision. Formal documentation of management's conclusions regarding hyper-inflationary accounting for its Venezuela subsidiary also needed improvement. This control deficiency constituted a material weakness.

Upon making the determination that we did not maintain effective controls over the presentation and disclosure of hyper-inflationary accounting for our Venezuela subsidiary, we designed and implemented the following changes, during the third quarter of 2014, in internal control over financial reporting to remediate the material weakness:

- implemented controls over the analysis and accounting, including documentation, for Venezuela as a hyper-inflationary market; and
- implemented controls to monitor and account for markets that could become hyper-inflationary in the future.

In the fourth quarter of 2014, we completed our remediation activities by testing the operating effectiveness of the newly implemented controls and found them to be effective. As a result, we have concluded that the material weakness has been remediated as of December 31, 2014.

***Changes in Internal Control over Financial Reporting*.** There was no change during the fiscal quarter ended December 31, 2014 in our internal control over financial reporting (as such term is defined in Rule 13a-15(f) under the Exchange Act) that materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None.

PART III

The information required by Items 10, 11, 12, 13 and 14 of Part III will be included in an amendment to this Annual Report on Form 10-K or incorporated by reference to our Definitive Proxy Statement for our 2015 Annual Meeting of Stockholders to be filed with the Securities and Exchange Commission within 120 days after our fiscal year end, except for certain information required by Item 10 with respect to our executive officers which is set forth under Item 1. "Business" of this Annual Report on Form 10-K.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

Documents filed as part of this Form 10-K:

1. Financial Statements. See Index to Consolidated Financial Statements under Item 8 of Part II.

2. Financial Statement Schedules. N/A

3. Exhibits. References to the "Company" shall mean Nu Skin Enterprises, Inc. Unless otherwise noted, the SEC file number for exhibits incorporated by reference is 001-12421.

3.1	Amended and Restated Certificate of Incorporation of the Company (incorporated by reference to Exhibit 3.1 to the Company's Registration Statement on Form S-1 filed September 16, 1996, file no. 333-12073).
3.2	Certificate of Amendment to the Amended and Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.2 to the Company's Annual Report on Form 10-K for the year ended December 31, 2009, filed March 1, 2010).
3.3	Certificate of Designation, Preferences and Relative Participating, Optional and Other Special Rights of Preferred Stock and Qualifications, Limitations and Restrictions Thereof (incorporated by reference to Exhibit 3.3 to the Company's Annual Report on Form 10-K for the year ended December 31, 2004, filed March 15, 2005).
3.4	Third Amended and Restated Bylaws of Nu Skin Enterprises, Inc. (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed February 12, 2015).
4.1	Specimen Form of Stock Certificate for Class A Common Stock (incorporated by reference to Exhibit 4.1 to the Company's Amendment No. 1 to Registration Statement on Form S-3 filed July 8, 2002, file no. 333-90716).
4.2	Specimen Form of Stock Certificate for Class B Common Stock (incorporated by reference to Exhibit 4.2 to the Company's Registration Statement on Form S-1 filed September 16, 1996, file no. 333-12073).
10.1	Loan Agreement, dated as of September 5, 2013, among the Company and Bank of America, N.A. (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2014, filed August 12, 2014).
10.2	Amendment No. 1 to Loan Agreement, dated as of September 5, 2013, among the Company and Bank of America, N.A., dated as of August 15, 2014 (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2014, filed November 10, 2014).
10.3	Loan Agreement, dated as of April 9, 2014, among the Company and Bank of America, N.A. (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2014, filed August 12, 2014).
10.4	Credit Agreement among the Company, various financial institutions, and Bank of America, N.A. as administrative agent, dated as of October 9, 2014 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K October 15, 2014).
*#10.5	Amended and Restated Nu Skin Enterprises, Inc. Deferred Compensation Plan, effective as of January 1, 2015.
#10.6	Second Amended and Restated Nu Skin Enterprises, Inc. 1996 Stock Incentive Plan (incorporated by reference to Exhibit 10.28 to the Company's Annual Report on Form 10-K for the year ended December 31, 2005, filed March 16, 2006).

#10.7	Amendment No. 1 to the Second Amended and Restated Nu Skin Enterprises, Inc. 1996 Stock Incentive Plan (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2003, filed May 15, 2003).
#10.8	Amendment to the Second Amended and Restated Nu Skin Enterprises, Inc. 1996 Stock Incentive Plan (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2013, filed August 5, 2013).
#10.9	Form of Master Stock Option Agreement (1996 Plan) (incorporated by reference to Exhibit 10.49 to the Company's Annual Report on Form 10-K for the year ended December 31, 2007, filed February 29, 2008).
#10.10	Form of Stock Option Agreement for Directors (1996 Plan) (incorporated by reference to Exhibit 10.43 to the Company's Annual Report on Form 10-K for the year ended December 31, 2006, filed March 1, 2007).
#10.11	Nu Skin Enterprises, Inc. 2006 Stock Incentive Plan (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on June 1, 2006).
#10.12	Amendment to the 2006 Stock Incentive Plan (incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2013, filed August 5, 2013).
#10.13	Form of Master Stock Option Agreement (2006 Plan) (incorporated by reference to Exhibit 10.10 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2006, filed November 9, 2006).
#10.14	Form of Master Stock Option Agreement (2006 Plan Performance Option (U.S.)) (incorporated by reference to Exhibit 10.54 to the Company's Annual Report on Form 10-K for the year ended December 31, 2007, filed February 29, 2008).
#10.15	Form of Master Stock Option Agreement for Directors (2006 Plan) (incorporated by reference to Exhibit 10.59 to the Company's Annual Report on Form 10-K for the year ended December 31, 2008, filed February 27, 2009).
#10.16	Form of Director Restricted Stock Unit Agreement (2006 Plan) (incorporated by reference to Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2007, filed August 9, 2007).
#10.17	Form of Master Restricted Stock Unit Agreement (2006 Plan) (incorporated by reference to Exhibit 10.11 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2006, filed November 9, 2006).
#10.18	Amended and Restated Nu Skin Enterprises, Inc. 2010 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on June 7, 2013).
#10.19	Form of 2010 Plan U.S. Stock Option Master Agreement and Grant Notice (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on July 2, 2010).

#10.20	Form of 2010 Plan U.S. Restricted Stock Unit Master Agreement and Grant Notice (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed on July 2, 2010).
#10.21	Form of 2010 Plan U.S. Performance Stock Option Master Agreement and Grant Notice (incorporated by reference to Exhibit 10.54 to the Company's Annual Report on Form 10-K for the year ended December 31, 2010, filed February 23, 2011).
#10.22	Form of 2010 Plan U.S. Performance Restricted Stock Unit Master Agreement and Grant Notice (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on July 2, 2010).
#10.23	Form of 2010 Plan Director Stock Option Master Agreement and Grant Notice (incorporated by reference to Exhibit 10.7 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2010, filed August 9, 2010).
#10.24	Form of 2010 Plan Director Restricted Stock Unit Master Agreement and Grant Notice (incorporated by reference to Exhibit 10.8 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2010, filed August 9, 2010).
*#10.25	Form of Amended & Restated 2010 Plan Stock Option Grant Agreement.
*#10.26	Form of Amended & Restated 2010 Plan Restricted Stock Unit Grant Agreement.
*#10.27	Form of Amended & Restated 2010 Plan Performance Stock Option Grant Agreement.
*#10.28	Form of Amended & Restated 2010 Plan Performance Restricted Stock Unit Grant Agreement.
*#10.29	Form of Amended & Restated 2010 Plan Director Stock Option Grant Agreement.
*#10.30	Form of Amended & Restated 2010 Plan Director Restricted Stock Unit Grant Agreement.
#10.31	Nu Skin Enterprises, Inc. 2009 Key Employee Death Benefit Plan (incorporated by reference to Exhibit 10.58 to the Company's Annual Report on Form 10-K for the year ended December 31, 2010, filed February 23, 2011).
#10.32	Form of Indemnification Agreement to be entered into between the Company and certain of its officers and directors (incorporated by reference to Exhibit 10.48 to the Company's Annual Report on Form 10-K for the year ended December 31, 2008, filed February 27, 2009).
#10.33	Employment Agreement, effective as of August 1, 2012, between the Company and M. Truman Hunt (incorporated by reference to Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2012, filed August 7, 2012).

#10.34	Form of Employment Agreement, with schedule of material differences, effective as of August 1, 2012, between the Company and Ritch N. Wood, Daniel R. Chard, D. Matthew Dorny and Scott E. Schwerdt (incorporated by reference to Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2012, filed August 7, 2012).
#10.35	Joseph Y. Chang Employment Agreement dated November 9, 2009, between Mr. Chang and the Company (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2009, filed November 9, 2009).
*#10.36	Form of Key Employee Covenants.
*21.1	Subsidiaries of the Company.
*23.1	Consent of PricewaterhouseCoopers LLP.
*31.1	Certification by M. Truman Hunt, President and Chief Executive Officer, pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
*31.2	Certification by Ritch N. Wood, Chief Financial Officer, pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
*32.1	Certification by M. Truman Hunt, President and Chief Executive Officer, pursuant to Section 1350, Chapter 63 of Title 18, United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
*32.2	Certification by Ritch N. Wood, Chief Financial Officer, pursuant to Section 1350, Chapter 63 of Title 18, United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
*101.INS	XBRL Instance Document
*101.SCH	XBRL Taxonomy Extension Schema Document
*101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
*101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
*101.LAB	XBRL Taxonomy Extension Label Linkbase Document
*101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

* Filed or furnished herewith.
# Management contract or compensatory plan or arrangement.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized on February 27, 2015.

NU SKIN ENTERPRISES, INC.

By: /s/ M. Truman Hunt
M. Truman Hunt
President and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities indicated on February 27, 2015.

Signatures	Capacity in Which Signed
/s/ Steven J. Lund Steven J. Lund	Executive Chairman of the Board
/s/ M. Truman Hunt M. Truman Hunt	President, Chief Executive Officer and Director (Principal Executive Officer)
/s/ Ritch N. Wood Ritch N. Wood	Chief Financial Officer (Principal Financial Officer and Accounting Officer)
/s/ Daniel W. Campbell Daniel W. Campbell	Director
/s/ Andrew D. Lipman Andrew D. Lipman	Director
/s/ Patricia A. Negrón Patricia A. Negrón	Director
/s/ Thomas R. Pisano Thomas R. Pisano	Director
/s/ Nevin N. Andersen Nevin N. Andersen	Director
/s/ Neil H. Offen Neil H. Offen	Director

EXHIBIT 10.5

NU SKIN ENTERPRISES, INC.
DEFERRED COMPENSATION PLAN

First Effective as of December 14, 2005
Amended and Restated as of December 19, 2008 but Effective January 1, 2009

Amended and Restated as of January 1, 2015

NU SKIN ENTERPRISES, INC.
DEFERRED COMPENSATION PLAN

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NU SKIN ENTERPRISES, INC.
DEFERRED COMPENSATION PLAN

PREAMBLE

Nu Skin Enterprises, Inc., (the "Company") has previously established the Nu Skin Enterprises, Inc. Deferred Compensation Plan (the "Plan"). The purpose of the Plan is to provide a select group of management, highly compensated employees, or Directors of the Company (and certain affiliates) with the opportunity to defer a portion of their compensation. The Plan is intended to constitute an unfunded "top hat" plan described in Section 201(2), 301(a)(3), and 401(a)(1) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). As a "top hat" plan, the Plan is not subject to ERISA's eligibility, vesting, funding, or fiduciary responsibility requirements. The Plan has made a notice filing with the United States Department of Labor (the "DOL") and is required to provide information to the DOL on request.

The Plan has been, and shall continue to be, administered in good faith compliance with Section 409A and interim guidance issued thereunder from December 15, 2005 until January 1, 2008. This Plan was first amended and restated effective as of January 1, 2008 to comply with final regulations issued under Section 409A of the Code and later on January 1, 2009, to change the vesting schedule and payment terms applicable to Participants who are employed with the Company on or after January 1, 2009

The Plan is hereby amended and restated effective January 1, 2015, to clarify that scheduled withdrawals are only allowed for Participant Contributions, to clarify that death benefits under the Plan only apply to Participants and not former Participants, and to make other minor changes to reflect the final regulations under Section 409A.

ARTICLE 1
DEFINITIONS

The following words and phrases used in the Plan with the initial letter capitalized shall have the meanings set forth in this Article, unless a clearly different meaning is required by the context in which the word or phrase is used:

1.1. "**Account**" means all of such accounts as are established under this Plan from time to time.

1.2. "**Affiliate**" means (a) a corporation that is a member of the same control group of corporations (within the meaning of Section 414(b) of the Code) as is the Company, (b) any other trade or business (whether or not incorporated) controlling, controlled by, or under common control (within the meaning of Section 414(c) of the Code) with the Company, and (c) any other corporation, partnership, or other organization that is a member of an affiliated service group (within the meaning of Section 414(m) of the Code) with the Company or which is otherwise required to be aggregated with the Company under Section 414(o) of the Code.

1.3. "**Base Salary**" means a Participant's annual base salary, excluding bonuses, commissions, incentive and all other remuneration for services rendered to the Company and prior to reduction for any salary deferrals, including but not limited to, deferrals under plans established pursuant to Section 125 of the Code or qualified pursuant to Section 401(k) of the Code.

1.4."**Beneficiary**" means the person or entity that a Participant, in his most recent written designation filed with the Plan Administrator has designated to receive his benefit under the Plan in the event of his death. Changes in designations of Beneficiaries may be made upon written notice to the Plan Administrator in any form as the Plan Administrator may prescribe.

1.5. "**Board of Directors**" or "**Board**" means the Board of Directors of the Company.

1.6. "**Bonus**" means the additional cash compensation paid to a Participant by the Company or an Affiliate pursuant to any incentive or bonus plan, program, or practice of the Company or an Affiliate.

1.7. "**Cause**"" Termination of employment or service for "Cause" shall mean the termination of a Participant's employment with or service to the Company (for purposes of this Section 1.7, "Company" shall refer to the Company and any affiliates or subsidiaries of the Company) because of:

(a) a material breach by the Participant of any of the Participant's obligations under the Company's Key Employee Covenants or any Employment Agreement, which breach is (i) not cured within any applicable cure period set forth in the Key Employee Covenants or employment agreement, and (ii) materially injurious to the Company;

(b) any willful violation by the Participant of any material law or regulation applicable to the business of the Company, which is materially injurious to the Company, or the Participant's conviction of, or a plea of nolo contendre to, a felony or any willful perpetration of common law fraud; or

(c) any other willful misconduct by the Participant that is materially injurious to the financial condition or business reputation of, or is otherwise materially injurious to, the Company or any of its subsidiaries or affiliates.

1.8. "**Change of Control**" means a "change in the ownership of the Employer," a "change in effective control of the Employer," and/or a "change in the ownership of a substantial portion of the Employer's assets" as defined under Treasury Regulation § 1.409A-3(i)(5).

1.9. "**Code**" means the Internal Revenue Code of 1986, as amended.

1.10. "**Company**" means NU SKIN ENTERPRISES, INC. and any successor corporations.

1.11. "**Company Contribution**" means contributions by the Company pursuant to Section 3.2 of this Plan.

1.12. "**Company Contribution Account**" means the bookkeeping account maintained by or for the Company for each Participant that is credited with an amount equal to the Company Contributions Amount, if any, and earnings and losses credited on such amounts pursuant to Section 4.2.

1.13. "**Compensation**" means Base Salary or Director Fees payable in such Plan Year, and Bonuses earned in such Plan Year (whether payable during such Year or the following Year), that the Participant is entitled to receive for services rendered to the Company.

1.14. "**Compensation Committee**" means the compensation committee appointed by the Board of Directors, which includes select members of the Board of Directors.

1.15. "**Deferral Account**" means the bookkeeping account maintained by or for the Plan Administrator for each Participant, which account is credited with amounts equal to the portion of the Participant's Compensation that he or she elects to defer, and the earnings and losses pursuant to Section 4.1.

1.16. "**Deferral Contributions**" means contributions by a Participant pursuant to Section 3.1 of this Plan.

1.17. "**Director**" means a non-employee director of the Company.

1.18. "**Director Fees**" means all Board and committee meeting fees payable to a Director, and any annual retainer payable for a Plan Year beginning after the Effective Date, determined in each case before reduction for amounts deferred under the Plan. Director Fees do not include expense reimbursements, incentive stock awards or any form of noncash compensation or benefits.

1.19. "**Disability**" means any illness or other physical or mental condition of a Participant that renders the Participant unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, or any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months and in which Participant is receiving income replacement benefits for a period of not less than 3 months under and accident and health plan covering employees. The Plan Administrator may require such medical or other evidence as it deems necessary to judge the nature and permanency of the Participant's condition.

1.20. "**Distributable Amount**" means the vested balance in Participant's Deferral Account.

1.21. "**Effective Date**" means the effective date of this restatement, which shall be January 1, 2015. The original effective date of the Plan was December 14, 2005.

1.22. "**Employee**" means (1) each person receiving remuneration, or who is entitled to remuneration, for services rendered to the Company or an Affiliate as a common-law employee, or (2) a Director of the Company or an Affiliate.

1.23. "**ERISA**" means the Employee Retirement Income Security Act of 1974, as amended.

1.24. "**Fund**" means one or more of the investment funds selected by the Plan Administrator pursuant to Section 3.3.

1.25. "**Interest Rate**" means, for each Fund, an amount equal to the net gain or loss on the assets of such Fund during each month, as determined by the Plan Administrator.

1.26. "**Participant**" means an Employee who has been selected to participate under Section 2.1, who has elected to participate under Section 2.2, and whose participation has not been terminated. If indicated by the context, the term Participant also includes former Participants whose active participation in the Plan has terminated but who have not received all amounts to which they are entitled under the Plan.

1.27. "**Participation Agreement**" means the agreement entered into by the Company and a Participant as set forth in Section 2.2.

1.28. "**Plan**" means the Nu Skin Enterprises, Inc. Deferred Compensation Plan, as amended from time to time.

1.29. "**Plan Administrator**" means the Compensation Committee or its designated agents (to the extent such authority has been designated by the Compensation Committee).

1.30. "**Plan Year**" shall mean the calendar year.

1.31. "**Reasonable Time**" shall mean any date within the same calendar year as the applicable distribution event (*e.g.*, Separation from Service) or, if later, by the 15th day of the third calendar month following the occurrence of such distribution event.

1.32. "**Scheduled Withdrawal**" means the distribution date elected by the Participant for an in-service withdrawal from such Accounts deferred in a given Plan Year, and earnings and losses attributable thereto, as set forth on the election form for such Plan Year.

1.33. "**Separation from Service**" means a severance of a participant's employment relationship with the Company and all Affiliates for any reason other than the participant's death. Whether a Separation from Service has occurred is determined under Section 409A of the Code and Treasury Regulation 1.409A-1(h) (*i.e.*, whether the facts and circumstances indicate that the Employer and the employee reasonably anticipated that no further services would be performed after a certain date or that the level of bona fide services the employee would perform after such date (whether as an employee or independent contractor) would permanently decrease to no more than 20% of the average level of bona fide services performed (whether as an employee or an independent contractor) over the immediately preceding 36 month period (or the full period of services to the employer if the employee has been providing services to the employer less than 36 months)). Separation from Service shall not be deemed to occur while the employee is on military leave, sick leave or other bona fide leave of absence if the period does not exceed six (6) months or, if longer, so long as the employee retains a right to reemployment with the Company or an affiliate under an applicable statute or by contract. For this purpose, a leave is bona fide only if, and so long as, there is a reasonable expectation that the employee will return to perform services for the Company or an affiliate. Notwithstanding the foregoing, a 29 month period of absence will be substituted for such 6 month period if the leave is due to any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of no less than 6 months and that causes the employee to be unable to perform the duties of his or her position of employment.

1.34. "**Trust Agreement**" means any trust agreement established pursuant to Section 8.1 between the Company and the Trustee or any trust agreement hereafter established.

1.35. "**Trustee**" means the Trustee under the Trust Agreement.

1.36. "**Trust Fund**" means all assets of whatsoever kind or nature held from time to time by the Trustee pursuant to the Trust Agreement and forming a part of this Plan, without distinction as to income and principal and without regard to source, i.e., Participant contributions, earnings, or forfeitures.

ARTICLE 2
ELIGIBILITY

2.1.**General**. For purposes of Title I of ERISA, the Plan is intended to be an unfunded plan of deferred compensation covering a select group of management, highly compensated employees, and Directors. As a result, participation in the Plan shall be limited to Employees who are properly included in one or all of these categories. The Plan Administrator shall designate the individuals who are eligible to participate in the Plan. The Plan Administrator, in the exercise of its discretion, may exclude an Employee who otherwise meets the requirements of this Section 2.1 from participation in the Plan if it concludes that excluding the Employee is necessary to satisfy these requirements. The Plan Administrator also may exclude an Employee who otherwise meets the requirements of this Section 2.1 for any other reason, or for no reason, as the Plan Administrator deems appropriate.

2.2. **Participation**. Each Employee who is designated as eligible to participate in the Plan by the Plan Administrator may become a Participant by completing and signing an enrollment form provided by the Plan Administrator and delivering the form to the Plan Administrator. The Employee must designate on the form the amount of his Deferral Contributions and must authorize the Company or an Affiliate to reduce his Compensation in an amount equal to his Deferral Contributions.

2.3.**Timing of Participation**. After an Employee has been selected by the Plan Administrator to participate in the Plan for the first time (and does not participate in or has not previously participated in another voluntary deferral plan of the Company or an Affiliate), the Employee has 30 days to notify the Plan Administrator whether he will participate in the Plan. If the Employee timely notifies the Plan Administrator of his intent to participate in the Plan, the Employee's participation will commence on the first payroll period following or coinciding with the first day of the calendar month after the Plan Administrator is so notified. If the Employee does not timely notify the Plan Administrator of his intent to participate in the Plan, the Employee's participation may commence on the first payroll period following or coinciding with the first day of any later Plan Year by notifying the Plan Administrator prior to the first day of such Plan Year and provided further that the Plan Administrator determines that the Employee remains eligible to participate in the Plan under Section 2.1.

2.4.**Discontinuance of Participation**. Once an Employee is designated as a Participant, he will continue as such for all future Plan Years unless the Plan Administrator specifically discontinues his participation. The Plan Administrator may discontinue an individual's participation in the Plan at any time for any or no reason. If an individual's participation is discontinued, the individual will no longer be eligible to make future deferral elections or receive Company Contributions. The Employee will not be entitled to receive a distribution, however, until the occurrence of one of the events listed in Article VI, or as permitted in Article VII.

ARTICLE 3
DEFERRAL ELECTIONS

3.1. **Elections to Defer Compensation**.

3.1.1. **Deferral of Base Salary**. For any Plan Year, a Participant may elect to defer a portion of the Base Salary otherwise payable to him. Any such deferrals shall be in whole percentages or a specific dollar amount of the Participant's Base Salary, as specified in the Participant's Participation Agreement.

3.1.2. **Deferral of Bonuses**. A Participant may also elect to defer a portion of any Bonus which might be payable to him by the Company. Any such deferrals shall be in whole percentages or a specific dollar amount of the Participant's Bonus, as specified in the Participant's Participation Agreement.

3.1.3. **Limitations on Deferrals**. A Participant may elect to defer up to 80% of Participant's Base Salary and 100% of Participant's Bonus for each Plan Year, provided that the total amount deferred by a Participant shall be limited in any calendar year, if necessary, to satisfy any employment tax, income tax and employee benefit plan withholding requirements as determined in the sole and absolute discretion of the Plan Administrator. There is no minimum deferral amount. The Plan Administrator reserves the right to change such limits from time to time.

3.1.4. **Duration of Compensation Deferral Election**. An Employee's initial election to defer Compensation must be made within the time frame established by the Plan Administrator, which shall be prior to the taxable year in which the election relates and is to be effective with respect to Compensation earned for services performed after such deferral election is processed. Such election shall specify the time and method of distribution of the annual deferral amount in accordance with Articles VI and VII. A Participant may increase, decrease or terminate a deferral election with respect to Compensation for any subsequent Plan Year by filing a new election within the time frame established by the Plan Administrator but in no event later than December 31 in the year prior to the beginning of the next Plan Year, which election shall be effective on the first day of the next following Plan Year. In the absence of a Participant making a new election, the last election on file will apply to deferrals for the new Plan year. In the case of an employee who first becomes eligible to participate in the Plan after January 1, 2006 (and does not participate in or has not previously participated in another voluntary deferral plan of the Company or an Affiliate), such Employee shall have 30 days from the date he becomes eligible to make an election with respect to Compensation earned for services performed subsequent to the election. Such election shall be for the remainder of the Plan Year (and future Plan Years, unless subsequently changed prior to the commencement of a given Plan year) in the event the Plan Year has commenced. Such election shall specify the time and method of distribution of the annual deferral amount in accordance with Articles VI and VII.

3.1.5. **Elections Other Than Initial Election**. Any Employee or Director who has terminated a prior Compensation deferral election may elect to again defer Compensation by completing and signing an enrollment form provided by the Plan Administrator and delivering the form to the Plan Administrator within the time frame established by the Plan Administrator but in no event later than December 31 of the year prior to the beginning of the Plan Year to which such deferral election relates. An election to defer Compensation must be filed in a timely manner in accordance with Section 3.1(d). Such election shall apply to Compensation for services performed in the Plan Year to which such deferral election relates. Such election shall specify the time and method of distribution of the annual deferral amount in accordance with Articles VI and VII.

3.2. **Company Contribution**. On or before the end of each fiscal year of the Company, the Compensation Committee shall determine, in its sole discretion, an amount, if any, to be credited to each Participant's Account.

3.3. **Investment Elections**.

(a) At the time of making the deferral elections described in Section 3.1, Participant shall designate, on a form provided by the Plan Administrator, the types of investment funds in which Participant's Account will be deemed to be invested for purposes of determining the amount of earnings and losses to be credited to that Account. In making the designation pursuant to this Section 3.3, Participant may specify that all or any percentage of his Account is to be deemed invested, in whole percentage increments, in one or more of the types of investment funds deemed to be provided under the Plan, as communicated from time to time by the Plan Administrator. A Participant may change the designation made under this Section 3.3 by filing an election, on a form provided by the Plan Administrator, on a daily basis (limited to 4 per month). If a Participant fails to elect a type of fund under this Section 3.3, he or she shall be deemed to have elected the money market type of investment fund.

(b) Although a Participant may designate the type of investments, the Plan Administrator shall not be bound by such designation. The Plan Administrator may select from time to time, in its sole and absolute discretion, commercially available investments of each of the types communicated by the Plan Administrator to the Participant pursuant to Section 3.3(a) above to be the Funds. The Interest Rate of each such commercially available investment fund shall be used to determine the amount of earnings or losses to be credited to Participant's Account under Article IV.

ARTICLE 4
DEFERRAL ACCOUNTS

4.1. **Deferral Accounts**. The Plan Administrator shall establish and maintain a Deferral Account for each Participant under the Plan. Each Participant's Deferral Account shall be further divided into separate subaccounts ("investment fund subaccounts"), each of which corresponds to an investment fund elected by the Participant pursuant to Section 3.3(a). A Participant's Deferral Account shall be credited as follows:

(a) Within a reasonable time after amounts are withheld and deferred from a Participant's Compensation, the Plan Administrator shall credit the investment fund subaccounts of the Participant's Deferral Account with an amount equal to Compensation deferred by the Participant in accordance with the Participant's election under Section 3.3(a); that is, the portion of the Participant's deferred Compensation that the Participant has elected to be deemed to be invested in a certain type of investment fund shall be credited to the investment fund subaccount corresponding to that investment fund;

(b) Each business day, each investment fund subaccount of a Participant's Deferral Account shall be credited with earnings or losses in an amount equal to that determined by multiplying the balance credited to such investment fund subaccount as of the prior day plus contributions credited that day to the investment fund subaccount by the Interest Rate for the corresponding fund selected by the Company pursuant to Section 3.3(b).

(c) In the event that a Participant elects for a given Plan Year's deferral of Compensation to have a Scheduled Withdrawal, all amounts attributed to the deferral of Compensation for such Plan Year shall be accounted for in a manner which allows separate accounting for the deferral of Compensation and investment gains and losses associated with such Plan Year's deferral of Compensation.

4.2. **Company Contribution Account**. The Plan Administrator shall establish and maintain a Company Contribution Account for each Participant under the Plan. Each Participant's Company Contribution Account shall be further divided into separate investment fund subaccounts corresponding to the investment fund elected by the Participant pursuant to Section 3.3(a). A Participant's Company Contribution Account shall be credited as follows:

(a) On the third business day after a Company Contribution, the Plan Administrator shall credit the investment fund subaccounts of the Participant's Company Contribution Account with an amount equal to the Company Contribution, if any, applicable to that Participant, that is, the proportion of the Company Contribution, if any, which the Participant elected to be deemed to be invested in a certain type of investment fund shall be credited to the corresponding investment fund subaccount; and

(b) Each business day, each investment fund subaccount of a Participant's Company Contribution Account shall be credited with earnings or losses in an amount equal to that determined by multiplying the balance credited to such investment fund subaccount as of the prior day plus contributions credited that day to the investment fund subaccount by the Interest Rate for the corresponding Fund selected by the Company pursuant to Section 3.3(b).

4.3. **Schedule a Accounts for Pre-Existing Deferred Compensation Obligations**. Prior to the Effective Date of the Plan, the Company and/or certain of its Affiliates had entered into non-qualified deferred compensation arrangements with certain Participants employed by the Company and/or its Affiliates. The terms of such arrangements are set forth in individual "plans" or agreements signed by the Company and/or an Affiliate and the employee. The deferred compensation arrangements identified on Schedule A attached hereto ("Schedule A Arrangements") are incorporated herein by reference. It is intended that the Schedule A Arrangements will comply with Code Section 409A . Effective January 1, 2005, the rights and obligations of the parties to those arrangements will be governed by the terms of this Plan, and will not be governed by the terms of the Schedule A Arrangements, except as otherwise provided hereafter. The Plan Administrator will establish and maintain under this Plan a "Schedule A Account" for each Participant who is party to a Schedule A Arrangement ("Schedule A Participant') and will credit to such Schedule A Account for each Schedule A Participant the value as of January 1, 2006 of the respective Schedule A Participant's Compensation Account(s) as established under the applicable Schedule A Arrangement. For greater clarity, generally the Compensation Accounts under the Schedule A Arrangements are divided into two sub-accounts (Employee Compensation Sub-Account and Company Compensation Sub-Account), and this distinction will be maintained under the Schedule A Accounts. The Company Compensation Sub-Account will continue to vest in accordance with the terms of the applicable Schedule A Arrangement. In addition, the Plan Administrator may further divide the sub-accounts under the Schedule A Accounts into separate investment fund sub-accounts corresponding to the investment fund elected by the Participant pursuant to Section 3.3(a). Schedule A Participants will elect, prior to December 31, 2006, the form of distribution for their Schedule A Accounts and such elections will comply with IRC Section 409A and applicable guidance thereunder. If a Schedule A Participant has not designated a form or payment for his or her Schedule A Account on or before December 31, 2006, the form of payment designated in the applicable Schedule A Arrangement will be the default form of payment for such Schedule A Account(s). After December 31, 2006, any change in the form of payment as to a Schedule A Account must be in accordance with the requirements of Section 6.5(f) of this Plan respecting election changes for forms of payment. The timing of distributions of Schedule A Accounts will be governed by the terms of this Plan.

4.4. **Accounting**. At the end of each quarter, the Company shall notify each Participant as to the amount, if any, of Participant's Deferral Account and Company Contribution Account. The accounting shall specify the vested portion of amounts held pursuant to the Plan.

4.5. **Preservation of Accounts**. A Participant shall not be deemed to have had a Separation from Service for purposes of preservation of all Deferral Accounts and Company Contribution Accounts in the event of a bona fide approved leave of absence from the Company for a prolonged period of time for:

(a) Service as a full-time missionary for any legally recognized ecclesiastical organization, or

(b) United States Military duty.

Notwithstanding the foregoing, a Separation from Service shall be deemed to occur six months after commencement of the leave in the absence of a contractual or statutory right to re-employment.

ARTICLE 5
VESTING

5.1. **Vesting in Deferral Account**. Subject to Section 5.3, Participant shall be 100% vested in his Deferral Account at all times.

5.2. **Vesting in Company Contribution Account**. Subject to Section 5.3, each Participant shall become vested in his Company Contribution Account in accordance with the following schedule:

When the Participant Has Completed the Following Years of Employment	The Vested Portion of Participant's Company Contribution Account Will Be:
Less than 10 years	0%
10 years but less than 11 years	50%
11 years but less than 12 years	55%
12 years but less than 13 years	60%
13 years but less than 14 years	65%
14 years but less than 15 years	70%
15 years but less than 16 years	75%
16 years but less than 17 years	80%
17 years but less than 18 years	85%
18 years but less than 19 years	90%
19 years but less than 20 years	95%
20 years or more	100%

Notwithstanding any of the foregoing provisions for progressive vesting of Company Contribution Accounts, the entire Company Contribution Account of each Participant shall become fully vested upon the earliest occurrence of any of the following events while in the employment of the Company:

(a) Participant attains 60 years of age;

(b) Participant's death or Disability as defined in the Plan.

(c) The Plan Administrator may, in its discretion, accelerate vesting of a Participant in his Company Contribution Account.

5.3. **Forfeiture**. Notwithstanding Sections 5.1 and 5.2 above, Participant shall forfeit all amounts in the Company Contribution Account (and none of such amounts shall be distributed pursuant to Section 6 below) if the Administrator elects to terminate Participant's rights to those amounts upon the occurrence of the following events:

(a) the Participant's employment or service is terminated for Cause; or

(b) at any time (i) during employment with the Company or (ii) within one year following Separation from Service unless the Participant has been employed for twenty years or has attained the age of sixty prior to his or her Separation from Service, the Participant, directly or indirectly, enters into the employment of, owns any interest in, or engages or participates in (individually or as an officer, director, shareholder, consultant, partner, member, joint venturer, agent, equity owner, distributor or in any other capacity whatsoever) any company, corporation or business in the direct selling or multi-level marketing industry (including any subsidiary or affiliate thereof) that operates in any territory where the Company or any of its affiliates or subsidiaries engages in business.

ARTICLE 6
DISTRIBUTION OF BENEFITS

6.1. **Separation From Service**. A Participant who incurs a Separation from Service with the Company and all Affiliates for any reason other than death or Disability is entitled to distribution of amounts vested and credited to his Account at the time and in the manner provided in Section 6.5.

6.2. **Disability Retirement**. A Participant who separates from service with the Company or an Affiliate due to Disability and who has satisfied all of the covenants, conditions and promises contained in this Plan (to the extent applicable) is entitled to a distribution of amounts vested and credited to his Account as provided in Section 6.5. Subject to Section 6.5, the payments may commence as of his date of Separation from Service due to Disability.

6.3. **Death**.

(a) **Benefit**. If a Participant dies before the day on which his benefit payments commence, the Participant's Beneficiary is entitled, at the time and in the manner provided in Section 6.5, the following:

(1) the amount of Participant's Deferral Account, including any earnings thereon; and

(2) for Participants that have been credited with Company Contributions pursuant to Section 3.2, the greater of (i) the vested portion of Participant's Company Contribution Account, including any earnings thereon, as of the date of Participant's death; or (ii) an amount equal to five times the average of Participant's Base Salary for the three most recent years.

(b) **Death After Commencement of Benefits**. If a former Participant dies after the day on which his benefit payments commence, but prior to the complete distribution of all amounts to which such Participant is entitled, the Participant's Beneficiary is entitled to receive any remaining amounts to which Participant would have been entitled had the Participant survived at the time and in the manner provided in Section 6.5. The Plan Administrator may require and rely upon such proofs of death and the right of any Beneficiary to receive benefits under this Section 6.3 as the Plan Administrator may reasonably determine, and its determination of death and the right of such Beneficiary to receive payment is binding and conclusive upon all persons.

6.4. **Change of Control**. In the event of a Change of Control, the Plan Administrator may, in its discretion, accelerate vesting of a Participant in his Company Contribution Account.

6.5. **Time and Method of Distribution of Benefits**. Payment shall commence within a Reasonable Time following the earliest to occur of the following events in (a), (b) or (c) below:

(a) **Termination**.

(1) Distribution of Deferral Account. Payment of amounts vested and credited in a Deferral Account to a Participant who is entitled to benefits under Section 6.1 will commence within a Reasonable Time following the Participant's Separation from Service (except that, in the event that the Participant is a "Specified Employee," as defined under Treasury Regulation § 1.409A-1(i), payment to the Participant will begin no earlier than six months following Participant's Separation from Service (or upon the Participant's death, if earlier)).

(2) Distribution of Company Contribution Account. Payment of amounts vested and credited in a Company Contribution Account to a Participant who is entitled to benefits under Section 6.1 (subject to any forfeiture under Section 5.3) will commence within a Reasonable Time following the one-year anniversary of the Participant's Separation from Service. Notwithstanding the foregoing, if the Participant's Separation from Service occurs at or after the Participant's attainment of age 60 or after the Participant has completed twenty years of employment, then payment will commence within a Reasonable Time following the Participant's Separation from Service (except that, in the event that the Participant is a "Specified Employee," as defined under Treasury Regulation § 1.409A-1(i), payment to the Participant will begin no earlier than six months following Participant's Separation from Service (or upon the Participant's death, if earlier)).

(b) **Disability**. Payment to a Participant who is entitled to benefits under Section 6.2 will commence within a Reasonable Time after the Participant's Separation from Service due to a Disability. In the event that Participant is a "Specified Employee," as defined under Treasury Regulation § 1.409A-1(i), payment to Participant will begin no earlier than six months following Participant's Separation from Service (or upon the Participant's death, if earlier).

(c) **Death**. Payment to the Beneficiary of a Participant who is entitled to benefits under Section 6.3 will commence within a Reasonable Time after the Participant's death.

(d) **Death After Commencement of Payments**. If a Participant dies after the day on which his benefit payments commence but before the complete distribution to such Participant of the benefits payable to him under the Plan, any remaining benefits will continue to be distributed to the Participant's Beneficiary in the same manner as elected by the Participant under Section 6.5(e). Payments to the Beneficiaries entitled to payments pursuant to Section 6.3 will be made within a Reasonable Time following the death of Participant.

(e) **Form of Payment**. Any distribution paid from the Plan to a Participant or Beneficiary from a Participant's Account will be paid in cash. Except as otherwise provided in Section 6.4, such distribution will be paid in either a lump sum payment or in monthly, quarterly, or annual installments over a period not to exceed 15 years; provided that if the value of the Participant's Account at the time of distribution is less than $50,000, such distribution shall be paid in the form of a lump sum distribution. With respect to each annual deferral amount (including both Participant deferrals and Company contribution amounts for such Plan Year), a Participant must elect which form of payment to receive in his initial or annual deferral election form, which election may be changed by the Participant at any time so long as (i) the election does not take effect until at least 12 months after the date in which the election is made, (ii) the first payment for which the election is made will be deferred for a period of 5 years from the date such payment would otherwise have been made, and (iii) the change is received by the Plan Administrator at least 12 months prior to the Participant's first scheduled payment date. In the absence of a Participant making a distribution election, the default form of payment shall be lump sum. Participant's Account shall continue to be credited with earnings pursuant to Sections 4.1 and 4.2 of the Plan until all amounts credited to his Account under the Plan have been distributed.

6.6. **Designation of Beneficiary**. Each Participant has the right to designate, on forms supplied by and delivered to the Plan Administrator, a Beneficiary or Beneficiaries to receive his benefits in the event of his death. For each Participant who is married, his Beneficiary will be deemed to be his spouse, unless the Participant's spouse consents to the Participant's Beneficiary designation to the contrary. Such consent must be in writing, must acknowledge the effect of the Beneficiary designation and the spouse's consent thereto. Subject to the foregoing, each Participant may change his Beneficiary designation from time to time in the manner described above and the change will be effective upon receipt by the Plan Administrator, whether or not the Participant is living at the time the notice is received. There is no liability on the part of the Plan Administrator with respect to any payment authorized by the Plan Administrator in accordance with the most recent valid Beneficiary designation of the Participant in the Plan Administrator's possession before receipt of a more recent and valid Beneficiary designation. If no designated Beneficiary is living when benefits become payable, or if there is no designated Beneficiary, the Beneficiary will be Participant's spouse; or if no spouse is then living, such Participant's issue, including any legally adopted child or children, in equal shares by right of representation; or if no such designated Beneficiary and no such spouse or issue, including any legally adopted child or children, is living upon the death of a Participant, or if all such persons die prior to the full distribution of such Participant's benefits, then the Beneficiary shall be the estate of the Participant.

6.7. **Payments to Disabled**. If a person entitled to any payment is under a legal disability, or in the sole judgment of the Plan Administrator is otherwise unable to apply such payment to his own interest and advantage, the Plan Administrator in the exercise of its discretion may make any such payment in any one or more of the following ways: (a) directly to such person, (b) to his legal guardian or conservator, or (c) to his spouse or to any person charged with the legal duty of his support, to be expended for his benefit. The decision of the Plan Administrator will in each case be final and binding upon all persons in interest.

6.8. **Underpayment or Overpayment of Benefits**. In the event that, through misstatement or computation error, benefits are underpaid or overpaid, there is no liability for any more than the correct benefit sums under the Plan. Overpayments may be deducted from future payments under the Plan, and underpayments may be added to future payments under the Plan, subject to applicable limitations under Section 409A of the Code.

6.9. **Inability to Locate Participant**. In the event that the Plan Administrator is unable to locate a Participant or Beneficiary within two years following the required payment date, the amount allocated to the Participant's Account shall be forfeited. If, after such forfeiture, the Participant or Beneficiary later claims such benefit, such benefit shall be reinstated without interest or earnings.

ARTICLE 7
WITHDRAWALS

7.1. **Scheduled Withdrawals**.

(a) In the case of a Participant who has elected a Scheduled Withdrawal for a distribution while still in the employ of the Company, such Participant shall receive his Distributable Amount, but only with respect to those vested deferrals and earnings thereon that have been elected by Participant to be subject to the Scheduled Withdrawal in accordance with this Section 7.1(a) of the Plan. A Participant's Scheduled Withdrawal can be no earlier than two years from the last day of the Plan Year for which Participant's deferrals are made. Any distribution made pursuant to a Scheduled Withdrawal shall be made in either a lump-sum payment or annual installment payments up to 5 years. These payments will be made in February of the year(s) selected.

(b) A Participant may extend the Scheduled Withdrawal for any Plan Year, provided such extension occurs at least one year before the Scheduled Withdrawal and is for a period of not less than five years from the Scheduled Withdrawal. In the event a Participant separates from service with the Company prior to a Scheduled Withdrawal for any reason, then the portion of Participant's Account associated with a Scheduled Withdrawal that has not occurred prior to such separation, shall be distributed, along with any remaining portion of the annual deferral amount not subject to the Scheduled Withdrawal, in the form selected by the Participant in accordance with Section 6.5. If no such election was made under Section 6.5 for such annual deferral amount, such Scheduled Withdrawal shall be paid in a lump sum.

For purposes of Section 7.1, a Participant may only elect a Scheduled Withdrawal for amounts included in Participant's Deferral Account and not for amounts included in the Company Contribution Account.

7.2. **Hardship**. In the event of an unforeseeable financial emergency, a Participant may make a written request to the Plan Administrator for a hardship withdrawal from his Account. For purposes of this Plan, an "unforeseeable financial emergency" is defined as a severe financial hardship to the Participant resulting from a sudden and unexpected illness or accident of the Participant or a dependent (as such term is defined in Section 152(a) of the Code) of the Participant, loss of the Participant's property due to casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant. The granting of a Participant's request for a hardship withdrawal shall be left to the absolute discretion of the Plan Administrator and the Plan Administrator may deny such request even if an unforeseeable financial emergency clearly exists. A request for a hardship withdrawal must be made in writing at least 30 days in advance, on a form provided by the Plan Administrator, and must be expressed as a specific dollar amount. The amount of a hardship withdrawal may not exceed the lesser of the amount required to meet Participant's unforeseeable financial emergency or Participant's vested Account balance. A hardship withdrawal will not be permitted to the extent that the hardship is or may be relieved through reimbursement or compensation by insurance or otherwise, liquidation of the Participant's assets to the extent that such liquidation would not itself cause a severe financial hardship, or by the cessation of Deferral Contributions.

7.3. **Acceleration of Benefits**. The Plan Administrator may accelerate the distribution of a Participant's vested Account balance in order to (a) satisfy a domestic relations order; (b) pay employment taxes on amounts deferred under the Plan; (c) permit an automatic lump sum payment of not more than $10,000 upon the termination of a Participant's entire interest in the Plan; or (d) any other permitted acceleration under Section 409A of the Code and the regulations thereof, including a Change of Control. In the event an accelerated distribution is requested by a Participant to satisfy a domestic relations order, the Plan Administrator shall make payments to someone other than Participant, as directed by the qualified domestic relations order.

7.4. **Crediting of Withdrawals**. Withdrawals and other distributions shall be charged pro rata to the Funds in which the Account of the Participant is invested, pursuant to his designation under Sections 4.1 and 4.2 hereof.

ARTICLE 8
ADMINISTRATION OF THE PLAN

8.1. **Adoption of Trust**. The Company may enter into a Trust Agreement with the Trustee, to which the Company or any adopting Affiliate may, in its sole discretion, contribute cash or other property to provide for the payment of benefits under the Plan. The provisions of the Plan shall govern the rights of a Participant to receive distributions pursuant to the Plan. The provisions of the Trust Agreement shall govern the rights of the Company, adopting Affiliates, Participants and the creditors of the Company and adopting Affiliates to the assets transferred to the Trust Fund. All obligations under the Plan may be satisfied with Trust assets distributed pursuant to the terms of the Trust Agreement, and any such distribution shall reduce the obligations under the Plan.

8.2. **Powers of the Plan Administrator**.

(a) The Plan Administrator shall have the power and discretion to perform the administrative duties described in this Plan or required for proper administration of the Plan and shall have all powers necessary to enable it to properly carry out such duties. Without limiting the generality of the foregoing, the Plan Administrator shall have the power and discretion to construe and interpret this Plan, to hear and resolve claims relating to this Plan, and to decide all questions and disputes arising under this Plan. The Plan Administrator shall determine, in its discretion, the status and rights of a Participant, and the identity of the Beneficiary or Beneficiaries entitled to receive any benefits payable hereunder on account of the death of a Participant.

(b) Except as is otherwise provided hereunder, the Plan Administrator shall determine the manner and time of payment of benefits under this Plan. All benefit disbursements by the Trustee shall be made upon the instructions of the Plan Administrator.

(c) The decision of the Plan Administrator upon all matters within the scope of its authority shall be binding and conclusive upon all persons.

(d) The Plan Administrator shall file all reports and forms lawfully required to be filed by the Plan Administrator and shall distribute any forms, reports or statements to be distributed to Participants and others.

(e) The Plan Administrator shall keep itself advised with respect to the investment of the Trust Fund and shall report to the Company regarding the investment and reinvestment of the Trust Fund not less frequently than annually.

8.3. **Creation of Committee**. The Compensation Committee may appoint a separate committee to perform its duties as Plan Administrator by the adoption of appropriate Compensation Committee Board of Directors resolutions. The committee must consist of at least two (2) members, and they shall hold office during the pleasure of the Compensation Committee. The committee members shall serve without compensation but shall be reimbursed for all expenses by the Company. The committee shall conduct itself in accordance with the provisions of this Article VIII. The members of the committee may resign with 30 days notice in writing to the Company and may be removed immediately at any time by written notice from the Company.

8.4. **Chairman and Secretary**. The committee shall elect a chairman from among its members and shall select a secretary who is not required to be a member of the committee and who may be authorized to execute any document or documents on behalf of the committee. The secretary of the committee or his designee shall record all acts and determinations of the committee and shall preserve and retain custody of all such records, together with such other documents as may be necessary for the administration of this Plan or as may be required by law.

8.5. **Appointment of Agents**. The committee may appoint such other agents, who need not be members of the committee, as it may deem necessary for the effective performance of its duties, whether ministerial or discretionary, as the committee may deem expedient or appropriate. The compensation of any agents who are not employees of the Company shall be fixed by the committee within any limitations set by the Board of Directors.

8.6. **Majority Vote and Execution of Instruments**. In all matters, questions and decisions, the action of the committee shall be determined by a majority vote of its members. They may meet informally or take any ordinary action without the necessity of meeting as a group. All instruments executed by the committee shall be executed by a majority of its members or by any member of the committee designated to act on its behalf.

8.7. **Allocation of Responsibilities**. The committee may allocate responsibilities among its members or designate other persons to act on its behalf. Any allocation or designation, however, must be set forth in writing and must be retained in the permanent records of the committee.

8.8. **Conflict of Interest**. No member of the committee who is a Participant shall take any part in any action in connection with his participation as an individual. Such action shall be voted or decided by the remaining members of the committee.

8.9. **Indemnity**. To the extent permitted by applicable state law, the Company shall indemnify and hold harmless the Plan Administrator, the committee and each member thereof, the Board of Directors, and any delegate of the committee or Plan Administrator who is an employee of the Company against any and all expenses, liabilities and claims, including legal fees to defend against such liabilities and claims arising our of their discharge in good faith of responsibilities under or incident to the Plan, other than expenses and liabilities arising out of willful misconduct. This indemnity shall not preclude such further indemnities as may be available under insurance purchased by the Company or provided by the Company under any bylaw, agreement or otherwise, as such indemnities are permitted under state law.

ARTICLE 9
ADOPTION OF PLAN BY AFFILIATES

The adoption of this Plan by any Affiliate shall not be effective without the written consent of the Company. Any adoption shall be evidenced by certified copies of the resolution of the foregoing board of directors indicating the adoption. The resolution shall define the effective date for the purpose of the Plan as adopted by the corporation or Affiliate. Upon the adoption by any Affiliate, the term "Company" shall include such Affiliate.

ARTICLE 10
CLAIM REVIEW PROCEDURE

10.1. **Initial Claims**. A Participant or Beneficiary entitled to benefits need not file a written claim to receive benefits. If a Participant, Beneficiary or any other person (all of whom are referred to in this Section as a "Claimant") is dissatisfied with the determination of his benefits, eligibility, participation or any other right or interest under this Plan, such person may file a written statement setting forth the basis of the claim with the Plan Administrator. The Plan Administrator will notify the Claimant of the disposition of the claim within 90 days after the request is filed with the Plan Administrator. The Plan Administrator may have an additional period of up to 90 days to decide the claim if the Plan Administrator determines that special circumstances require an extension of time to decide the claim and the Plan Administrator advises the Claimant in writing of the need for an extension (including an explanation of the special circumstances requiring the extension) and the date on which it expects to decide the claim. If, following the review, the claim is denied, in whole or in part, the notice of disposition shall set forth:

(a) the specific reason(s) for denial of the claim;

(b) reference to the specific Plan provisions upon which the determination is based;

(c) a description of any additional material or information necessary for the Claimant to perfect the claim and an explanation of why such material or information is necessary; and

(d) an explanation of the Plan's appeal procedures, and an explanation of the time limits applicable to the Plan's appeal procedures.

10.2. **Appeal of Adverse Benefit Determination**.

(a) Within 60 days after receiving the written notice of the disposition of the claim described in paragraph (a), the Claimant, or the Claimant's authorized representative, may appeal such denied claim. The Claimant may submit a written statement of his claim (including any written comments, documents, records and other information relating to the claim) and the reasons for granting the claim to the Plan Administrator. The Plan Administrator shall have the right to request of and receive from the Claimant such additional information, documents or other evidence as the Plan Administrator may reasonably require. If the Claimant does not request an appeal of the denied claim within 60 days after receiving written notice of the disposition of the claim as described in paragraph (a), the Claimant shall be deemed to have accepted the disposition of the claim and such written disposition will be final and binding on the Claimant and anyone claiming benefits through the Claimant, unless the Claimant shall have been physically or mentally incapacitated so as to be unable to request review within the 60-day period. The appeal shall take into account all comments, documents, records and other information submitted by the Claimant relating to the claim, without regard to whether such documents, records or other information were submitted or considered in the initial benefit determination or the initial review.

(b) A decision on appeal to the Plan Administrator shall be rendered in writing by the Plan Administrator ordinarily not later than 60 days after the Claimant requests review. A written copy of the decision shall be delivered to the Claimant. If special circumstances require an extension of the ordinary period, the Plan Administrator shall so notify the Claimant of the extension with such notice containing an explanation of the special circumstances requiring the extension and the date by which the Plan Administrator expects to render a decision. Any such extension shall not extend beyond 60 days after the ordinary period. The period of time within which a benefit determination on review is required to be made shall begin at the time an appeal is filed in accordance with the provisions of paragraph (b)(1) above, without regard to whether all the information necessary to make a decision on appeal accompanies the filing.

If the appeal to the Plan Administrator is denied, in whole or in part, the decision on appeal referred to in the first sentence of this paragraph (b) shall set forth:

(1) the specific reason(s) for denial of the claim;

(2) reference to the specific Plan provisions upon which the determination is based;

(3) a statement that the Claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the Claimant's claim for benefits; and

(4) a statement of the Claimant's right to bring a civil action.

10.3. **Right to Examine Plan Documents and to Submit Materials.**. In connection with the determination of a claim, or in connection with review of a denied claim or appeal pursuant to this Section, the Claimant may examine this Plan and any other pertinent documents generally available to Participants relating to the claim and may submit written comments, documents, records and other information relating to the claim for benefits. The Claimant also will be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the Claimant's claim for benefits with such relevance to be determined in accordance with Section 10.4 (Relevance).

10.4. **Relevance**. For purpose of this Section, documents, records, or other information shall be considered "relevant" to a Claimant's claim for benefits if such documents, records or other information:

(a) were relied upon in making the benefit determination;

(b) were submitted, considered, or generated in the course of making the benefit determination, without regard to whether such documents, records or other information were relied upon in making the benefit determination; or

(c) demonstrate compliance with the administrative processes and safeguards required pursuant to this Section regarding the making of the benefit determination.

10.5. **Decisions Final; Procedures Mandatory**. To the extent permitted by law, a decision on review or appeal shall be binding and conclusive upon all persons whomsoever. To the extent permitted by law, completion of the claims procedures described in this Section shall be a mandatory precondition that must be complied with prior to commencement of a legal or equitable action in connection with the Plan by a person claiming rights under the Plan or by another person claiming rights through such a person. The Plan Administrator may, in its sole discretion, waive these procedures as a mandatory precondition to such an action.

10.6. **Time for Filing Legal or Equitable Action**. Any legal or equitable action filed in connection with the Plan by a person claiming rights under the Plan or by another person claiming rights through such a person must be commenced not later than the earlier of: (1) the shortest applicable statute of limitations provided by law; or 2 years from the date the written copy of the Plan Administrator's decision on review is delivered to the Claimant in accordance with Section 10.2 (Appeal of Adverse Benefit Determination).

ARTICLE 11
LIMITATION OF RIGHTS, CONSTRUCTION

11.1. **Limitation of Rights**. Neither this Plan, any Trust Agreement, nor membership in the Plan shall give any employee or other person any right except to the extent that the right is specifically fixed under the terms of the Plan. The establishment of the Plan shall not be construed to give any individual a right to be continued in the service of the Company or as interfering with the right of the Company to terminate the service of any individual at any time.

11.2. **Construction**. The masculine gender, where appearing in the Plan, shall include the feminine gender (and vice versa), and the singular shall include the plural, unless the context clearly indicates to the contrary. Headings and subheadings are for the purpose of reference only and are not to be considered in the construction of this Plan. If any provision of this Plan is determined to be for any reason invalid or unenforceable, the remaining provisions shall continue in full force and effect. All of the provisions of this Plan shall be construed and enforced in accordance with the laws of the State of Utah.

ARTICLE 12
LIMITATION ON ASSIGNMENT; PAYMENTS TO LEGALLY INCOMPETENT DISTRIBUTEE

12.1. **Anti-Alienation Clause**. No benefit which shall be payable under the Plan to any person shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance or charge, and any attempt to anticipate, alienate, sell, transfer, assign, pledge, encumber, charge or otherwise dispose of the same shall be void. No benefit shall in any manner be subject to the debts, contracts, liabilities, engagements or torts of any person, nor shall it be subject to attachment or legal process for or against any person, except to the extent as may be required by law.

12.2. **Permitted Arrangements**. Section 12.1 shall not preclude arrangements for the withholding of taxes from benefit payments, arrangements for the recovery of benefit overpayments, arrangements for the transfer of benefit rights to another plan, or arrangements for direct deposit of benefit payments to an account in a bank, savings and loan association or credit union (provided that such arrangement is not part of an arrangement constituting an assignment or alienation). Additionally, Section 12.1 shall not preclude arrangements for the distribution of the benefits of a Participant or Beneficiary pursuant to the terms and provisions of a "domestic relations order" in accordance with such procedures as may be established from time to time by the Plan Administrator.

12.3. **Payment to Minor or Incompetent**. Whenever any benefit which shall be payable under the Plan is to be paid to or for the benefit of any person who is then a minor or determined by the Plan Administrator to be incompetent by qualified medical advice, the Plan Administrator need not require the appointment of a guardian or custodian, but shall be authorized to cause the same to be paid over to the person having custody of the minor or incompetent, or to cause the same to be paid to the minor or incompetent without the intervention of a guardian or custodian, or to cause the same to be paid to a legal guardian or custodian of the minor or incompetent if one has been appointed or to cause the same to be used for the benefit of the minor or incompetent.

ARTICLE 13
AMENDMENT, MERGER, AND TERMINATION

13.1. **Amendment**. The Company shall have the right at any time, by an instrument in writing duly executed, acknowledged and delivered to the Plan Administrator, to modify, alter or amend this Plan, in whole or in part, prospectively or retroactively; provided, however, that the duties and liabilities of the Plan Administrator and any Trustee hereunder shall not be substantially increased without its written consent; and provided further that the amendment shall not reduce any Participant's interest in the Plan, calculated as of the date on which the amendment is adopted. If the Plan is amended by the Company after it is adopted by an Affiliate, unless otherwise expressly provided, it shall be treated as so amended by such Affiliate without the necessity of any action on the part of the Affiliate. Any Affiliate or other corporation adopting this Plan hereby delegates the authority to amend the Plan to the Company. An Affiliate or other corporation that has adopted this Plan may terminate its future participation in the Plan at any time.

13.2. **Merger or Consolidation of Company**. The Plan shall not be automatically terminated by the Company's acquisition by or merger into any other employer, but the Plan shall be continued after such acquisition or merger if the successor employer elects and agrees to continue the Plan. All rights to amend, modify, suspend, or terminate the Plan shall be transferred to the successor employer, effective as of the date of the merger.

13.3. **Termination of Plan or Discontinuance of Contributions**. It is the expectation of the Company that this Plan and the payment of contributions hereunder will be continued indefinitely. However, continuance of the Plan is not assumed as a contractual obligation of the Company, and the right is reserved at any time to terminate this Plan or to reduce, temporarily suspend or discontinue contributions hereunder; provided, however, that the termination of the Plan shall not adversely affect any Participant or Beneficiary who has become entitled to the payment of any benefits under the Plan as of the date of termination. Section 409A of the Code generally prohibits the acceleration of the payment of benefits under the Plan. As a result, except as otherwise permitted by Treasury Regulation Section 1.409A-3(j)(4)(ix), the termination of this Plan may not result in the acceleration of any payment to any Participant or Beneficiary.

13.4. **Limitation of Company's Liability**. The adoption of this Plan is strictly a voluntary undertaking on the part of the Company and shall not be deemed to constitute a contract between the Company and any employee or Participant or to be consideration for, an inducement to, or a condition of the employment of any employee. A Participant, employee, or Beneficiary shall not have any right to retirement or other benefits except to the extent provided herein.

ARTICLE 14
GENERAL PROVISIONS

14.1. **Status of Participants as Unsecured Creditors**. All benefits under the Plan shall be the unsecured obligations of the Company as applicable, and, except for those assets which may be placed in any Trust Fund established in connection with this Plan, no assets will be placed in trust or otherwise segregated from the general assets of the Company or each Company, as applicable, for the payment of obligations hereunder. To the extent that any person acquires a right to receive payments hereunder, such right shall be no greater than the right of any unsecured general creditor of the Company.

14.2. **Uniform Administration**. Whenever in the administration of the Plan any action is required by the Plan Administrator, such action shall be uniform in nature as applied to all persons similarly situated.

14.3. **Heirs and Successors**. All of the provisions of this Plan shall be binding upon all persons who shall be entitled to any benefits hereunder, and their heirs and legal representatives.

14.4. **Section 409A**. Under no circumstances may the time or schedule of any payment made or benefit provided pursuant to this Plan be accelerated or subject to a further deferral except as otherwise permitted or required pursuant to regulations and other guidance issued pursuant to Section 409A of the Code and the provisions of this Plan. If a payment is not made due to a dispute with respect to such payment, the payment may be delayed in accordance with Treasury Regulation Section 1.409A-3(g). If the Company fails to make any payment under this Plan, either intentionally or unintentionally, within the time period specified in the Plan, but the payment is made within the same calendar year, such payment will be treated as made within the time period specified in the Plan pursuant to Treasury Regulation Section 1.409A-3(d). This Plan shall be operated in compliance with Section 409A of the Code and each provision of the Plan shall be interpreted, to the extent possible, to comply with Section 409A of the Code. Nevertheless, the Company cannot, and does not, guarantee any particular tax effect or treatment of the amounts due under the Plan. Except for the Company's responsibility to withhold applicable income and employment taxes from compensation paid or provided to the Participants, the Company will not be responsible for the payment of any applicable taxes on compensation paid or provided to any Participant.

To signify its adoption of this Plan document, the Company has caused this Plan document to be executed by a duly authorized officer of the Company on this 1st day of January 2015.

NU SKIN ENTERPRISES, INC.

/s/ M. Truman Hunt
By: M. Truman Hunt
Its: CEO

SCHEDULE A

Nu Skin International, Inc. Deferred Compensation Plan (Adams, Mark)

Nu Skin International, Inc. Deferred Compensation Plan (Allen, Charles)

Deferred Compensation Plan (New Participant Form) (Averett, Claire)

Deferred Compensation Plan 2004b (Averett, Claire)

Nu Skin International, Inc. Deferred Compensation Plan (Bush, Lori)

Deferred Compensation Plan 2004b (Bush, Lori)

Nu Skin International, Inc. Deferred Compensation Plan (Cerqueira, Luiz)

Nu Skin International, Inc. Deferred Compensation Plan (Chang, Joseph)

Deferred Compensation Plan 2004b (Chang, Joseph)

Deferred Compensation Plan (New Participant Form) (Chard, Dan)

Nu Skin International, Inc. Deferred Compensation Plan (Conlee, Robert)

Nu Skin International, Inc. Deferred Compensation Plan (Dorny, Matt)

Deferred Compensation Plan (New Participant Form) (Durrant, Jodi)

Nu Skin International, Inc. Deferred Compensation Plan (Ford, Joe)

Nu Skin International, Inc. Deferred Compensation Plan (Fralick, John)

Nu Skin International, Inc. Deferred Compensation Plan (Frary, Jim)

Deferred Compensation Plan (New Participant Form) (Garrett, Gary)

Deferred Compensation Plan (New Participant Form) (Hartvigsen, Rich)

Deferred Compensation Plan 2004b (Hartvigsen, Rich)

Deferred Compensation Plan (New Participant Form) (Henderson, Sid)

Deferred Compensation Plan 2004b (Henderson, Sid)

Deferred Compensation Plan (New Participant Form) (Howe, Keith)

Nu Skin International, Inc. Deferred Compensation Plan (Hunt, Truman)

Deferred Compensation Plan (New Participant Form) (King, Richard)

Deferred Compensation Plan 2004b (King, Richard)

Deferred Compensation Plan (New Participant Form) (Lindley, Corey)

Nu Skin International, Inc. Deferred Compensation Plan (Lords, Brian)

Deferred Compensation Plan (New Participant Form) (MacFarlene, Larry V.)

Nu Skin International, Inc. Deferred Compensation Plan (Mangum, Bart)

Deferred Compensation Plan (New Participant Form) (Messick, Owen)

Deferred Compensation Plan (New Participant Form) (Morris, Brad)

Nu Skin International, Inc. Deferred Compensation Plan (Nielson, Chris)

Nu Skin International, Inc. Deferred Compensation Plan (Nelson, Brett)

Nu Skin International, Inc. Deferred Compensation Plan (Peterson, Jack)

Deferred Compensation Plan (New Participant Form) (Schultz, Tom)

Deferred Compensation Plan (New Participant Form) (Schwerdt, Scott)

Nu Skin International, Inc. Deferred Compensation Plan (Smidt, Carsten)

Deferred Compensation Plan (New Participant Form) (Smith, Michael)

Nu Skin International, Inc. Deferred Compensation Plan (Thibaudeau, Elizabeth)

Nu Skin International, Inc. Deferred Compensation Plan (Treharne, Alex)

Deferred Compensation Plan (New Participant Form) (Van Pelt, Dane)

Deferred Compensation Plan 2004b (Van Pelt, Dane)

Nu Skin International, Inc. Deferred Compensation Plan (Wayment, Brad)

Deferred Compensation Plan (New Participant Form) (Wolfert, Mark)

Nu Skin International, Inc. Deferred Compensation Plan (Wood, Ritch)

Nu Skin International, Inc. Deferred Compensation Plan (Young, Rob)

NU SKIN ENTERPRISES, INC.
AMENDED AND RESTATED 2010 OMNIBUS INCENTIVE PLAN
STOCK OPTION AGREEMENT

This Stock Option Agreement, Participant's grant details (the "Grant Summary"), which can be accessed on the Morgan Stanley StockPlanConnect Website at www.stockplanconnect.com or the website of any other stock plan administrator selected by the Company in the future, and the Appendix for Participant's country, if any, (collectively, this "Agreement") sets forth the terms and conditions of the Options granted to Participant under the Amended and Restated Nu Skin Enterprises, Inc. 2010 Omnibus Incentive Plan (the "Plan"). In the event of a conflict between the terms and conditions of the Plan and the terms and conditions of this Agreement, the terms and conditions of the Plan shall prevail. Unless otherwise defined herein, the capitalized terms in this Agreement shall have the same defined meaning assigned to them in the Plan.

1. Grant of Options.

1.1 Grant of Options. Effective as of the date of grant specified in the Grant Summary (the "Grant Date"), the Company grants to Participant Options to purchase up to the number of Shares specified in the Grant Summary. The Options are Nonqualifed Stock Options. Options granted under this Agreement may not be exercised at any time until such Options are vested, as provided in Section 1.2.

1.2 Vesting of Options. The Options shall vest on the dates and in the amounts determined by the Committee and set forth in the Grant Summary, except as otherwise provided in this Agreement, including pursuant to Sections 1.3 and 4.

1.3 Term of Options.

(a) In the event Participant's Continuous Service (as defined below) is terminated for any reason prior to the full vesting of the Options, the Options granted hereunder shall terminate to the extent they are not vested as of the termination of Participant's Continuous Service, as determined in accordance with Section 9(f) below, and Participant shall not have any right to exercise such unvested Options.

(b) Subject to the provisions of the Plan and this Agreement, including Section 4 hereof, all Options granted hereunder that are vested but unexercised shall terminate on the earliest to occur of:

(1) the date on which Participant's Continuous Service is terminated for Cause (as defined in Section 1.6);

(2) three months after the termination of Participant's Continuous Service for any reason other than as a result of Participant's death or Disability (as defined below);

(3) 12 months after the termination of Participant's Continuous Service due to Participant's death or Disability; or

(4) the seventh anniversary of the Grant Date.

Notwithstanding the foregoing, if the exercise of the Options is prevented by the Company within the applicable time periods set forth in Section 1.3(b)(2) and (3) for any reason, the Options shall not expire before the date that is 30 days after the date that Participant is notified by the Company that the Options are again exercisable, but in any event no later than the seventh anniversary of the Grant Date.

For purposes of this Agreement:

"Continuous Service" means that Participant's service with the Company or a Subsidiary, whether as an Employee, Director, or Consultant, is not interrupted or terminated. Participant's Continuous Service shall not be deemed to have terminated merely because of a change in the capacity in which Participant renders service to the Company or a Subsidiary as an Employee, Consultant, or Director, or a change in the entity for which Participant renders such service, provided that there is no interruption or termination of Participant's Continuous Service. For example, a change in status from an Employee of the Company to a Consultant of a Subsidiary or a Director will not constitute an interruption of Continuous Service. Subject to the requirements of applicable law, the Committee, in its sole discretion, shall determine whether Continuous Service shall be considered interrupted in the case of any leave of absence approved by the Company or a Subsidiary, including sick leave, military leave or any other personal leave.

"Disability" means Participant (a) is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months or (b) is, by reason of any medically determinable physical or mental impairment which can be expected to result in death, or can be expected to last for a continuous period of not less than 12 months, receiving income replacement benefits for a period of not less than three months under an accident and health plan covering employees of Participant's employer. Any question as to the existence of that Participant's physical or mental impairment as to which Participant or Participant's representative and the Company cannot agree shall be determined in writing by a qualified independent physician mutually acceptable to Participant and the Company (or its Subsidiary, as applicable). If Participant and the Company (or its Subsidiary, as applicable) cannot agree as to a qualified independent physician, each shall appoint such a physician and those two physicians shall select a third who shall make such determination in writing. The determination of Disability made in writing to the Company or a Subsidiary and Participant shall be final and conclusive for all purposes of the Options.

1.4 Exercise of Options. Exerciseable Options may be exercised as provided on the Morgan Stanley StockPlanConnect Website at www.stockplanconnect.com or the website of any other stock plan administrator selected by the Company in the future or by written notice of such exercise, in the form prescribed by the Committee, to the person designated by the Committee at the corporate offices of the Company. The notice shall specify the number of Options that are being exercised. Full payment of the Option Price as specified in the Grant Summary under "Grant Price" shall be made at the time of exercise in a manner set forth in the Plan, or in such other manner as may be approved by the Committee, consistent with the terms of the Plan, as it may be amended from time to time.

1.5 Stockholder Rights. Unless and until Shares are issued by the Company upon exercise of the Options, Participant shall have none of the rights or privileges of a shareholder of the Company (including voting, dividend and liquidation rights) with respect to the Shares covered by the Options.

1.6 Change in Control. Notwithstanding any provision in this Agreement to the contrary, if, within six months prior to and in connection with a Change in Control or within two years following such Change in Control, Participant's employment is terminated (i) by the Company and its Subsidiaries without Cause, or (ii) by Participant for Good Reason, the vesting of the Options governed by this Agreement shall be accelerated such that all such Options shall be deemed to be vested in full immediately prior to the termination of Participant's employment.

For purposes of this Agreement:

"Cause" shall mean that Participant has engaged in any one of the following:

(a) a material breach by Participant of the Company's Key Employee Covenants or any employment agreement, which breach is not cured within any applicable cure period set forth the Company's Key Employee Covenants or employment agreement;

(b) any willful violation by Participant of any material law or regulation applicable to the business of the Company or any of its Subsidiaries;

(c) Participant's conviction of, or a plea of guilty or nolo contendere to, a felony or any willful perpetration of common law fraud (or analogous violation of law in a jurisidiction outside the United States); or

(d) any other willful misconduct by Participant that is materially injurious to the financial condition or business reputation of, or is otherwise materially injurious to, the Company or any of its Subsidiaries.

For purposes of the foregoing, in determining whether a "material breach" has occurred, or whether there has been a willful violation of a "material" law or regulation, the standard shall be a breach or violation that is, or will reasonably likely be, materially injurious to the financial condition or business reputation of, or is, or will reasonably likely be, otherwise materially injurious to, the Company or any of its Subsidiaries.

"Good Reason" shall mean the occurance any of the following events that result in a material negative change to Participant:

(a) without Participant's consent, a material reduction in the scope of Participant's duties and responsibilities or the level of management to which Participant reports;

(b) without Participant's consent, a reduction in base salary (other than an across-the-board reduction of not more than 10% applicable to all similarly situated employees);

(c) without Participant's consent, a material reduction in Participant's benefits in the aggregate (in terms of benefit levels) from those provided to Participant under any employee benefit plan, program and practice in which Participant participates;

(d) without Participant's consent, a relocation of Participant's principal place of employment of more than 50 miles from Participant's primary residence;

(e) the failure of the Company to have a successor entity specifically assume this Agreement or any employment agreement within 10 business days after a Change in Control; or

(f) a material breach by the Company a successor entity of this Agreement or any employment agreement.

Notwithstanding the foregoing, Good Reason shall only be found to exist if Participant, not later than 90 days after the initial occurrence of an event deemed to give rise to a right to terminate for Good Reason, has provided 30 days written notice to the Company prior to Participant's resignation indicating and describing the event resulting in such Good Reason, and the Company does not cure such event (other than the event in clause vi), which shall not be subject to cure) within 90 days following the receipt of such notice from Participant.

2. Securities Law Compliance. Participant represents that Participant has received and carefully read a copy of the Prospectus for the Plan, together with the Company's most recent Annual Report to Stockholders. Participant hereby acknowledges that Participant is aware of the risks associated with the Shares and that there can be no assurance the price of the Shares will not decrease in the future. Participant hereby acknowledges no representations or statements have been made to Participant concerning the value or potential value of the Shares. Participant acknowledges that Participant has relied only on information contained in the Prospectus and has received no representations, written or oral, from the Company or its employees, attorneys or agents, other than those contained in the Prospectus or this Agreement. Participant acknowledges that the Company has made no representations or recommendations, and is not providing any tax, legal or financial advice, regarding Participant's participation in the Plan, or Participant's acquisition or sale of the underlying Shares. Participant is hereby advised to consult with his or her own personal tax, legal and financial advisors regarding his or her participation in the Plan before taking any action related to the Plan.

3. Transfer Restrictions. Participant shall not transfer, assign, sell, encumber, pledge, grant a security interest in or otherwise dispose of the Options subject to this Agreement in any manner other than by the laws of descent or distribution, and shall be exercised, during the lifetime of Participant, only by Participant. Any such transfer, assignment, sale, encumbrance, pledge, security interest or disposition shall be void and shall result in the automatic termination of the Options and this Agreement.

4. Forfeiture. If at any time during Participant's Continuous Service or at any time during the 12-month period following termination of Participant's Continuous Service, Participant engages in conduct that constitutes Cause (as defined above), then at the election of the Committee, (a) this Agreement and all Options granted hereunder shall terminate, and (b) Participant shall return to the Company for cancellation all Shares held by Participant plus pay the Company the amount of any proceeds received from the sale of any Shares to the extent such Shares were issued pursuant to Options granted under this Agreement that were exercised (i) during the 12-month period immediately preceding the Cause, or (ii) on the date of or at any time after such Cause.

5. Governing Plan Document. This Agreement incorporates by reference all of the terms and conditions of the Plan, as presently existing and as hereafter amended. Participant expressly acknowledges and agrees that the terms and provisions of this Agreement are subject in all respects to the provisions of the Plan. Participant also expressly:

(a) Acknowledges receipt of the Plan and represents that Participant is familiar with the provisions of the Plan, and that Participant enters into this Agreement subject to all of the provisions of the Plan;

(b) Recognizes that the Committee has been granted complete authority to administer the Plan in its sole discretion, and agrees to accept all decisions related to the Plan and all interpretations of the Plan made by the Committee as final and conclusive upon Participant and upon all persons at any time claiming any interest through Participant in the Options or the Shares subject to this Agreement; and

(c) Acknowledges and understands that the establishment of the Plan and the existence of this Agreement are not sufficient, in and of themselves, to exempt Participant from the requirements of Section 16(b) of the Exchange Act and any rules or regulations promulgated thereunder, and that Participant (to the extent Section 16(b) applies to Participant) shall not be exempt from such requirements pursuant to Rule 16b-3 unless and until Participant shall comply with all applicable requirements of Rule 16b-3, including without limitation, the possible requirement that Participant must not sell or otherwise dispose of any Shares acquired pursuant to Options unless and until a period of at least six months shall have elapsed between the date upon which such Options were granted to Participant and the date upon which Participant desires to sell or otherwise dispose of such Shares.

6. Representations and Warranties. As a condition to the receipt of any Shares upon exercise of the Options, the Company may require Participant to make any representations and warranties to the Company that legal counsel to the Company may determine to be required or advisable under any applicable law or regulation, including without limitation, representations and warranties that the Shares are being acquired only for investment and without any present intention or view to sell or distribute any such Shares.

7. Compliance With Law and Regulations. Notwithstanding any other provision of the Plan or this Agreement, unless there is an available exemption from any registration, qualification or other legal requirement applicable to the Shares, the Company shall not be required to deliver any Shares issuable upon exercise of the Options prior to the completion of any registration or qualification of the Shares under any local, state, federal or foreign securities or exchange control law or under rulings or regulations of the U.S. Securities and Exchange Commission ("SEC") or of any other governmental regulatory body, or prior to obtaining any approval or other clearance from any local, state, federal or foreign governmental agency, which registration, qualification or approval the Company shall, in its absolute discretion, deem necessary or advisable. Participant understands that the Company is under no obligation to register or qualify the Shares with the SEC or any state or foreign securities commission or to seek approval or clearance from any governmental authority for the issuance or sale of the Shares. Further, Participant agrees that the Company shall have unilateral authority to amend the Plan and this Agreement without Participant's consent to the extent necessary to comply with securities or other laws applicable to issuance of Shares.

8. Responsibility for Taxes. Participant acknowledges that, regardless of any action taken by the Company or, if different, Participant's employer (the "Employer"), the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to Participant's participation in the Plan and legally applicable to Participant or deemed by the Company or the Employer in its discretion to be an appropriate charge to Participant even if legally applicable to the Company or the Employer ("Tax-Related Items") is and remains Participant's responsibility and may exceed the amount actually withheld by the Company or the Employer. Participant further acknowledges that the Company and the Employer (a) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Options, including, but not limited to, the grant, vesting or exercise of the Options, the subsequent sale of any Shares acquired at exercise and the receipt of any dividends; and (b) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Options to reduce or eliminate Participant's liability for Tax-Related Items or achieve any particular tax result. Further, if Participant is subject to Tax-Related Items in more than one jurisdiction, Participant acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to any relevant taxable or tax withholding event, as applicable, Participant agrees to make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items.

In this regard, Participant authorizes the Company and/or the Employer, or the respective agents of the Company and/or the Employer, at the Company's discretion, to satisfy withholding obligations with respect to all Tax-Related Items by one or a combination of the following:

(a) withholding from proceeds of the sale of Shares acquired upon exercise of the Options either through a voluntary sale or through a mandatory sale arranged by the Company (on Participant's behalf pursuant to this authorization);

(b) withholding from Participant's wages or other cash compensation paid to Participant by the Company and/or the Employer; or

(c) withholding in Shares to be issued upon exercise of the Options.

Depending on the withholding method, the Company and/or the Employer may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding rates or other applicable withholding rates, including maximum applicable rates, in which case Participant will receive a refund of any over-withheld amount in cash and will have no entitlement to the Share equivalent. If the obligation for Tax-Related Items is satisfied by withholding in Shares, for tax purposes, Participant is deemed to have been issued the full number of Shares subject to the vested Options, notwithstanding that a number of the Shares are held back solely for the purpose of paying the Tax-Related Items.

Participant agrees to pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of Participant's participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the Shares or the proceeds of the sale of Shares if Participant fails to comply with Participant's obligations in connection with the Tax-Related Items.

9. Nature of Grant. In accepting the Options, Participant acknowledges, understands and agrees that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature and may be modified, amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan;

(b) the grant of Options is voluntary and occasional and does not create any contractual or other right to receive future grants of Options, or benefits in lieu of Options even if Options have been granted in the past;

(c) nothing in this Agreement or in the Plan shall confer upon Participant any right to continue in the employment or service of the Employer, the Company or any Subsidiary or be interpreted as forming an employment or services contract with the Employer, the Company or any Subsidiary and shall not interfere with or restrict any way the ability of the Employer, the Company or any Subsidiary, as applicable, to terminate Participant's employment or service relationship, if any;

(d) all decisions with respect to future grants of Options or other grants, if any, will be at the sole discretion of the Company;

(e) Participant's participation in the Plan is voluntary;

(f) in the event of the termination of Participant's Continuous Service (as defined above) (for any reason whatsoever, whether or not later to be found invalid or in breach of employment laws in the jurisdiction where Participant is employed or the terms of Participant's employment agreement, if any), unless otherwise determined by the Company, Participant's right to vest in the Options under the Plan, if any, will terminate as of the date Participant is no longer actively rendering services and will not be extended by any notice period (*e.g.*, Participant's period of service would not include any contractual notice period or any period of "garden leave" or similar period mandated under employment laws in the jurisdiction where Participant is employed or the terms of Participant's employment agreement, if any); similarly, any right to exercise Options after termination of Participant's Continuous Service will be measured from the date Participant is no longer actively rendering services and will not be extended by any notice period; the Committee shall have the exclusive discretion to determine when Participant is no longer providing Continuous Service for purposes of this Agreement, including whether Participant may still be considered to be providing active service while on a leave of absence; and

(g) if Participant is providing services outside the United States, the following additional provisions shall apply:

(1) Options and the Shares subject to Options, and the income and value of same, are not part of normal or expected compensation or salary for any purpose, including, but not limited to, calculation of any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments;

(2) Options and the Shares subject to Options, and the income and value of same, are not intended to replace any pension rights or compensation;

(3) Options are an extraordinary item that does not constitute compensation of any kind for service of any kind rendered to the Company or to the Employer, and Options are outside of the scope of Participant's employment agreement, if any;

(4) no claim or entitlement to compensation or damages shall arise from forfeiture of Options resulting from termination of Participant's Continuous Service (for any reason whatsoever, whether or not later found to be invalid or in breach of employment laws in the jurisdiction where Participant is employed or the terms of Participant's employment agreement, if any), and in consideration of the grant of Options to which Participant is otherwise not entitled, Participant irrevocably agrees never to institute any claim against the Company, any of its Subsidiaries or the Employer, waives his or her ability, if any, to bring any such claim, and releases the Company, its Subsidiaries and the Employer from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, Participant shall be deemed irrevocably to have agreed not to pursue such claim and agrees to execute any and all documents necessary to request dismissal or withdrawal of such claim; and

(5) neither the Company, the Employer nor any Subsidiary shall be liable for any foreign exchange rate fluctuation between Participant's local currency and the United States Dollar that may affect the value of Options or of any amounts due to Participant pursuant to the exercise of Options or the subsequent sale of any Shares acquired upon exercise.

10. Data Privacy Notice and Consent. ***Participant hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of Participant's personal data, as described in this Agreement and any other Option grant materials by and among, as applicable, the Employer, the Company and Subsidiaries for the exclusive purpose of implementing, administering and managing Participant's participation in the Plan.***

Participant understands that the Employer, the Company and Subsidiaries may hold certain personal information about Participant, including, but not limited to, Participant's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any Shares or directorships held in the Company, details of all Options or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in Participant's favor ("Data"), for the exclusive purpose of implementing, administering and managing the Plan.

Participant understands that Data will be transferred to Morgan Stanley, or such other stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration and management of the Plan. Participant understands that the recipients of the Data may be located in the United States or elsewhere, and that the recipients' country (e.g., the United States) may have different data privacy laws and protections than Participant's country. Participant understands that if he or she resides outside the United States, he or she may request a list with the names and addresses of any potential recipients of the Data by contacting his or her local human resources representative. Participant authorizes the Company, Morgan Stanley and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing Participant's participation in the Plan, including any transfer of such Data as may be required to a broker, escrow agent or other third party with whom the Shares received upon exercise of Options may be deposited. Participant understands that Data will be held only as long as is necessary to implement, administer and manage his or her participation in the Plan. Participant understands that if he or she resides outside the United States, he or she may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing his or her local human resources representative. Further, Participant understands that he or she is providing the consents herein on a purely voluntary basis. If Participant does not consent, or if Participant later seeks to revoke his or her consent, his or her employment status or service and career with the Employer will not be adversely affected; the only adverse consequence of refusing or withdrawing Participant's consent is that the Company may not be able to grant Options or other equity awards to Participant or administer or maintain such awards. Therefore, Participant understands that refusing or withdrawing his or her consent may affect Participant's ability to participate in the Plan. For more information on the consequences of his or her refusal to consent or withdrawal of consent, Participant understands that he or she may contact his or her local human resources representative.

11. Miscellaneous Provisions.

11.1 Notices. Any notice required to be given under this Agreement shall be in writing and shall be deemed effective upon personal delivery or upon deposit in the sender's local mail, registered or certified, postage prepaid and properly addressed to the party entitled to such notice at the latest address on file or at such other address as such party may designate by ten days advance written notice under this Section to all other parties to this Agreement.

11.2 Waiver. The failure of the Company in any instance to exercise any rights under this Agreement, including the forfeiture rights under Section 4, shall not constitute a waiver of any other rights that may subsequently arise under the provisions of this Agreement or any other agreement between the Company and Participant. Participant acknowledges that no waiver by the Company of any breach of any provision of this Agreement shall operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by Participant or any other Participant, whether of like or different nature.

11.3 Imposition of Other Requirements & Participant Undertaking. The Company reserves the right to impose other requirements on Participant's participation in the Plan, on the Options and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons. Participant hereby agrees to take whatever additional action and execute whatever additional documents the Company may deem necessary or advisable in order to carry out the foregoing or one or more of the obligations or restrictions imposed on either Participant or the Shares pursuant to the provisions of this Agreement.

11.4 Entire Contract. This Agreement and the Plan constitute the entire understanding and agreement of the parties with respect to the subject matter contained herein. This Agreement is made pursuant to, and incorporates by reference, the provisions of the Plan and shall in all respects be construed in conformity with the terms of the Plan.

11.5 Language. If Participant has received this Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

11.6 Electronic Delivery and Acceptance. The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

11.7 Successors and Assigns. The provisions of this Agreement shall inure to the benefit of, and be binding upon, the Company and its successors and assigns and upon Participant, Participant's permitted assigns and the legal representatives, heirs and legatees of Participant's estate, whether or not any such person shall have become a party to this Agreement and have agreed in writing to join herein and be bound by the terms hereof. Participant may not assign this Agreement other than by the laws of decent and distribution.

11.8 Severability. In the event that any provision in this Agreement will be held invalid or unenforceable, such provision will be severable from, and such invalidity or unenforceability will not be construed to have any effect on, the remaining provisions of this Agreement.

11.9 Governing Law and Choice of Venue. The Options and the provisions of this Agreement shall be governed by, and subject to, the laws of the State of Utah, United States, without regard to the conflict of law provisions, as provided in the Plan. For purposes of litigating any dispute that arises under this Agreement or this grant of Options, the parties hereby submit to and consent to the jurisdiction of the State of Utah, agree that such litigation shall be conducted in the courts of Utah County, Utah, or the federal courts of the United States for the District of Utah, where this grant is made and/or to be performed.

11.10 Appendix. Notwithstanding any provisions in this Agreement, the Options shall be subject to any special terms and conditions set forth in any Appendix to this Agreement for Participant's country. Moreover, if Participant relocates to one of the countries included in the Appendix, the special terms and conditions for such country will apply to Participant, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. The Appendix constitutes part of this Agreement.

11.11 Insider Trading Restrictions/Market Abuse Laws. Depending on Participant's country of residence, Participant may be subject to insider trading restrictions and/or market abuse laws, which may affect Participant's ability to acquire or sell Shares or rights to Shares (e.g., Options) under the Plan during such times as Participant is considered to have "inside information" regarding the Company (as defined by the laws in Participant's country). Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. Participant is responsible for ensuring compliance with any applicable restrictions and should consult Participant's personal legal advisor on this matter.

11.12 [Reserved].

By electronically accepting this Agreement and participating in the Plan, Participant agrees to be bound by the terms and conditions in the Plan and this Agreement, including the Appendix. Within six months of the Grant Date, if Participant has not electronically accepted this Agreement on Morgan Stanley's website, or the website of any other stock plan service provider appointed by the Company, and has not otherwise rejected the grant, then this grant shall automatically be deemed accepted, and Participant shall be bound by the terms and conditions in the Plan and this Agreement, including the Appendix.

APPENDIX

FOR PARTICIPANTS OUTSIDE THE U.S.

NU SKIN ENTERPRISES, INC.
AMENDED AND RESTATED 2010 OMNIBUS INCENTIVE PLAN
STOCK OPTION AGREEMENT

Unless otherwise defined herein, the capitalized terms in this Appendix shall have the same defined meaning assigned to them in the Plan and the Agreement.

This Appendix includes special country-specific terms and conditions that apply to Participants in the countries listed below. This Appendix is part of the Agreement. This Appendix also includes information of which Participant should be aware with respect to his or her participation in the Plan. For example, certain individual exchange control reporting requirements may apply upon exercise of the Options and/or sale of Shares. The information is based on the securities, exchange control and other laws in effect in the respective countries as of March 2014 and is provided for informational purposes. Such laws are often complex and change frequently, and results may be different based on the particular facts and circumstances. As a result, the Company strongly recommends that Participant does not rely on the information noted herein as the only source of information relating to the consequences of Participant's participation in the Plan because the information may be out of date at the time the Options vest or are exercised, or Participant sells Shares acquired under the Plan.

In addition, the information is general in nature and may not apply to Participant's particular situation, and the Company is not in a position to assure Participant of any particular result. Accordingly, Participant is advised to seek appropriate professional advice as to how the relevant laws in Participant's country may apply to his or her situation.

Finally, if Participant is a citizen or resident of a country other than the one in which he or she currently is residing and/or working, transfers employment after the Options are granted to him or her, or is considered a resident of another country for local law purposes, the terms and conditions and/or notifications contained herein may not be applicable to him or her, and the Company shall, in its discretion, determine to what extent such terms and conditions contained herein shall apply to him or her.

AUSTRALIA

Exercise of Options. This provision supplements Section 1.4 of the Agreement.

If the Options vest when the Fair Market Value per Share is equal to or less than the Option Price, Participant shall not be permitted to exercise the vested Options. The vested Options may be exercised only starting on the business day following the first day on which the Fair Market Value per Share exceeds the Option Price. For the avoidance of doubt, this provision applies equally to any unvested Options Participant holds upon transfer to Australia after the Grant Date, unless otherwise determined by the Company in its sole discretion.

Securities Law Information. If Participant acquires Shares pursuant to the Options and he or she offers Shares for sale to a person or entity resident in Australia, Participant's offer may be subject to disclosure requirements under Australian law. Participant should obtain legal advice on his or her disclosure obligations prior to making any such offer.

Exchange Control Information. Exchange control reporting is required for cash transactions exceeding AUD10,000 and for international fund transfers. If an Australian bank is assisting with the transaction, the bank will file the report on the Participant's behalf.

Data Privacy Notice and Consent. This provision supplements Section 10 of the Agreement:

Participant's personal information will be held in accordance with the Employer's privacy policy, a copy of which Participant can obtain by contacting the Employer at the address indicated below. The Employer's privacy policy contains, among other things, details of how Participant can access and seek correction of personal information held in connection with the Options, how Participant can complain about a breach of the Australian Privacy Principles and how the Employer will deal with such a complaint. The Company can be contacted at +1 (801) 345-1000. Participant's employer can be contacted at +61-2-9491-0900.

Data may be transferred to recipients located outside of Australia, including the United States and any other country where the Company has operations. Employees are (and Participant acknowledges that he or she has been) provided with a list of the Company's global offices as part of their data privacy training. The latest list can be accessed from time to time at insider.nuskin.com.

BELGIUM

Accepting Options. The Options must be accepted in writing either (a) within 60 days of the offer (for tax at offer), or (b) more than 60 days after the offer (for tax at exercise). Participant will receive a separate offer letter, acceptance form and undertaking form in addition to the Agreement. Participant should refer to the offer letter for a more detailed description of tax consequences related to the timing of accepting Options. Participant should consult his or her personal tax advisor with respect to completion of the additional forms.

Foreign Asset/Account Reporting Information. Participant is required to report any security or bank account (including any brokerage account held by Participant at Morgan Stanley) opened and maintained by Participant outside of Belgium on his or her annual tax return.

CANADA

Securities Law Information. Participant acknowledges and agrees that he or she will sell Shares acquired through participation in the Plan only outside of Canada through the facilities of a stock exchange on which the Shares are listed. The Shares are currently listed on the New York Stock Exchange in the United States.

Foreign Asset/Account Reporting Information. Foreign property (including Shares) held by Canadian residents must be reported annually on Form T1135 (Foreign Income Verification Statement) if the total value of such foreign property exceeds C$100,000 at any time during the year. It is not certain if the Options constitute foreign property that needs to be reported on Form T1135. The form must be filed by April 30th of the following year. It is the Participant's responsibility to comply with applicable reporting obligations.

Method of Payment. Due to regulatory considerations in Canada, Participant is prohibited from surrendering Shares that Participant already owns or attesting to the ownership of Shares to pay the Option Price or any Tax-Related Items in connection with the Options.

The following provisions apply if Participant is resident in Quebec:

Data Privacy. Participant hereby authorizes the Company, the Employer and their representatives to discuss with and obtain all relevant information from all personnel, professional or not, involved in the administration and operation of the Plan. Participant further authorizes the Company and its Subsidiaries to disclose and discuss the Plan with their advisors. Participant further authorizes the Company and its Subsidiaries to record such information and to keep such information in the his or her employee file.

Language Consent. The parties acknowledge that it is their express wish that the Agreement, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English.

Les parties reconnaissent avoir exigé la rédaction en anglais de cette convention, ainsi que de tous documents exécutés, avis donnés et procédures judiciaries intentées, directement ou indirectement, relativement à ou suite à la présente convention.

CHINA

The following provisions apply only to Participants who are subject to exchange control restrictions imposed by the State Administration of Foreign Exchange ("SAFE"), as determined by the Company in its sole discretion:

Term of Options. This provision supplements Section 1.3 of the Agreement:

Notwithstanding anything to the contrary in Section 1.3 of the Agreement, in the event of Participant's termination of Continuous Service, Participant shall be permitted to exercise the option for the shorter of (a) the post-termination exercise period set forth in the Agreement and (b) six months (or such other period as may be required by SAFE) after the termination of Participant's Continuous Service. At the end of the post-termination exercise period specified by SAFE, any unexercised portion of the Options shall immediately expire.

Exercise of Options. This provision supplements Section 1.4 of the Agreement:

The Options may be exercised only if and when the Company has completed the registration of the Plan with SAFE and provided such registration remains effective. If the Company is unable to complete the registration or maintain the registration, Participant will not be permitted to exercise any Options.

Notwithstanding anything in Section 1.4 of the Agreement to the contrary, Participant agrees to pay the Option Price and any Tax-Related Items solely by means of a cashless sell-to-cover or cashless sell-all method of exercise. To complete a cashless sell-to-cover or cashless sell-all exercise, Participant must provide irrevocable instructions to the broker to: (i) sell a portion or all of the Shares to be issued upon exercise; (ii) use the proceeds to pay the Exercise Price, brokerage fees and any applicable Tax-Related Items; and (iii) remit the balance (if any) in cash to Participant pursuant to the procedures described in the "Exchange Control Information" section below. Participant acknowledges that Morgan Stanley or such other broker as may be selected by the Company in the future is under no obligation to arrange for the sale of the Shares at any particular price. Shares issued to Participant upon exercise must be maintained in an account with Morgan Stanley or such other broker as may be designated by the Company until the Shares are sold through that broker.

Exchange Control Information. Participant understands and agrees that, to facilitate compliance with exchange control requirements, Participant will be required to immediately repatriate to China the cash proceeds from the sale of the Shares acquired upon the exercise of the Options. Participant further understands that, under local law, such repatriation of the cash proceeds will be effectuated through a special exchange control account established by the Company or its Subsidiary in China, and Participant hereby consents and agrees that the proceeds from the sale of Shares acquired under the Plan may be transferred to such special account prior to being delivered to Participant. The Company may deliver the proceeds to Participant in U.S. dollars or local currency at the Company's discretion. If the proceeds are paid in U.S. dollars, Participant understands that he or she will be required to set up a U.S. dollar bank account in China so that the proceeds may be deposited into this account. If the proceeds are converted to local currency, there may be delays in delivering the proceeds to Participant. Participant agrees to bear the risk of any currency fluctuation between the time the Shares are sold, either through voluntary sale or through a mandatory sale arranged by the Company, or proceeds are otherwise realized under the Plan and the time such proceeds are distributed to Participant through the special exchange control account.

Participant further agrees to comply with any other requirements that may be imposed by the Company in the future to facilitate compliance with exchange control requirements in China.

DENMARK

Securities/Tax Reporting Information. If Participant holds Shares acquired under the Plan in a brokerage account with a broker or bank outside Denmark, he or she is required to inform the Danish Tax Administration about the account. For this purpose, Participant must file a Form V (Erklaering V) with the Danish Tax Administration. Both Participant and the broker or bank must sign the Form V. By signing the Form V, the broker or bank undertakes an obligation, without further request each year and not later than February 1 of the year following the calendar year to which the information relates, to forward information to the Danish Tax Administration concerning the Shares in the account. In the event that the applicable broker or bank with which the account is held does wish to, or, pursuant to the laws of the country in question, is not allowed to assume such obligation to report, Participant acknowledges that he or she is solely responsible for providing certain details regarding the foreign brokerage or bank account and any Shares acquired at vesting and held in such account to the Danish Tax Administration as part of his or her annual income tax return. By signing the Form V, Participant authorizes the Danish Tax Administration to examine the account.

In addition, if Participant opens a brokerage account (or a deposit account with a U.S. bank), the brokerage account likely will be treated as a deposit account because cash can be held in the account. Therefore, Participant likely must file a Form K (Erklaering K) with the Danish Tax Administration. The Form K must be signed both by Participant and by the applicable broker or bank where the account is held. By signing the Form K, the broker/bank undertakes an obligation, without further request each year and not later than February 1 of the year following the calendar year to which the information relates, to forward information to the Danish Tax Administration concerning the content of the account. In the event that the applicable financial institution (broker or bank) with which the account is held, does not wish to, or, pursuant to the laws of the country in question, is not allowed to assume such obligation to report, Participant acknowledges that he or she is solely responsible for providing certain details regarding the foreign brokerage or bank account to the Danish Tax Administration as part of his or her annual income tax return. By signing the Form K, Participant authorizes the Danish Tax Administration to examine the account.

Foreign Asset/Account Reporting Information. If Participant establishes an account holding Shares or an account holding cash outside Denmark, he or she must report the account to the Danish Tax Administration. The form may be obtained from a local bank. Please note that these obligations are separate from and in addition to the obligations described above.

SÆRLIG MEDDELELSE TIL MEDARBEJDERE I DANMARK
ARBEJDSGIVERERKLÆRING

I henhold til § 3, stk. 1, i lov om brug af køberet eller tegningsret mv. i ansættelsesforhold ("Aktieoptionsloven") er medarbejderen ("Medarbejderen") berettiget til i en særskilt skriftlig erklæring at modtage følgende oplysninger vedrørende incitamentsordningen Amended and Restated 2010 Omnibus Incentive Plan ("Planen") hos Nu Skin Enterprises, Inc. ("Selskabet").

Denne erklæring indeholder kun de oplysninger, der er nævnt i Aktieoptionsloven, mens de øvrige vilkår og betingelser for Medarbejderens tildeling af "Options" er nærmere beskrevet i Planen, "Option Agreement" ("Aftalen") og det øvrige tildelingsmateriale, som er blevet udleveret. Begreber, der står med stort begyndelsesbogstav i denne Arbejdsgivererklæring, men som ikke er defineret heri, har samme betydning som de begreber, der er defineret i Planen eller Aftalen.

1. Tidspunkt for tildeling af den vederlagsfri ret til at modtage aktier mod opfyldelse af visse betingelser

   Tidspunktet for tildelingen af "Options" er den dato, hvor Bestyrelsens Vederlagsudvalg ("Udvalget") godkendte tildelingen.

2. Kriterier og betingelser for tildeling af retten til senere at modtage aktier

   Kun Selskabets Medarbejdere, bestyrelsesmedlemmer og konsulenter kan deltage i Planen. Tildeling af "Options" i henhold til Planen sker efter Selskabets eget skøn og har til formål at give Selskabet og dets datterselskaber mulighed for at tiltrække og fastholde udvalgte medarbejdere, som forventes at bidrage til Selskabets success og opnå langsigtede mål til gavn for Selskabets aktionærer. Medarbejderen har ikke nogen ret til eller noget krav på fremover at få tildelt "Options".

3. Modningstidspunkt eller -periode

   "Options" modnes over tid ("modningsperioden"), forudsat at Medarbejderen stadig er ansat i eller arbejder for Selskabet eller et datterselskab, og alle øvrige modningsbetingelser i Aftalen er opfyldt, medmindre "Options" modnes eller bortfalder på et tidligere tidspunkt af de årsager, der er anført i Planen, og med forbehold for pkt. 5 i denne erklæring.

4. Udnyttelseskurs

   Der betales ingen udnyttelseskurs ved modning af "Options" eller udstedelse af aktier til Medarbejderen.

5. Medarbejderens retsstilling i forbindelse med fratræden

   I henhold til Aktieoptionsloven vil "Options" i tilfælde af Medarbejderens fratræden blive behandlet i overensstemmelse med Aktieoptionslovens §§ 4 og 5, medmindre bestemmelserne i Planen og Aftalen er mere fordelagtige for Medarbejderen end Aktieoptionslovens §§ 4 og 5. Hvis bestemmelserne i Planen og Aftalen er mere fordelagtige for Medarbejderen, vil disse bestemmelser være gældende for, hvordan "Options" behandles i forbindelse med Medarbejderens fratræden.

6. Økonomiske aspekter ved at deltage i Planen

Tildelingen af "Options" har ingen umiddelbare økonomiske konsekvenser for Medarbejderen. Værdien af "Options" indgår ikke i beregningen af feriepenge, pensionsbidrag eller andre lovpligtige, vederlagsafhængige ydelser.

Ordinære aktier er finansielle instrumenter. Den fremtidige værdi af de underliggende aktier i forbindelse med "Options" kendes ikke og kan ikke forudsiges med sikkerhed.

HONG KONG

Restriction on Sale of Shares. Should any portion of the Options vest within six months of the Grant Date, Participant agrees that Participant will not dispose of the Shares acquired at exercise prior to the six-month anniversary of the Grant Date.

Securities Law Information. *Warning: The Options and any Shares issued upon exercise do not constitute a public offering of securities under Hong Kong law and are available only to selected Employees, Directors and Consultants of the Company or its Subsidiaries. The Agreement, including this Appendix, the Plan and other grant documents have not been prepared in accordance with and are not intended to constitute a "prospectus" for a public offering of securities under the applicable securities legislation in Hong Kong, nor have the documents been reviewed by any regulatory authority in Hong Kong. If Participant is in any doubt about any of the contents of the Agreement, including this Appendix, or the Plan, or any other grant documents, Participant should obtain independent professional advice.*

HUNGARY

There are no country-specific provisions.

INDONESIA

Exchange Control Information. If Participant remits proceeds from the sale of Shares or the receipt of any dividends paid on such Shares into Indonesia, the Indonesian Bank through which the transaction is made will submit a report on the transaction to the Bank of Indonesia for statistical reporting purposes. For transactions of US$10,000 or more, a description of the transaction must be included in the report. Although the bank through which the transaction is made is required to make the report, Participant must complete a "Transfer Report Form." The Transfer Report Form should be provided to Participant by the bank through which the transaction is made.

JAPAN

Exchange Control Information. If the Participant acquires Shares valued at more than ¥100,000,000 in a single transaction, Participant must file a Securities Acquisition Report with the Ministry of Finance through the Bank of Japan within 20 days of the purchase of the Shares. In addition, if Participant pays more than ¥30,000,000 in a single transaction for the purchase of Shares when Participant exercises the Options, Participant must file a Payment Report with the Ministry of Finance through the Bank of Japan by the 20th day of the month following the month in which the payment was made. The precise reporting requirements vary depending on whether or not the relevant payment is made through a bank in Japan.

A Payment Report is required independently from a Securities Acquisition Report. Therefore, if the total amount that Participant pays upon a one-time transaction for exercising this option and purchasing shares of common stock exceeds ¥100,000,000, then Participant must file both a Payment Report and a Securities Acquisition Report.

Foreign Asset/Account Reporting Information. Participant will be required to report details of any assets (including any Shares or the receipt of any dividends paid on such Shares acquired under the Plan) held outside of Japan as of December 31st of each year, to the extent such assets have a total net fair market value exceeding ¥50 million. Such report will be due by March 15th of the following year. Participant should consult with his or her personal tax advisor as to whether the reporting obligation applies to Participant and whether Participant will be required to report details of any outstanding Options or Shares held by Participant in the report.

KOREA

Exchange Control Information. Participants who realize US$500,000 or more from the sale of Shares or the receipt of any dividends paid on such Shares in a single transaction are required to repatriate the proceeds to Korea within 18 months of receipt.

Foreign Asset/Account Reporting Information. Korean residents must declare all foreign financial accounts (*e.g.*, non-Korean bank accounts, brokerage accounts, etc.) to the Korean tax authority and file a report with respect to such accounts if the value of such accounts exceeds KRW 1 billion (or an equivalent amount in foreign currency). Participant should consult with his or her personal tax advisor to determine how to value Participant's foreign accounts for purposes of this reporting requirement and whether Participant is required to file a report with respect to such accounts.

MALAYSIA

Director Notification Information. If Participant is a director of a Malaysian Subsidiary, Participant is subject to certain notification requirements under the Malaysian Companies Act, 1965. Among these requirements is an obligation to notify the Malaysian Subsidiary in writing when Participant receives an interest (*e.g.*, Options) in the Company or any related companies. In addition, Participant must notify the Malaysian Subsidiary when Participant sells shares of the common stock of the Company or any related company (including when Participant sells Shares acquired under the Plan). These notifications must be made within fourteen days of acquiring or disposing of any interest in the Company or any related company.

Data Privacy Notice and Consent. This provision replaces in its entirety Section 10 of the Agreement:

Participant hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of Participant's personal data, as described in this Agreement and any other Option grant materials by and among, as applicable, the Employer, the Company and Subsidiaries for the exclusive purpose of implementing, administering and managing Participant's participation in the Plan.	***Peserta dengan ini secara eksplisit dan tanpa sebarang keraguan mengizinkan pengumpulan, penggunaan dan pemindahan, dalam bentuk elektronik atau lain-lain, data peribadi Peserta seperti yang diterangkan dalam Perjanjian dan apa-apa bahan Opsyen yang lain oleh dan di antara, seperti yang berkenaan, Majikan, Syarikat dan Anak-anak Syarikat untuk tujuan yang eksklusif bagi melaksanakan, mentadbir dan menguruskan penyertaan Peserta di dalam Pelan.***
Participant understands that the Employer, the Company and Subsidiaries may hold certain personal information about Participant, including, but not limited to, Participant's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any Shares or directorships held in the Company, details of all Options or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in Participant's favor, for the exclusive purpose of implementing, administering and managing the Plan ("Data"). The Data is supplied by the Employer and also by me through information collected in connection with the Agreement and the Plan.	***Peserta memahami bahawa Majikan, Syarikat and Anak-anak Syarikat mungkin memegang maklumat peribadi tertentu tentang Peserta, termasuk, tetapi tidak terhad kepada, nama Peserta, alamat rumah dan nombor telefon, tarikh lahir, nombor insurans sosial atau nombor pengenalan lain, gaji, kewarganegaraan, jawatan, apa-apa Syer atau jawatan pengarah yang dipegang dalam Syarikat, butir-butir semua Opsyen, atau apa-apa hak lain atas Syer yang dianugerahkan, dibatalkan, dilaksanakan, terletak hak, tidak diletak hak ataupun yang belum dijelaskan bagi faedah Peserta, untuk tujuan eksklusif bagi melaksanakan, mentadbir dan menguruskan Pelan tersebut ("Data"). Data tersebut dibekalkan oleh Majikan dan juga oleh saya berkenaan dengan Perjanjian dan Pelan.***
Participant understands that Data will be transferred to Morgan Stanley, or such other stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration and management of the Plan. Participant understands that the recipients of the Data may be located in the United States or elsewhere, and that the recipients' country (e.g., the United States) may have different data privacy laws and protections than Participant's country. Participant understands that if he or she resides outside the United States, he or she may request a list with the names and addresses of any potential recipients of the Data by contacting his or her local human resources representative at +60-03-2170-7700. Participant authorizes the Company, Morgan Stanley and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing Participant's participation in the Plan, including any transfer of such Data as may be required to a broker, escrow agent or other third party with whom the Shares received upon exercise of Options may be deposited. Participant understands that Data will be held only as long as is necessary to implement, administer and manage his or her participation in the Plan. Participant understands that if he or she resides outside the United States, he or she may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing his or her local human resources representative. Further, Participant understands that he or she is providing the consents herein on a purely voluntary basis. If Participant does not consent, or if Participant later seeks to revoke his or her consent, his or her employment status or service and career with the Employer will not be adversely affected; the only adverse consequence of refusing or withdrawing Participant's consent is that the Company may not be able to grant Participant Options or other equity awards or administer or maintain such awards. Therefore, Participant understands that refusing or withdrawing his or her consent may affect Participant's ability to participate in the Plan. For more information on the consequences of his or her refusal to consent or withdrawal of consent, Participant understands that he or she may contact his or her local human resources representative.	***Peserta memahami bahawa Data ini akan dipindahkan kepada Morgan Stanley, atau mana-mana pembekal perkhidmatan pelan saham lain sebagaimana yang dipilih oleh Syarikat pada masa depan, yang membantu Syarikat dengan pelaksanaan, pentadbiran dan pengurusan Pelan. Peserta memahami bahawa penerima-penerima Data mungkin berada di Amerika Syarikat atau mana-mana tempat lain, dan bahawa negara penerima-penerima (contohnya, Amerika Syarikat) mungkin mempunyai undang-undang privasi data dan perlindungan yang berbeza daripada negara Peserta. Peserta memahami bahawa sekiranya Peserta menetap di luar Amerika Syarikat, Peserta boleh meminta satu senarai yang mengandungi nama-nama dan alamat-alamat penerima-penerima Data yang berpotensi dengan menghubungi wakil sumber manusia tempatan peserta di +60-03-2170-7700. Peserta memberi kuasa kepada Syarikat, Morgan Stanley dan mana-mana penerima-penerima kemungkinan lain yang mungkin akan membantu Syarikat (pada masa sekarang atau pada masa depan) dengan melaksanakan, mentadbir dan menguruskan Pelan untuk menerima, memiliki, menggunakan, mengekalkan dan memindahkan Data, dalam bentuk elektronik atau lain-lain, bagi tujuan melaksanakan, mentadbir dan menguruskan penyertaan Peserta di dalam Pelan, termasuk segala pemindahan Data tersebut sebagaimana yang dikehendaki kepada broker, egen eskrow atau pihak ketiga dengan siapa Saham diterima semasa peletakhakan Opsyen mungkin didepositkan. Peserta memahami bahawa Data hanya akan disimpan selagi ia adalah diperlukan untuk melaksanakan, mentadbir, dan menguruskan penyertaan peserta dalam Pelan. Peserta memahami bahawa sekiranya peserta menetap di luar Amerika Syarikat, peserta boleh, pada bila-bila masa, melihat Data, meminta maklumat tambahan mengenai penyimpanan dan pemprosesan Data, meminta bahawa pindaan-pindaan dilaksanakan ke atas Data atau menolak atau menarik balik persetujuan dalam ini, dalam mana-mana kes, tanpa kos, dengan menghubungi secara bertulis wakil sumber manusia tempatan. Selanjutnya, Peserta memahami bahawa peserta memberikan persetujuan di sini secara sukarela semata-mata. Sekiranya Peserta tidak bersetuju, atau sekiranya Peserta kemudian membatalkan persetujuannya, status pekerjaan atau perkhidmatan dan kerjaya Peserta dengan Majikan tidak akan terjejas; satu-satunya akibat buruk sekiranya Peserta tidak bersetuju atau menarik balik persetujuan Peserta adalah bahawa Syarikat tidak akan dapat memberikan Opsyen atau anugerah ekuiti lain atau mentadbir atau mengekalkan anugerah-anugerah tersebut kepada Peserta. Oleh itu, Peserta memahami bahawa keengganan atau penarikan balik persetujuan peserta boleh menjejaskan keupayaan Peserta untuk mengambil bahagian dalam Pelan. Untuk maklumat lebih lanjut mengenai akibat-akibat keengganan Peserta untuk memberikan keizinan atau penarikan balik keizinan, Peserta memahami bahawa Peserta boleh menghubungi wakil sumber manusia tempatan.***

NEW ZEALAND

There are no country-specific provisions.

PHILIPPINES

Securities Law Information. The sale or disposal of Shares acquired under the Plan may be subject to certain restrictions under Philippines securities laws. Those restrictions should not apply if the offer and resale of the Shares takes place outside of the Philippines through the facilities of a stock exchange on which the Shares are listed. The Shares are currently listed on the New York Stock Exchange in the United States.

RUSSIA

Exchange Control Information. Participant acknowledges that he or she must repatriate the proceeds from the sale of Shares and any dividends received in relation to the Options within a reasonably short time of receipt. Such amounts must be initially credited to Participant through a foreign currency account opened in his or her name at an authorized bank in Russia. After the funds are initially received in Russia, they may be further remitted to foreign banks, provided certain requirements are satisfied. Participant must notify the Russian tax authorities about the opening/closing of each foreign account within one month of the account opening/closing and provide account balances in each foreign account as of the beginning of each calendar year. ***Participant is encouraged to contact his or her personal advisor with respect to satisfying the above-described currency rules, as significant penalties may apply in the case of non-compliance with exchange control requirements and because such exchange control requirements may change.***

Securities Law Information. These materials do not constitute advertising or an offering of securities in Russia nor do they constitute placement of Shares in Russia. The issuance of Shares pursuant to the Options described herein has not and will not be registered in Russia and hence, the Shares described herein may not be admitted or used for offering, placement or public circulation in Russia. Participant acknowledges and agrees that he or she will sell Shares acquired through participation in the Plan only outside of Russia through the facilities of a stock exchange on which the Shares are listed. The Shares are currently listed on the New York Stock Exchange in the United States.

Data Privacy Notice and Consent. Participant hereby acknowledges that he or she has read and understood the terms regarding collection, processing and transfer of Data contained in Section 10 of the Agreement and, by accepting the Option, Participant agrees to such terms. In this regard, upon request of the Company or the Employer, Participant agrees to provide an executed data privacy consent form to the Employer or the Company, or any other agreements or consents that the Company and/or the Employer may deem necessary to obtain Participant's consent to collect, process or transfer Participant's Data for purposes of administering his or her participation in the Plan under the data privacy laws in Russia, either now or in the future. Participant understands that he or she will not be able to participate in the Plan if he or she fails to execute any such consent or agreement.

SINGAPORE

Securities Law Information. The grant of Options is being made in reliance on the "Qualifying Person" exemption under section 273(1)(f) of the Securities and Futures Act (Chapter 289, 2006 Ed.) ("SFA"). The Plan has not been lodged or registered as a prospectus with the Monetary Authority of Singapore. Participant should note that the Options are subject to section 257 of the SFA and he or she will not be able to make (i) any subsequent sale of Shares in Singapore or (ii) any offer of such subsequent sale of Shares subject to the Options in Singapore, unless such sale or offer is made pursuant to the exemptions under Part XIII Division (1) Subdivision (4) (other than section 280) of the SFA.

Director Notification Information. If Participant is a director, associate director or shadow director of a Singapore Subsidiary, Participant is subject to certain notification requirements under the Singapore Companies Act. Among these requirements is an obligation to notify the Singapore Subsidiary in writing when Participant receives an interest (*e.g.*, Options) in the Company or any related company. In addition, Participant must notify the Singapore Subsidiary when Participant sells shares of the common stock of the Company or any related company (including when Participant sells Shares acquired under the Plan). These notifications must be made within two business days of acquiring or disposing of any interest in the Company or any related company. In addition, a notification must be made of Participant's interests in the Company or any related company within two business days of becoming a director, associate director or shadow director.

SWEDEN

There are no country-specific provisions.

TAIWAN

Exchange Control Information. Participant may remit foreign currency (including proceeds from the sale of Shares or the receipt of any dividends paid on such Shares) into or out of Taiwan up to US$5,000,000 per year without special permission. If the transaction amount is TWD500,000 or more in a single transaction, Participant must submit a Foreign Exchange Transaction Form to the remitting bank and provide supporting documentation to the satisfaction of the remitting bank.

THAILAND

Exchange Control Information. If the proceeds from the sale of Shares or the receipt of any dividends paid on such Shares are equal to or greater than US$50,000 or more in a single transaction, Participant must repatriate the proceeds to Thailand immediately upon receipt and convert the funds to Thai Baht or deposit the proceeds in a foreign currency deposit account maintained by a bank in Thailand within 360 day of remitting the proceeds to Thailand. In addition Participant must report the inward remittance to the Bank of Thailand on a foreign exchange transaction form. If Participant fails to comply with these obligations, Participant may be subject to penalties assessed by the Bank of Thailand. Because exchange control regulations change frequently and without notice, Participant should consult his or her personal advisor before selling Shares to ensure compliance with current regulations. Participant is responsible for ensuring compliance with all exchange control laws in Thailand, and neither the Company nor any of its Subsidiaries will be liable for any fines or penalties resulting from his or her failure to comply with applicable laws.

NU SKIN ENTERPRISES, INC.
AMENDED AND RESTATED 2010 OMNIBUS INCENTIVE PLAN
RESTRICTED STOCK UNIT AGREEMENT

This Restricted Stock Unit Agreement, Participant's award information (the "Award Summary"), which can be accessed in Participant's My Awards on the Morgan Stanley StockPlanConnect Website at www.stockplanconnect.com or the website of any other stock plan administrator selected by the Company in the future, and the Appendix for Participant's country, if any, (collectively, this "Agreement") sets forth the terms and conditions of the Restricted Stock Units granted to Participant under the Amended and Restated Nu Skin Enterprises, Inc. 2010 Omnibus Incentive Plan (the "Plan"). In the event of a conflict between the terms and conditions of the Plan and the terms and conditions of this Agreement, the terms and conditions of the Plan shall prevail. Unless otherwise defined herein, the capitalized terms in this Agreement shall have the same defined meaning assigned to them in the Plan.

1. Grant of Restricted Stock Units.

1.1 Grant of Restricted Stock Units. Effective as of the date of grant specified in the Award Summary (the "Grant Date"), the Company grants to Participant an award of the number of Restricted Stock Units as set forth in the Award Summary. Each Restricted Stock Unit is a bookkeeping entry representing the Company's unfunded promise to deliver one Share on the terms provided herein and in the Plan.

1.2 Vesting of Restricted Stock Units. The Restricted Stock Units shall vest on the dates (the "Vesting Dates") and in the amounts determined by the Committee and set forth in the Award Summary, except as otherwise provided in this Agreement, including pursuant to Sections 1.3 and 4.

1.3 Termination of Continuous Service. In the event Participant's Continuous Service (as defined below) is terminated for any reason prior to the full vesting of the Restricted Stock Units, the Restricted Stock Units granted hereunder shall terminate to the extent they are not vested as of the termination of Participant's Continuous Service, as determined in accordance with Section 9(f) below, and Participant shall not have any right to receive any Shares subject to such unvested Restricted Stock Units.

For purposes of this Agreement:

"Continuous Service" means that Participant's service with the Company or a Subsidiary, whether as an Employee, Director, or Consultant, is not interrupted or terminated. Participant's Continuous Service shall not be deemed to have terminated merely because of a change in the capacity in which Participant renders service to the Company or a Subsidiary as an Employee, Consultant, or Director, or a change in the entity for which Participant renders such service, provided that there is no interruption or termination of Participant's Continuous Service. For example, a change in status from an Employee of the Company to a Consultant of a Subsidiary or a Director will not constitute an interruption of Continuous Service. Subject to the requirements of applicable law, the Committee, in its sole discretion, shall determine whether Continuous Service shall be considered interrupted in the case of any leave of absence approved by the Company or a Subsidiary, including sick leave, military leave or any other personal leave.

1.4 Settlement of Restricted Stock Units. Subject to the terms of the Plan and this Agreement, Restricted Stock Units shall be settled in Shares, provided that Participant has satisfied any Tax-Related Items pursuant to Section 8 below. Shares will be issued to Participant within 70 days following the applicable Vesting Date unless subject to the terms of the Company's deferred compensation plan; provided, however, that if the Participant is subject to taxation in the U.S. (a "U.S. Taxpayer"), the Restricted Stock Units vest pursuant to Section 1.6 below and the Restricted Stock Units are considered "non-qualified deferred compensation" subject to Section 409A of the Code ("Code Section 409A," and such compensation, "Deferred Compensation"), the Shares will be issued in accordance with the following schedule: (i) if the termination event giving rise to the vesting acceleration occurs prior to the Change in Control and the Change in Control constitutes a "change in control event" (within the meaning of U.S. Treasury Regulation 1.409A-3(i)(5)(i)) (a "409A CIC"), the Shares will be issued on the date of the Change in Control, and if the Change in Control does not constitute a 409A CIC, the Shares will be issued on the date that is six months following the Participant's "separation from service" (within the meaning of Code Section 409A) (a "Separation from Service"); (ii) if the termination event giving rise to the vesting acceleration occurs on or following the Change in Control and the Change in Control constitutes a 409A CIC, then the Shares will be issued within 30 days following the Participant's Separation from Service, and if the Change in Control is not a 409A CIC, then the Shares will be issued on the date that is six months following the Participant's Separation from Service.

Notwithstanding the foregoing, for purposes of complying with Code Section 409A, if the Participant is a U.S. Taxpayer, the Restricted Stock Units are considered Deferred Compensation and the Restricted Stock Units are to be settled in connection with a termination contemplated under Section 1.6 below, the Company and the Participant shall take all steps necessary (including with regard to any post-termination services by the Participant) to ensure that a termination contemplated under Section 1.6 constitutes a Separation from Service. In addition, if the Restricted Stock Units are Deferred Compensation, the Restricted Stock Units are settled upon the Participant's Separation from Service and the Participant is a "specified employee," within the meaning of Code Section 409A, on the date the Participant experiences a Separation from Service, then the Shares will be issued on the first business day of the seventh month following the Participant's Separation from Service, or, if earlier, on the date of the Participant's death, to the extent such delayed payment is required in order to avoid a prohibited distribution under Code Section 409A.

1.5 Stockholder Rights. Unless and until Shares are issued by the Company after the Vesting Date, Participant shall have none of the rights or privileges of a shareholder of the Company (including voting, dividend and liquidation rights) with respect to the Shares covered by the Restricted Stock Units.

1.6 Change in Control. Notwithstanding any provision in this Agreement to the contrary, if, within six months prior to and in connection with a Change in Control or within two years following such Change in Control, Participant's employment is terminated (i) by the Company and its Subsidiaries without Cause, or (ii) by Participant for Good Reason, the vesting of the Restricted Stock Units governed by this Agreement shall be accelerated such that all such Restricted Stock Units shall be deemed to be vested in full immediately prior to the termination of Participant's employment.

For purposes of this Agreement:

"Cause" shall mean that Participant has engaged in any one of the following:

(a) a material breach by Participant of the Company's Key Employee Covenants or any employment agreement, which breach is not cured within any applicable cure period set forth the Company's Key Employee Covenants or employment agreement;

(b) any willful violation by Participant of any material law or regulation applicable to the business of the Company or any of its Subsidiaries;

(c) Participant's conviction of, or a plea of guilty or nolo contendere to, a felony or any willful perpetration of common law fraud (or analogous violation of law in a jurisidiction outside the United States); or

(d) any other willful misconduct by Participant that is materially injurious to the financial condition or business reputation of, or is otherwise materially injurious to, the Company or any of its Subsidiaries.

For purposes of the foregoing, in determining whether a "material breach" has occurred, or whether there has been a willful violation of a "material" law or regulation, the standard shall be a breach or violation that is, or will reasonably likely be, materially injurious to the financial condition or business reputation of, or is, or will reasonably likely be, otherwise materially injurious to, the Company or any of its Subsidiaries.

"Good Reason" shall mean the occurance any of the following events that result in a material negative change to Participant:

(a) without Participant's consent, a material reduction in the scope of Participant's duties and responsibilities or the level of management to which Participant reports;

(b) without Participant's consent, a reduction in base salary (other than an across-the-board reduction of not more than 10% applicable to all similarly situated employees);

(c) without Participant's consent, a material reduction in Participant's benefits in the aggregate (in terms of benefit levels) from those provided to Participant under any employee benefit plan, program and practice in which Participant participates;

(d) without Participant's consent, a relocation of Participant's principal place of employment of more than 50 miles from Participant's primary residence;

(e) the failure of the Company to have a successor entity specifically assume this Agreement or any employment agreement within 10 business days after a Change in Control; or

(f) a material breach by the Company a successor entity of this Agreement or any employment agreement.

Notwithstanding the foregoing, Good Reason shall only be found to exist if Participant, not later than 90 days after the initial occurrence of an event deemed to give rise to a right to terminate for Good Reason, has provided 30 days written notice to the Company prior to Participant's resignation indicating and describing the event resulting in such Good Reason, and the Company does not cure such event (other than the event in clause vi), which shall not be subject to cure) within 90 days following the receipt of such notice from Participant.

2. Securities Law Compliance. Participant represents that Participant has received and carefully read a copy of the Prospectus for the Plan, together with the Company's most recent Annual Report to Stockholders. Participant hereby acknowledges that Participant is aware of the risks associated with the Shares and that there can be no assurance the price of the Shares will not decrease in the future. Participant hereby acknowledges no representations or statements have been made to Participant concerning the value or potential value of the Shares. Participant acknowledges that Participant has relied only on information contained in the Prospectus and has received no representations, written or oral, from the Company or its employees, attorneys or agents, other than those contained in the Prospectus or this Agreement. Participant acknowledges that the Company has made no representations or recommendations, and is not providing any tax, legal or financial advice, regarding Participant's participation in the Plan, or Participant's acquisition or sale of the underlying Shares. Participant is hereby advised to consult with his or her own personal tax, legal and financial advisors regarding his or her participation in the Plan before taking any action related to the Plan.

3. Transfer Restrictions. Participant shall not transfer, assign, sell, encumber, pledge, grant a security interest in or otherwise dispose of the Restricted Stock Units subject to this Agreement in any manner other than by the laws of descent or distribution. Any such transfer, assignment, sale, encumbrance, pledge, security interest or disposition shall be void and shall result in the automatic termination of the Restricted Stock Units and this Agreement.

4. Forfeiture. If, at any time during Participant's Continuous Service or at any time during the 12-month period following termination of Participant's Continuous Service, Participant engages in conduct that constitutes Cause (as defined above), then at the election of the Committee, (a) this Agreement and all unvested Restricted Stock Units granted hereunder shall terminate, and (b) Participant shall return to the Company for cancellation all Shares held by Participant plus pay the Company the amount of any proceeds received from the sale of any Shares to the extent such Shares were issued pursuant to Restricted Stock Units granted under this Agreement that vested (i) during the 12-month period immediately preceding the Cause, or (ii) on the date of or at any time after such Cause.

5. Governing Plan Document. This Agreement incorporates by reference all of the terms and conditions of the Plan, as presently existing and as hereafter amended. Participant expressly acknowledges and agrees that the terms and provisions of this Agreement are subject in all respects to the provisions of the Plan. Participant also expressly:

(a) Acknowledges receipt of the Plan and represents that Participant is familiar with the provisions of the Plan, and that Participant enters into this Agreement subject to all of the provisions of the Plan;

(b) Recognizes that the Committee has been granted complete authority to administer the Plan in its sole discretion, and agrees to accept all decisions related to the Plan and all interpretations of the Plan made by the Committee as final and conclusive upon Participant and upon all persons at any time claiming any interest through Participant in the Restricted Stock Units or the Shares subject to this Agreement; and

(c) Acknowledges and understands that the establishment of the Plan and the existence of this Agreement are not sufficient, in and of themselves, to exempt Participant from the requirements of Section 16(b) of the Exchange Act and any rules or regulations promulgated thereunder, and that Participant (to the extent Section 16(b) applies to Participant) shall not be exempt from such requirements pursuant to Rule 16b-3 unless and until Participant shall comply with all applicable requirements of Rule 16b-3, including without limitation, the possible requirement that Participant must not sell or otherwise dispose of any Shares acquired pursuant to Restricted Stock Units unless and until a period of at least six months shall have elapsed between the date upon which such Restricted Stock Units were granted to Participant and the date upon which Participant desires to sell or otherwise dispose of such Shares.

6. Representations and Warranties. As a condition to the receipt of any Shares upon vesting of the Restricted Stock Units, the Company may require Participant to make any representations and warranties to the Company that legal counsel to the Company may determine to be required or advisable under any applicable law or regulation, including without limitation, representations and warranties that the Shares are being acquired only for investment and without any present intention or view to sell or distribute any such Shares.

7. Compliance With Law and Regulations. Notwithstanding any other provision of the Plan or this Agreement, unless there is an available exemption from any registration, qualification or other legal requirement applicable to the Shares, the Company shall not be required to deliver any Shares issuable upon settlement of the Restricted Stock Units prior to the completion of any registration or qualification of the Shares under any local, state, federal or foreign securities or exchange control law or under rulings or regulations of the U.S. Securities and Exchange Commission ("SEC") or of any other governmental regulatory body, or prior to obtaining any approval or other clearance from any local, state, federal or foreign governmental agency, which registration, qualification or approval the Company shall, in its absolute discretion, deem necessary or advisable. Participant understands that the Company is under no obligation to register or qualify the Shares with the SEC or any state or foreign securities commission or to seek approval or clearance from any governmental authority for the issuance or sale of the Shares. Further, Participant agrees that the Company shall have unilateral authority to amend the Plan and this Agreement without Participant's consent to the extent necessary to comply with securities or other laws applicable to issuance of Shares.

8. Responsibility for Taxes. Participant acknowledges that, regardless of any action taken by the Company or, if different, Participant's employer (the "Employer"), the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to Participant's participation in the Plan and legally applicable to Participant or deemed by the Company or the Employer in its discretion to be an appropriate charge to Participant even if legally applicable to the Company or the Employer ("Tax-Related Items"), is and remains Participant's responsibility and may exceed the amount actually withheld by the Company or the Employer. Participant further acknowledges that the Company and the Employer (a) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Restricted Stock Units, including, but not limited to, the grant, vesting or settlement of the Restricted Stock Units, the subsequent sale of any Shares acquired at settlement and the receipt of any dividends; and (b) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Restricted Stock Units to reduce or eliminate Participant's liability for Tax-Related Items or achieve any particular tax result. Further, if Participant is subject to Tax-Related Items in more than one jurisdiction, Participant acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to any relevant taxable or tax withholding event, as applicable, Participant agrees to make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items.

In this regard, Participant authorizes the Company and/or the Employer, or the respective agents of the Company and/or the Employer, at the Company's discretion, to satisfy withholding obligations with respect to all Tax-Related Items by one or a combination of the following:

(a) withholding from proceeds of the sale of Shares acquired upon settlement of the Restricted Stock Units either through a voluntary sale or through a mandatory sale arranged by the Company (on Participant's behalf pursuant to this authorization);

(b) withholding from Participant's wages or other cash compensation paid to Participant by the Company and/or the Employer; or

(c) withholding in Shares to be issued upon settlement of the Restricted Stock Units.

Depending on the withholding method, the Company and/or the Employer may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding rates or other applicable withholding rates, including maximum applicable rates, in which case Participant will receive a refund of any over-withheld amount in cash and will have no entitlement to the Share equivalent. If the obligation for Tax-Related Items is satisfied by withholding in Shares, for tax purposes, Participant is deemed to have been issued the full number of Shares subject to the vested Restricted Stock Units, notwithstanding that a number of the Shares are held back solely for the purpose of paying the Tax-Related Items.

Participant agrees to pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of Participant's participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the Shares or the proceeds of the sale of Shares if Participant fails to comply with Participant's obligations in connection with the Tax-Related Items.

9. Nature of Grant. In accepting the Restricted Stock Units, Participant acknowledges, understands and agrees that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature and may be modified, amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan;

(b) the grant of Restricted Stock Units is voluntary and occasional and does not create any contractual or other right to receive future awards of Restricted Stock Units, or benefits in lieu of Restricted Stock Units even if Restricted Stock Units have been awarded in the past;

(c) nothing in this Agreement or in the Plan shall confer upon Participant any right to continue in the employment or service of the Employer, the Company or any Subsidiary or be interpreted as forming an employment or services contract with the Employer, the Company or any Subsidiary and shall not interfere with or restrict any way the ability of the Employer, the Company or any Subsidiary, as applicable, to terminate Participant's employment or service relationship, if any;

(d) all decisions with respect to future grants of Restricted Stock Units or other grants, if any, will be at the sole discretion of the Company;

(e) Participant's participation in the Plan is voluntary;

(f) in the event of the termination of Participant's Continuous Service (as defined above) (for any reason whatsoever, whether or not later to be found invalid or in breach of employment laws in the jurisdiction where Participant is employed or the terms of Participant's employment agreement, if any), unless otherwise determined by the Company, Participant's right to vest in the Restricted Stock Units under the Plan, if any, will terminate as of the date Participant is no longer actively rendering services and will not be extended by any notice period (*e.g.*, Participant's period of service would not include any contractual notice period or any period of "garden leave" or similar period mandated under employment laws in the jurisdiction where Participant is employed or the terms of Participant's employment agreement, if any); the Committee shall have the exclusive discretion to determine when Participant is no longer providing Continuous Service for purposes of this Agreement, including whether Participant may still be considered to be providing active service while on a leave of absence; and

(g) if Participant is providing services outside the United States, the following additional provisions shall apply:

(1) Restricted Stock Units and the Shares subject to Restricted Stock Units, and the income and value of same, are not part of normal or expected compensation or salary for any purpose, including, but not limited to, calculation of any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments;

(2) Restricted Stock Units and the Shares subject to Restricted Stock Units, and the income and value of same, are not intended to replace any pension rights or compensation;

(3) Restricted Stock Units are an extraordinary item that does not constitute compensation of any kind for service of any kind rendered to the Company or to the Employer, and Restricted Stock Units are outside of the scope of Participant's employment agreement, if any;

(4) no claim or entitlement to compensation or damages shall arise from forfeiture of Restricted Stock Units resulting from termination of Participant's Continuous Service (for any reason whatsoever, whether or not later found to be invalid or in breach of employment laws in the jurisdiction where Participant is employed or the terms of Participant's employment agreement, if any), and in consideration of the grant of Restricted Stock Units to which Participant is otherwise not entitled, Participant irrevocably agrees never to institute any claim against the Company, any of its Subsidiaries or the Employer, waives his or her ability, if any, to bring any such claim, and releases the Company, its Subsidiaries and the Employer from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, Participant shall be deemed irrevocably to have agreed not to pursue such claim and agrees to execute any and all documents necessary to request dismissal or withdrawal of such claim; and

(5) neither the Company, the Employer nor any Subsidiary of the Company shall be liable for any foreign exchange rate fluctuation between Participant's local currency and the United States Dollar that may affect the value of Restricted Stock Units or of any amounts due to Participant pursuant to the settlement of the Restricted Stock Units or the subsequent sale of any Shares acquired upon settlement.

10. **Data Privacy Notice and Consent.** ***Participant hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of Participant's personal data, as described in this Agreement and any other Restricted Stock Unit grant materials by and among, as applicable, the Employer, the Company and Subsidiaries for the exclusive purpose of implementing, administering and managing Participant's participation in the Plan.***

Participant understands that the Employer, the Company and Subsidiaries may hold certain personal information about Participant, including, but not limited to, Participant's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any Shares or directorships held in the Company, details of all Restricted Stock Units or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in Participant's favor ("Data"), for the exclusive purpose of implementing, administering and managing the Plan.

Participant understands that Data will be transferred to Morgan Stanley, or such other stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration and management of the Plan. Participant understands that the recipients of the Data may be located in the United States or elsewhere, and that the recipients' country (e.g., the United States) may have different data privacy laws and protections than Participant's country. Participant understands that if he or she resides outside the United States, he or she may request a list with the names and addresses of any potential recipients of the Data by contacting his or her local human resources representative. Participant authorizes the Company, Morgan Stanley and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing Participant's participation in the Plan, including any transfer of such Data as may be required to a broker, escrow agent or other third party with whom the Shares received upon vesting of Restricted Stock Units may be deposited. Participant understands that Data will be held only as long as is necessary to implement, administer and manage his or her participation in the Plan. Participant understands that if he or she resides outside the United States, he or she may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing his or her local human resources representative. Further, Participant understands that he or she is providing the consents herein on a purely voluntary basis. If Participant does not consent, or if Participant later seeks to revoke his or her consent, his or her employment status or service and career with the Employer will not be adversely affected; the only adverse consequence of refusing or withdrawing Participant's consent is that the Company may not be able to grant Restricted Stock Units or other equity awards to Participant or administer or maintain such awards. Therefore, Participant understands that refusing or withdrawing his or her consent may affect Participant's ability to participate in the Plan. For more information on the consequences of his or her refusal to consent or withdrawal of consent, Participant understands that he or she may contact his or her local human resources representative.

11. Miscellaneous Provisions.

11.1 Notices. Any notice required to be given under this Agreement shall be in writing and shall be deemed effective upon personal delivery or upon deposit in the sender's local mail, registered or certified, postage prepaid and properly addressed to the party entitled to such notice at the latest address on file or at such other address as such party may designate by ten days advance written notice under this Section to all other parties to this Agreement.

11.2 Waiver. The failure of the Company in any instance to exercise any rights under this Agreement, including the forfeiture rights under Section 4, shall not constitute a waiver of any other rights that may subsequently arise under the provisions of this Agreement or any other agreement between the Company and Participant. Participant acknowledges that no waiver by the Company of any breach of any provision of this Agreement shall operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by Participant or any other Participant, whether of like or different nature.

11.3 Imposition of Other Requirements & Participant Undertaking. The Company reserves the right to impose other requirements on Participant's participation in the Plan, on the Restricted Stock Units and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons. Participant hereby agrees to take whatever additional action and execute whatever additional documents the Company may deem necessary or advisable in order to carry out the foregoing or one or more of the obligations or restrictions imposed on either Participant or the Shares pursuant to the provisions of this Agreement.

11.4 Entire Contract. This Agreement and the Plan constitute the entire understanding and agreement of the parties with respect to the subject matter contained herein. This Agreement is made pursuant to, and incorporates by reference, the provisions of the Plan and shall in all respects be construed in conformity with the terms of the Plan.

11.5 Language. If Participant has received this Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

11.6 Electronic Delivery and Acceptance. The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

11.7 Successors and Assigns. The provisions of this Agreement shall inure to the benefit of, and be binding upon, the Company and its successors and assigns and upon Participant, Participant's permitted assigns and the legal representatives, heirs and legatees of Participant's estate, whether or not any such person shall have become a party to this Agreement and have agreed in writing to join herein and be bound by the terms hereof. Participant may not assign this Agreement other than by the laws of decent and distribution.

11.8 Severability. In the event that any provision in this Agreement will be held invalid or unenforceable, such provision will be severable from, and such invalidity or unenforceability will not be construed to have any effect on, the remaining provisions of this Agreement.

11.9 Governing Law and Choice of Venue. The Restricted Stock Units and the provisions of this Agreement shall be governed by, and subject to, the laws of the State of Utah, United States, without regard to the conflict of law provisions, as provided in the Plan. For purposes of litigating any dispute that arises under this Agreement or this grant of Restricted Stock Units, the parties hereby submit to and consent to the jurisdiction of the State of Utah, agree that such litigation shall be conducted in the courts of Utah County, Utah, or the federal courts of the United States for the District of Utah, where this grant is made and/or to be performed.

11.10 Appendix. Notwithstanding any provisions in this Agreement, the Restricted Stock Units shall be subject to any special terms and conditions set forth in any Appendix to this Agreement for Participant's country. Moreover, if Participant relocates to one of the countries included in the Appendix, the special terms and conditions for such country will apply to Participant, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. The Appendix constitutes part of this Agreement.

11.11 Insider Trading Restrictions/Market Abuse Laws. Depending on Participant's country of residence, Participant may be subject to insider trading restrictions and/or market abuse laws, which may affect Participant's ability to acquire or sell Shares or rights to Shares (e.g., Restricted Stock Units) under the Plan during such times as Participant is considered to have "inside information" regarding the Company (as defined by the laws in Participant's country). Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. Participant is responsible for ensuring compliance with any applicable restrictions and should consult Participant's personal legal advisor on this matter.

11.12 Section 409A. The Restricted Stock Units and issuance of Shares thereunder are intended to comply with Code Section 409A and the U.S. Treasury Regulations relating thereto so as not to subject the Participant to the payment of additional taxes and interest under Code Section 409A or other adverse tax consequences. In furtherance of this intent, the provisions of this Agreement will be interpreted, operated, and administered in a manner consistent with these intentions. The Committee may modify the terms of this Agreement, the Plan or both, without the consent of the Participant, in the manner that the Committee may determine to be necessary or advisable in order to comply with Code Section 409A or to mitigate any additional tax, interest and/or penalties or other adverse tax consequences that may apply under Code Section 409A if compliance is not practical. This Section 11.12 does not create an obligation on the part of the Company to modify the terms of this Agreement or the Plan and does not guarantee that the Restricted Stock Units or the delivery of Shares upon vesting/settlement of the Restricted Stock Units will not be subject to taxes, interest and penalties or any other adverse tax consequences under Code Section 409A. Nothing in this Agreement shall provide a basis for any person to take any action against the Company or any of its Subsidiaries based on matters covered by Code Section 409A, including the tax treatment of any amounts paid under this Agreement, and neither the Company nor any of its Subsidiaries will have any liability under any circumstances to the Participant or any other party if the Restricted Stock Units, the delivery of Shares upon vesting/settlement of the Restricted Stock Units or other payment or tax event hereunder that is intended to be exempt from, or compliant with, Code Section 409A, is not so exempt or compliant or for any action taken by the Committee with respect thereto. Further, settlement of any portion of the Restricted Stock Units that is Deferred Compensation may not be accelerated or postponed except to the extent permitted by Code Section 409A.

By electronically accepting this Agreement and participating in the Plan, Participant agrees to be bound by the terms and conditions in the Plan and this Agreement, including the Appendix. Within six months of the Grant Date, if Participant has not electronically accepted this Agreement on Morgan Stanley's website, or the website of any other stock plan service provider appointed by the Company, and has not otherwise rejected the grant, then this award shall automatically be deemed accepted, and Participant shall be bound by the terms and conditions in the Plan and this Agreement, including the Appendix.

APPENDIX

FOR PARTICIPANTS OUTSIDE THE U.S.

NU SKIN ENTERPRISES, INC.
AMENDED AND RESTATED 2010 OMNIBUS INCENTIVE PLAN
RESTRICTED STOCK UNIT AGREEMENT

Unless otherwise defined herein, the capitalized terms in this Appendix shall have the same defined meaning assigned to them in the Plan and the Agreement.

This Appendix includes special country-specific terms and conditions that apply to Participants in the countries listed below. This Appendix is part of the Agreement. This Appendix also includes information of which Participant should be aware with respect to his or her participation in the Plan. For example, certain individual exchange control reporting requirements may apply upon vesting of the Restricted Stock Units and/or sale of Shares. The information is based on the securities, exchange control and other laws in effect in the respective countries as of March 2014 and is provided for informational purposes. Such laws are often complex and change frequently, and results may be different based on the particular facts and circumstances. As a result, the Company strongly recommends that Participant does not rely on the information noted herein as the only source of information relating to the consequences of Participant's participation in the Plan because the information may be out of date at the time the Restricted Stock Units vest or are settled, or Participant sells Shares acquired under the Plan.

In addition, the information is general in nature and may not apply to Participant's particular situation, and the Company is not in a position to assure Participant of any particular result. Accordingly, Participant is advised to seek appropriate professional advice as to how the relevant laws in Participant's country may apply to his or her situation.

Finally, if Participant is a citizen or resident of a country other than the one in which he or she currently is residing and/or working, transfers employment after the Restricted Stock Units are granted to him or her, or is considered a resident of another country for local law purposes, the terms and conditions and/or notifications contained herein may not be applicable to him or her, and the Company shall, in its discretion, determine to what extent such terms and conditions contained herein shall apply to him or her.

AUSTRALIA

Securities Law Information. If Participant acquires Shares pursuant to the Restricted Stock Units and he or she offers Shares for sale to a person or entity resident in Australia, Participant's offer may be subject to disclosure requirements under Australian law. Participant should obtain legal advice on his or her disclosure obligations prior to making any such offer.

Exchange Control Information. Exchange control reporting is required for cash transactions exceeding AUD10,000 and for international fund transfers. If an Australian bank is assisting with the transaction, the bank will file the report on the Participant's behalf.

Data Privacy Notice and Consent. This provision supplements Section 10 of the Agreement:

Participant's personal information will be held in accordance with the Employer's privacy policy, a copy of which Participant can obtain by contacting the Employer at the address indicated below. The Employer's privacy policy contains, among other things, details of how Participant can access and seek correction of personal information held in connection with the Restricted Stock Unit, how Participant can complain about a breach of the Australian Privacy Principles and how the Employer will deal with such a complaint. The Company can be contacted at +1 (801) 345-1000. Participant's employer can be contacted at +61-2-9491-0900.

Data may be transferred to recipients located outside of Australia, including the United States and any other country where the Company has operations. Employees are (and Participant acknowledges that he or she has been) provided with a list of the Company's global offices as part of their data privacy training. The latest list can be accessed from time to time at insider.nuskin.com.

BELGIUM

Foreign Asset/Account Reporting Information. Participant is required to report any security or bank account (including any brokerage account held by Participant at Morgan Stanley) opened and maintained by Participant outside of Belgium on his or her annual tax return.

CANADA

Restricted Stock Units Only Payable in Shares. Notwithstanding any discretion in the Plan, the Restricted Stock Units will be settled in Shares only. The grant of Restricted Stock Units does not provide any right for Participant to receive a cash payment.

Securities Law Information. Participant acknowledges and agrees that he or she will sell Shares acquired through participation in the Plan only outside of Canada through the facilities of a stock exchange on which the Shares are listed. The Shares are currently listed on the New York Stock Exchange in the United States.

Foreign Asset/Account Reporting Information. Foreign property (including Shares) held by Canadian residents must be reported annually on Form T1135 (Foreign Income Verification Statement) if the total value of such foreign property exceeds C$100,000 at any time during the year. It is not certain if the Restricted Stock Units constitute foreign property that needs to be reported on Form T1135. The form must be filed by April 30th of the following year. It is the Participant's responsibility to comply with applicable reporting obligations.

The following provisions apply if Participant is resident in Quebec:

Data Privacy. Participant hereby authorizes the Company, the Employer and their representatives to discuss with and obtain all relevant information from all personnel, professional or not, involved in the administration and operation of the Plan. Participant further authorizes the Company and its Subsidiaries to disclose and discuss the Plan with their advisors. Participant further authorizes the Company and its Subsidiaries to record such information and to keep such information in the his or her employee file.

Language Consent. The parties acknowledge that it is their express wish that the Agreement, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English.

Les parties reconnaissent avoir exigé la rédaction en anglais de cette convention, ainsi que de tous documents exécutés, avis donnés et procédures judiciaries intentées, directement ou indirectement, relativement à ou suite à la présente convention.

CHINA

The following provisions apply only to Participants who are subject to exchange control restrictions imposed by the State Administration of Foreign Exchange ("SAFE"), as determined by the Company in its sole discretion:

Settlement of Restricted Stock Units. This provision supplements Section 1.4 of the Agreement:

The Restricted Stock Units will only vest if and when the Company has completed the registration of the Plan with SAFE and provided such registration remains effective. If the Company is unable to complete the registration or maintain the registration, the settlement of the Restricted Stock Units may be delayed. Shares issued to Participant under the Plan must be maintained in an account with Morgan Stanley or such other broker as may be designated by the Company until the Shares are sold through that broker.

Furthermore, due to regulatory requirements, Participant acknowledges and agrees that Participant must sell any Shares issued to Participant upon vesting of the Restricted Stock Units as soon as practicable following the termination of Participant's Continuous Service and in no event later than six months following the termination of Participant's Continuous Service, or within any other such time frame as may be required by SAFE. Participant agrees that if Participant continues to hold any of such Shares after this time, the Shares will be sold by the Company's designated broker on Participant's behalf at the instruction of the Company. Therefore, by accepting the Restricted Stock Units, Participant understands and agrees that the Company is authorized to, and may in its sole discretion, instruct its designated broker to assist with the mandatory sale of Shares (on Participant's behalf pursuant to this authorization) and that Participant expressly authorizes the Company's designated broker to complete the sale of such Shares. Participant acknowledges that the Company's designated broker is under no obligation to arrange for the sale of the Shares at any particular price. Upon the sale of the Shares, the proceeds, less any Tax-Related Items and brokerage fees or commissions will be remitted to Participant pursuant to the procedures described in the "Exchange Control Information" section below.

Exchange Control Information. Participant understands and agrees that, to facilitate compliance with exchange control requirements, Participant will be required to immediately repatriate to China the cash proceeds from the sale of the Shares issued upon the vesting of the Restricted Stock Units. Participant further understands that, under local law, such repatriation of the cash proceeds will be effectuated through a special exchange control account established by the Company or its Subsidiary in China, and Participant hereby consents and agrees that the proceeds from the sale of Shares acquired under the Plan may be transferred to such special account prior to being delivered to Participant. The Company may deliver the proceeds to Participant in U.S. dollars or local currency at the Company's discretion. If the proceeds are paid in U.S. dollars, Participant understands that he or she will be required to set up a U.S. dollar bank account in China so that the proceeds may be deposited into this account. If the proceeds are converted to local currency, there may be delays in delivering the proceeds to Participant. Participant agrees to bear the risk of any currency fluctuation between the time the Shares are sold, either through voluntary sale or through a mandatory sale arranged by the Company, or proceeds are otherwise realized under the Plan and the time such proceeds are distributed to Participant through the special exchange control account.

Participant further agrees to comply with any other requirements that may be imposed by the Company in the future to facilitate compliance with exchange control requirements in China.

DENMARK

Securities/Tax Reporting Information. If Participant holds Shares acquired under the Plan in a brokerage account with a broker or bank outside Denmark, he or she is required to inform the Danish Tax Administration about the account. For this purpose, Participant must file a Form V (Erklaering V) with the Danish Tax Administration. Both Participant and the broker or bank must sign the Form V. By signing the Form V, the broker or bank undertakes an obligation, without further request each year and not later than February 1 of the year following the calendar year to which the information relates, to forward information to the Danish Tax Administration concerning the Shares in the account. In the event that the applicable broker or bank with which the account is held does wish to, or, pursuant to the laws of the country in question, is not allowed to assume such obligation to report, Participant acknowledges that he or she is solely responsible for providing certain details regarding the foreign brokerage or bank account and any Shares acquired at vesting and held in such account to the Danish Tax Administration as part of his or her annual income tax return. By signing the Form V, Participant authorizes the Danish Tax Administration to examine the account.

In addition, if Participant opens a brokerage account (or a deposit account with a U.S. bank), the brokerage account likely will be treated as a deposit account because cash can be held in the account. Therefore, Participant likely must file a Form K (Erklaering K) with the Danish Tax Administration. The Form K must be signed both by Participant and by the applicable broker or bank where the account is held. By signing the Form K, the broker/bank undertakes an obligation, without further request each year and not later than February 1 of the year following the calendar year to which the information relates, to forward information to the Danish Tax Administration concerning the content of the account. In the event that the applicable financial institution (broker or bank) with which the account is held, does not wish to, or, pursuant to the laws of the country in question, is not allowed to assume such obligation to report, Participant acknowledges that he or she is solely responsible for providing certain details regarding the foreign brokerage or bank account to the Danish Tax Administration as part of his or her annual income tax return. By signing the Form K, Participant authorizes the Danish Tax Administration to examine the account.

Foreign Asset/Account Reporting Information. If Participant establishes an account holding Shares or an account holding cash outside Denmark, he or she must report the account to the Danish Tax Administration. The form may be obtained from a local bank. Please note that these obligations are separate from and in addition to the obligations described above.

SÆRLIG MEDDELELSE TIL MEDARBEJDERE I DANMARK
ARBEJDSGIVERERKLÆRING

I henhold til § 3, stk. 1, i lov om brug af køberet eller tegningsret mv. i ansættelsesforhold ("Aktieoptionsloven") er medarbejderen ("Medarbejderen") berettiget til i en særskilt skriftlig erklæring at modtage følgende oplysninger vedrørende incitamentsordningen Amended and Restated 2010 Omnibus Incentive Plan ("Planen") hos Nu Skin Enterprises, Inc. ("Selskabet").

Denne erklæring indeholder kun de oplysninger, der er nævnt i Aktieoptionsloven, mens de øvrige vilkår og betingelser for Medarbejderens tildeling af "Restricted Stock Units" er nærmere beskrevet i Planen, "Restricted Stock Unit Agreement" ("Aftalen") og det øvrige tildelingsmateriale, som er blevet udleveret. Begreber, der står med stort begyndelsesbogstav i denne Arbejdsgivererklæring, men som ikke er defineret heri, har samme betydning som de begreber, der er defineret i Planen eller Aftalen.

1. Tidspunkt for tildeling af den vederlagsfri ret til at modtage aktier mod opfyldelse af visse betingelser

   Tidspunktet for tildelingen af "Restricted Stock Units" er den dato, hvor Bestyrelsens Vederlagsudvalg ("Udvalget") godkendte tildelingen.

2. Kriterier og betingelser for tildeling af retten til senere at modtage aktier

   Kun Selskabets Medarbejdere, bestyrelsesmedlemmer og konsulenter kan deltage i Planen. Tildeling af "Restricted Stock Units" i henhold til Planen sker efter Selskabets eget skøn og har til formål at give Selskabet og dets datterselskaber mulighed for at tiltrække og fastholde udvalgte medarbejdere, som forventes at bidrage til Selskabets success og opnå langsigtede mål til gavn for Selskabets aktionærer. Medarbejderen har ikke nogen ret til eller noget krav på fremover at få tildelt "Restricted Stock Units".

3. Modningstidspunkt eller -periode

"Restricted Stock Units" modnes over tid ("modningsperioden"), forudsat at Medarbejderen stadig er ansat i eller arbejder for Selskabet eller et datterselskab, og alle øvrige modningsbetingelser i Aftalen er opfyldt, medmindre "Restricted Stock Units" modnes eller bortfalder på et tidligere tidspunkt af de årsager, der er anført i Planen, og med forbehold for pkt. 5 i denne erklæring.

4. Udnyttelseskurs

Der betales ingen udnyttelseskurs ved modning af "Restricted Stock Units" eller udstedelse af aktier til Medarbejderen.

5. Medarbejderens retsstilling i forbindelse med fratræden

I henhold til Aktieoptionsloven vil "Restricted Stock Units" i tilfælde af Medarbejderens fratræden blive behandlet i overensstemmelse med Aktieoptionslovens §§ 4 og 5, medmindre bestemmelserne i Planen og Aftalen er mere fordelagtige for Medarbejderen end Aktieoptionslovens §§ 4 og 5. Hvis bestemmelserne i Planen og Aftalen er mere fordelagtige for Medarbejderen, vil disse bestemmelser være gældende for, hvordan "Restricted Stock Units" behandles i forbindelse med Medarbejderens fratræden.

6. Økonomiske aspekter ved at deltage i Planen

Tildelingen af "Restricted Stock Units" har ingen umiddelbare økonomiske konsekvenser for Medarbejderen. Værdien af "Restricted Stock Units" indgår ikke i beregningen af feriepenge, pensionsbidrag eller andre lovpligtige, vederlagsafhængige ydelser.

Ordinære aktier er finansielle instrumenter. Den fremtidige værdi af de underliggende aktier i forbindelse med "Restricted Stock Units" kendes ikke og kan ikke forudsiges med sikkerhed.

HONG KONG

Restricted Stock Units Only Payable in Shares. Notwithstanding any discretion in the Plan, the Restricted Stock Units will be settled in Shares only. The grant of Restricted Stock Units does not provide any right for Participant to receive a cash payment.

Restriction on Sale of Shares. Should any portion of the Restricted Stock Units vest within six months of the Grant Date, Participant agrees that Participant will not dispose of the Shares acquired at vesting prior to the six-month anniversary of the Grant Date.

Securities Law Information. *Warning: The Restricted Stock Units and any Shares issued at vesting do not constitute a public offering of securities under Hong Kong law and are available only to selected Employees, Directors and Consultants of the Company or its Subsidiaries. The Agreement, including this Appendix, the Plan and other grant documents have not been prepared in accordance with and are not intended to constitute a "prospectus" for a public offering of securities under the applicable securities legislation in Hong Kong, nor have the documents been reviewed by any regulatory authority in Hong Kong. If Participant is in any doubt about any of the contents of the Agreement, including this Appendix, or the Plan, or any other grant documents, Participant should obtain independent professional advice.*

HUNGARY

There are no country-specific provisions.

INDONESIA

Exchange Control Information. If Participant remits proceeds from the sale of Shares or the receipt of any dividends paid on such Shares into Indonesia, the Indonesian Bank through which the transaction is made will submit a report on the transaction to the Bank of Indonesia for statistical reporting purposes. For transactions of US$10,000 or more, a description of the transaction must be included in the report. Although the bank through which the transaction is made is required to make the report, Participant must complete a "Transfer Report Form." The Transfer Report Form should be provided to Participant by the bank through which the transaction is made.

JAPAN

Foreign Asset/Account Reporting Information. Participant will be required to report details of any assets (including any Shares acquired under the Plan) held outside of Japan as of December 31st of each year, to the extent such assets have a total net fair market value exceeding ¥50 million. Such report will be due by March 15th of the following year. Participant should consult with his or her personal tax advisor as to whether the reporting obligation applies to Participant and whether Participant will be required to report details of any outstanding Restricted Stock Units or Shares held by Participant in the report.

KOREA

Exchange Control Information. Participants who realize US$500,000 or more from the sale of Shares or the receipt of any dividends paid on such Shares in a single transaction are required to repatriate the proceeds to Korea within 18 months of receipt.

Foreign Asset/Account Reporting Information. Korean residents must declare all foreign financial accounts (*e.g.*, non-Korean bank accounts, brokerage accounts, etc.) to the Korean tax authority and file a report with respect to such accounts if the value of such accounts exceeds KRW 1 billion (or an equivalent amount in foreign currency). Participant should consult with his or her personal tax advisor to determine how to value Participant's foreign accounts for purposes of this reporting requirement and whether Participant is required to file a report with respect to such accounts.

MALAYSIA

Director Notification Information. If Participant is a director of a Malaysian Subsidiary, Participant is subject to certain notification requirements under the Malaysian Companies Act, 1965. Among these requirements is an obligation to notify the Malaysian Subsidiary in writing when Participant receives an interest (*e.g.*, Restricted Stock Units) in the Company or any related companies. In addition, Participant must notify the Malaysian Subsidiary when Participant sells shares of the common stock of the Company or any related company (including when Participant sells Shares acquired under the Plan). These notifications must be made within fourteen days of acquiring or disposing of any interest in the Company or any related company.

Data Privacy Notice and Consent. This provision replaces in its entirety Section 10 of the Agreement:

Participant hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of Participant's personal data, as described in this Agreement and any other Restricted Stock Unit grant materials by and among, as applicable, the Employer, the Company and Subsidiaries for the exclusive purpose of implementing, administering and managing Participant's participation in the Plan. ***Participant understands that the Employer, the Company and Subsidiaries may hold certain personal information about Participant, including, but not limited to, Participant's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any Shares or directorships held in the Company, details of all Restricted Stock Units or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in Participant's favor, for the exclusive purpose of implementing, administering and managing the Plan ("Data"). The Data is supplied by the Employer and also by me through information collected in connection with the Agreement and the Plan.*** ***Participant understands that Data will be transferred to Morgan Stanley, or such other stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration and management of the Plan. Participant understands that the recipients of the Data may be located in the United States or elsewhere, and that the recipients' country (e.g., the United States) may have different data privacy laws and protections than Participant's country. Participant understands that if he or she resides outside the United States, he or she may request a list with the names and addresses of any potential recipients of the Data by contacting his or her local human resources representative at +60-03-2170-7700. Participant authorizes the Company, Morgan Stanley and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing Participant's participation in the Plan, including any transfer of such Data as may be required to a broker, escrow agent or other third party with whom the Shares received upon vesting of Restricted Stock Units may be deposited. Participant understands that Data will be held only as long as is necessary to implement, administer and manage his or her participation in the Plan. Participant understands that if he or she resides outside the United States, he or she may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing his or her local human resources representative. Further, Participant understands that he or she is providing the consents herein on a purely voluntary basis. If Participant does not consent, or if Participant later seeks to revoke his or her consent, his or her employment status or service and career with the Employer will not be adversely affected; the only adverse consequence of refusing or withdrawing Participant's consent is that the Company may not be able to grant Participant Restricted Stock Units or other equity awards or administer or maintain such awards. Therefore, Participant understands that refusing or withdrawing his or her consent may affect Participant's ability to participate in the Plan. For more information on the consequences of his or her refusal to consent or withdrawal of consent, Participant understands that he or she may contact his or her local human resources representative.***		***Peserta dengan ini secara eksplisit dan tanpa sebarang keraguan mengizinkan pengumpulan, penggunaan dan pemindahan, dalam bentuk elektronik atau lain-lain, data peribadi Peserta seperti yang diterangkan dalam Perjanjian dan bahan-bahan geran Unit Saham Terbatas yang lain oleh dan di antara, seperti yang berkenaan, Majikan, Syarikat dan Anak-anak Syarikat untuk tujuan yang eksklusif bagi melaksanakan, mentadbir dan menguruskan penyertaan Peserta di dalam Pelan.*** ***Peserta memahami bahawa Majikan, Syarikat and Anak-anak Syarikat mungkin memegang maklumat peribadi tertentu tentang Peserta, termasuk, tetapi tidak terhad kepada, nama Peserta, alamat rumah dan nombor telefon, tarikh lahir, nombor insurans sosial atau nombor pengenalan lain, gaji, kewarganegaraan, jawatan, apa-apa Syer atau jawatan pengarah yang dipegang dalam Syarikat, butir-butir semua Unit Saham Terbatas, atau apa-apa hak lain atas Syer yang dianugerahkan, dibatalkan, dilaksanakan, terletak hak, tidak diletak hak ataupun yang belum dijelaskan bagi faedah Peserta, untuk tujuan eksklusif bagi melaksanakan, mentadbir dan menguruskan Pelan tersebut ("Data"). Data tersebut dibekalkan oleh Majikan dan juga oleh saya berkenaan dengan Perjanjian dan Pelan.*** ***Peserta memahami bahawa Data ini akan dipindahkan kepada Morgan Stanley, atau mana-mana pembekal perkhidmatan pelan saham lain sebagaimana yang dipilih oleh Syarikat pada masa depan, yang membantu Syarikat dengan pelaksanaan, pentadbiran dan pengurusan Pelan. Peserta memahami bahawa penerima-penerima Data mungkin berada di Amerika Syarikat atau mana-mana tempat lain, dan bahawa negara penerima-penerima (contohnya, Amerika Syarikat) mungkin mempunyai undang-undang privasi data dan perlindungan yang berbeza daripada negara Peserta. Peserta memahami bahawa sekiranya Peserta menetap di luar Amerika Syarikat, Peserta boleh meminta satu senarai yang mengandungi nama-nama dan alamat-alamat penerima-penerima Data yang berpotensi dengan menghubungi wakil sumber manusia tempatan peserta di +60-03-2170-7700. Peserta memberi kuasa kepada Syarikat, Morgan Stanley dan mana-mana penerima-penerima kemungkinan lain yang mungkin akan membantu Syarikat (pada masa sekarang atau pada masa depan) dengan melaksanakan, mentadbir dan menguruskan Pelan untuk menerima, memiliki, menggunakan, mengekalkan dan memindahkan Data, dalam bentuk elektronik atau lain-lain, bagi tujuan-tujuan untuk melaksanakan, mentadbir dan menguruskan penyertaan Peserta di dalam Pelan, termasuk segala pemindahan Data tersebut sebagaimana yang dikehendaki kepada broker, egen eskrow atau pihak ketiga dengan siapa Saham diterima semasa peletakhakan Unit Saham Terbatas mungkin didepositkan. Peserta memahami bahawa Data hanya akan disimpan selagi ia adalah diperlukan untuk melaksanakan, mentadbir, dan menguruskan penyertaan peserta dalam Pelan. Peserta memahami bahawa sekiranya peserta menetap di luar Amerika Syarikat, peserta boleh, pada bila-bila masa, melihat Data, meminta maklumat tambahan mengenai penyimpanan dan pemprosesan Data, meminta bahawa pindaan-pindaan dilaksanakan ke atas Data atau menolak atau menarik balik persetujuan dalam ini, dalam mana-mana kes, tanpa kos, dengan menghubungi secara bertulis wakil sumber manusia tempatan. Selanjutnya, Peserta memahami bahawa peserta memberikan persetujuan di sini secara sukarela semata-mata. Sekiranya Peserta tidak bersetuju, atau sekiranya Peserta kemudian membatalkan persetujuannya, status pekerjaan atau perkhidmatan dan kerjaya Peserta dengan Majikan tidak akan terjejas; satu-satunya akibat buruk sekiranya Peserta tidak bersetuju atau menarik balik persetujuan Peserta adalah bahawa Syarikat tidak akan dapat memberikan Unit Saham Terbatas atau anugerah ekuiti lain atau mentadbir atau mengekalkan anugerah-anugerah tersebut kepada Peserta. Oleh itu, Peserta memahami bahawa keengganan atau penarikan balik persetujuan peserta boleh menjejaskan keupayaan Peserta untuk mengambil bahagian dalam Pelan. Untuk maklumat lebih lanjut mengenai akibat-akibat keengganan Peserta untuk memberikan keizinan atau penarikan balik keizinan, Peserta memahami bahawa Peserta boleh menghubungi wakil sumber manusia tempatan.***

NEW ZEALAND

There are no country-specific provisions.

PHILIPPINES

Securities Law Information. The sale or disposal of Shares acquired under the Plan may be subject to certain restrictions under Philippines securities laws. Those restrictions should not apply if the offer and resale of the Shares takes place outside of the Philippines through the facilities of a stock exchange on which the Shares are listed. The Shares are currently listed on the New York Stock Exchange in the United States.

RUSSIA

Exchange Control Information. Participant acknowledges that he or she must repatriate the proceeds from the sale of Shares and any dividends received in relation to the Restricted Stock Units within a reasonably short time of receipt. Such amounts must be initially credited to Participant through a foreign currency account opened in his or her name at an authorized bank in Russia. After the funds are initially received in Russia, they may be further remitted to foreign banks, provided certain requirements are satisfied. Participant must notify the Russian tax authorities about the opening/closing of each foreign account within one month of the account opening/closing and provide account balances in each foreign account as of the beginning of each calendar year. ***Participant is encouraged to contact his or her personal advisor with respect to satisfying the above-described currency rules, as significant penalties may apply in the case of non-compliance with exchange control requirements and because such exchange control requirements may change.***

Securities Law Information. These materials do not constitute advertising or an offering of securities in Russia nor do they constitute placement of Shares in Russia. The issuance of Shares pursuant to the Restricted Stock Units described herein has not and will not be registered in Russia and hence, the Shares described herein may not be admitted or used for offering, placement or public circulation in Russia. Participant acknowledges and agrees that he or she will sell Shares acquired through participation in the Plan only outside of Russia through the facilities of a stock exchange on which the Shares are listed. The Shares are currently listed on the New York Stock Exchange in the United States.

Data Privacy Notice and Consent. Participant hereby acknowledges that he or she has read and understood the terms regarding collection, processing and transfer of Data contained in Section 10 of the Agreement and, by accepting the Restricted Stock Units, Participant agrees to such terms. In this regard, upon request of the Company or the Employer, Participant agrees to provide an executed data privacy consent form to the Employer or the Company, or any other agreements or consents that the Company and/or the Employer may deem necessary to obtain Participant's consent to collect, process or transfer Participant's Data for purposes of administering his or her participation in the Plan under the data privacy laws in Russia, either now or in the future. Participant understands that he or she will not be able to participate in the Plan if he or she fails to execute any such consent or agreement.

SINGAPORE

Securities Law Information. The grant of Restricted Stock Units is being made in reliance on the "Qualifying Person" exemption under section 273(1)(f) of the Securities and Futures Act (Chapter 289, 2006 Ed.) ("SFA"). The Plan has not been lodged or registered as a prospectus with the Monetary Authority of Singapore. Participant should note that the Restricted Stock Units are subject to section 257 of the SFA and he or she will not be able to make (i) any subsequent sale of Shares in Singapore or (ii) any offer of such subsequent sale of Shares subject to the Restricted Stock Units in Singapore, unless such sale or offer is made pursuant to the exemptions under Part XIII Division (1) Subdivision (4) (other than section 280) of the SFA.

Director Notification Information. If Participant is a director, associate director or shadow director of a Singapore Subsidiary, Participant is subject to certain notification requirements under the Singapore Companies Act. Among these requirements is an obligation to notify the Singapore Subsidiary in writing when Participant receives an interest (*e.g.*, Restricted Stock Units) in the Company or any related company. In addition, Participant must notify the Singapore Subsidiary when Participant sells shares of the common stock of the Company or any related company (including when Participant sells Shares acquired under the Plan). These notifications must be made within two business days of acquiring or disposing of any interest in the Company or any related company. In addition, a notification must be made of Participant's interests in the Company or any related company within two business days of becoming a director, associate director or shadow director.

SWEDEN

There are no country-specific provisions.

TAIWAN

Exchange Control Information. Participant may remit foreign currency (including proceeds from the sale of Shares or the receipt of any dividends paid on such Shares) into or out of Taiwan up to US$5,000,000 per year without special permission. If the transaction amount is TWD500,000 or more in a single transaction, Participant must submit a Foreign Exchange Transaction Form to the remitting bank and provide supporting documentation to the satisfaction of the remitting bank.

THAILAND

Exchange Control Information. If the proceeds from the sale of Shares or the receipt of any dividends paid on such Shares are equal to or greater than US$50,000 or more in a single transaction, Participant must repatriate the proceeds to Thailand immediately upon receipt and convert the funds to Thai Baht or deposit the proceeds in a foreign currency deposit account maintained by a bank in Thailand within 360 day of remitting the proceeds to Thailand. In addition Participant must report the inward remittance to the Bank of Thailand on a foreign exchange transaction form. If Participant fails to comply with these obligations, Participant may be subject to penalties assessed by the Bank of Thailand. Because exchange control regulations change frequently and without notice, Participant should consult his or her personal advisor before selling Shares to ensure compliance with current regulations. Participant is responsible for ensuring compliance with all exchange control laws in Thailand, and neither the Company nor any of its Subsidiaries will be liable for any fines or penalties resulting from his or her failure to comply with applicable laws.

NU SKIN ENTERPRISES, INC.
AMENDED AND RESTATED 2010 OMNIBUS INCENTIVE PLAN
PERFORMANCE STOCK OPTION AGREEMENT

This Performance Stock Option Agreement and Participant's grant details (the "Grant Summary"), which can be accessed in Participant's My Grants on the Morgan Stanley StockPlanConnect Website at www.stockplanconnect.com or the website of any other stock plan administrator selected by the Company in the future, (collectively, this "Agreement") set forth the terms and conditions of the Performance Options granted to Participant under the Amended and Restated Nu Skin Enterprises, Inc. 2010 Omnibus Incentive Plan (the "Plan"). In the event of a conflict between the terms and conditions of the Plan and the terms and conditions of this Agreement, the terms and conditions of the Plan shall prevail. Unless otherwise defined herein, the capitalized terms in this Agreement shall have the same defined meaning assigned to them in the Plan.

1. Grant of Performance Options.

1.1 Grant of Performance Options. Effective as of the date of grant specified in the Grant Summary (the "Grant Date"), the Company grants to Participant Performance Options to purchase up to the number of Shares specified in the Grant Summary (i.e. the number of Performance Options that would vest upon achievement of [Performance Vesting Provisions], as set forth in Section 1.2). The Performance Options are Nonqualifed Stock Options. Performance Options granted under this Agreement may not be exercised at any time until such Performance Options are vested, as provided in Section 1.2.

1.2 Vesting of Performance Options. The Performance Options shall vest and become exerciseable as follows, except as otherwise provided in this Agreement, including pursuant to Sections 1.3 and 4:

[Performance Vesting Schedule]

1.3 Term of Performance Options.

(a) In the event Participant's Continuous Service (as defined below) is terminated for any reason prior to the full vesting of the Performance Options, the Performance Options granted hereunder shall terminate to the extent they are not vested as of the termination of Participant's Continuous Service, as determined in accordance with Section 9(f) below, and Participant shall not have any right to exercise such unvested Performance Options.

(b) Subject to the provisions of the Plan and this Agreement, including Section 4 hereof, all Performance Options granted hereunder that are vested but unexercised shall terminate on the earliest to occur of:

(1) the date on which Participant's Continuous Service is terminated for Cause (as defined in Section 1.6);

(2) three months after the termination of Participant's Continuous Service for any reason other than as a result of Participant's death or Disability (as defined below);

(3) 12 months after the termination of Participant's Continuous Service due to Participant's death or Disability; or

(4) the seventh anniversary of the Grant Date.

(c) Notwithstanding the foregoing, any [Performance Termination Provisions], as provided in Section 1.2, shall immediately terminate.

Notwithstanding the foregoing, if the exercise of Performance Options is prevented by the Company within the applicable time periods set forth in Section 1.3(b)(2) and (3) for any reason, the Performance Options shall not expire before the date that is 30 days after the date that Participant is notified by the Company that the Performance Options are again exercisable, but in any event no later than the seventh anniversary of the Grant Date.

For purposes of this Agreement:

"Continuous Service" means that Participant's service with the Company or a Subsidiary, whether as an Employee, Director, or Consultant, is not interrupted or terminated. Participant's Continuous Service shall not be deemed to have terminated merely because of a change in the capacity in which Participant renders service to the Company or a Subsidiary as an Employee, Consultant, or Director, or a change in the entity for which Participant renders such service, provided that there is no interruption or termination of Participant's Continuous Service. For example, a change in status from an Employee of the Company to a Consultant of a Subsidiary or a Director will not constitute an interruption of Continuous Service. Subject to the requirements of applicable law, the Committee, in its sole discretion, shall determine whether Continuous Service shall be considered interrupted in the case of any leave of absence approved by the Company or a Subsidiary, including sick leave, military leave or any other personal leave.

"Disability" means Participant (a) is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months or (b) is, by reason of any medically determinable physical or mental impairment which can be expected to result in death, or can be expected to last for a continuous period of not less than 12 months, receiving income replacement benefits for a period of not less than three months under an accident and health plan covering employees of Participant's employer. Any question as to the existence of that Participant's physical or mental impairment as to which Participant or Participant's representative and the Company cannot agree shall be determined in writing by a qualified independent physician mutually acceptable to Participant and the Company (or its Subsidiary, as applicable). If Participant and the Company (or its Subsidiary, as applicable) cannot agree as to a qualified independent physician, each shall appoint such a physician and those two physicians shall select a third who shall make such determination in writing. The determination of Disability made in writing to the Company or a Subsidiary and Participant shall be final and conclusive for all purposes of the Performance Options.

1.4 Exercise of Performance Options. Exerciseable Performance Options may be exercised as provided on the Morgan Stanley StockPlanConnect Website at www.stockplanconnect.com (or the website of any other stock plan administrator selected by the Company in the future) or by written notice of such exercise, in the form prescribed by the Committee, to the person designated by the Committee at the corporate offices of the Company. The notice shall specify the number of Performance Options that are being exercised. Full payment of the Option Price as specified in the Grant Summary under "Grant Price" shall be made at the time of exercise in a manner set forth in the Plan, or in such other manner as may be approved by the Committee, consistent with the terms of the Plan, as it may be amended from time to time.

1.5 Stockholder Rights. Unless and until Shares are issued by the Company upon exercise of the Performance Options, Participant shall have none of the rights or privileges of a shareholder of the Company (including voting, dividend and liquidation rights) with respect to the Shares covered by the Performance Options.

1.6 Change in Control. Notwithstanding any provision in this Agreement to the contrary, if, within six months prior to and in connection with a Change in Control or within two years following such Change in Control, Participant's employment is terminated (i) by the Company and its Subsidiaries without Cause, or (ii) by Participant for Good Reason, the vesting of outstanding Performance Options governed by this Agreement shall be accelerated such that the number of Performance Options specified in the Grant Summary (i.e. the number of Performance Options that would vest upon achievement of [Performance Vesting Provisions], as set forth in Section 1.2) shall be deemed to be vested in full immediately prior to the termination of Participant's employment.

For purposes of this Agreement:

"Cause" shall mean that Participant has engaged in any one of the following:

(a) a material breach by Participant of the Company's Key Employee Covenants or any employment agreement, which breach is not cured within any applicable cure period set forth the Company's Key Employee Covenants or employment agreement;

(b) any willful violation by Participant of any material law or regulation applicable to the business of the Company or any of its Subsidiaries;

(c) Participant's conviction of, or a plea of guilty or nolo contendere to, a felony or any willful perpetration of common law fraud; or

(d) any other willful misconduct by Participant that is materially injurious to the financial condition or business reputation of, or is otherwise materially injurious to, the Company or any of its Subsidiaries.

For purposes of the foregoing, in determining whether a "material breach" has occurred, or whether there has been a willful violation of a "material" law or regulation, the standard shall be a breach or violation that is, or will reasonably likely be, materially injurious to the financial condition or business reputation of, or is, or will reasonably likely be, otherwise materially injurious to, the Company or any of its Subsidiaries.

"Good Reason" shall mean the occurance any of the following events that result in a material negative change to Participant:

(a) without Participant's consent, a material reduction in the scope of Participant's duties and responsibilities or the level of management to which Participant reports;

(b) without Participant's consent, a reduction in base salary (other than an across-the-board reduction of not more than 10% applicable to all similarly situated employees);

(c) without Participant's consent, a material reduction in Participant's benefits in the aggregate (in terms of benefit levels) from those provided to Participant under any employee benefit plan, program and practice in which Participant participates;

(d) without Participant's consent, a relocation of Participant's principal place of employment of more than 50 miles from Participant's primary residence;

(e) the failure of the Company to have a successor entity specifically assume this Agreement or any employment agreement within 10 business days after a Change in Control; or

(f) a material breach by the Company a successor entity of this Agreement or any employment agreement.

Notwithstanding the foregoing, Good Reason shall only be found to exist if Participant, not later than 90 days after the initial occurrence of an event deemed to give rise to a right to terminate for Good Reason, has provided 30 days written notice to the Company prior to Participant's resignation indicating and describing the event resulting in such Good Reason, and the Company does not cure such event (other than the event in clause vi), which shall not be subject to cure) within 90 days following the receipt of such notice from Participant.

2. Securities Law Compliance. Participant represents that Participant has received and carefully read a copy of the Prospectus for the Plan, together with the Company's most recent Annual Report to Stockholders. Participant hereby acknowledges that Participant is aware of the risks associated with the Shares and that there can be no assurance the price of the Shares will not decrease in the future. Participant hereby acknowledges no representations or statements have been made to Participant concerning the value or potential value of the Shares. Participant acknowledges that Participant has relied only on information contained in the Prospectus and has received no representations, written or oral, from the Company or its employees, attorneys or agents, other than those contained in the Prospectus or this Agreement. Participant acknowledges that the Company has made no representations or recommendations, and is not providing any tax, legal or financial advice, regarding Participant's participation in the Plan, or Participant's acquisition or sale of the underlying Shares. Participant is hereby advised to consult with his or her own personal tax, legal and financial advisors regarding his or her participation in the Plan before taking any action related to the Plan.

3. Transfer Restrictions. Participant shall not transfer, assign, sell, encumber, pledge, grant a security interest in or otherwise dispose of the Performance Options subject to this Agreement in any manner other than by the laws of descent or distribution, and shall be exercised, during the lifetime of Participant, only by Participant. Any such transfer, assignment, sale, encumbrance, pledge, security interest or disposition shall be void and shall result in the automatic termination of the Performance Options and this Agreement.

4. Forfeiture. If, at any time during Participant's Continuous Service or at any time during the 12-month period following termination of Participant's Continuous Service, Participant engages in conduct that constitutes Cause (as defined above), then at the election of the Committee, (a) this Agreement and all Performance Options granted hereunder shall terminate, and (b) Participant shall return to the Company for cancellation all Shares held by Participant plus pay the Company the amount of any proceeds received from the sale of any Shares to the extent such Shares were issued pursuant to Performance Options granted under this Agreement that were exercised (i) during the 12-month period immediately preceding the Cause, or (ii) on the date of or at any time after such Cause.

If the Company is required to prepare an accounting restatement due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, the Committee may terminate any Performance Options granted hereunder or require Participant to reimburse the Company the amount of any payment or benefit received with respect to any Performance Options granted hereunder to the extent the Performance Options would not have been earned or accrued after giving effect to the accounting restatement.

5. Governing Plan Document. This Agreement incorporates by reference all of the terms and conditions of the Plan, as presently existing and as hereafter amended. Participant expressly acknowledges and agrees that the terms and provisions of this Agreement are subject in all respects to the provisions of the Plan. Participant also expressly:

(a) Acknowledges receipt of the Plan and represents that Participant is familiar with the provisions of the Plan, and that Participant enters into this Agreement subject to all of the provisions of the Plan;

(b) Recognizes that the Committee has been granted complete authority to administer the Plan in its sole discretion, and agrees to accept all decisions related to the Plan and all interpretations of the Plan made by the Committee as final and conclusive upon Participant and upon all persons at any time claiming any interest through Participant in the Performance Options or the Shares subject to this Agreement; and

(c) Acknowledges and understands that the establishment of the Plan and the existence of this Agreement are not sufficient, in and of themselves, to exempt Participant from the requirements of Section 16(b) of the Exchange Act and any rules or regulations promulgated thereunder, and that Participant (to the extent Section 16(b) applies to Participant) shall not be exempt from such requirements pursuant to Rule 16b-3 unless and until Participant shall comply with all applicable requirements of Rule 16b-3, including without limitation, the possible requirement that Participant must not sell or otherwise dispose of any Shares acquired pursuant to Performance Options unless and until a period of at least six months shall have elapsed between the date upon which such Performance Options were granted to Participant and the date upon which Participant desires to sell or otherwise dispose of such Shares.

6. Representations and Warranties. As a condition to the receipt of any Shares upon exercise of the Performance Options, the Company may require Participant to make any representations and warranties to the Company that legal counsel to the Company may determine to be required or advisable under any applicable law or regulation, including without limitation, representations and warranties that the Shares are being acquired only for investment and without any present intention or view to sell or distribute any such Shares.

7. Compliance With Law and Regulations. Notwithstanding any other provision of the Plan or this Agreement, unless there is an available exemption from any registration, qualification or other legal requirement applicable to the Shares, the Company shall not be required to deliver any Shares issuable upon exercise of the Performance Options prior to the completion of any registration or qualification of the Shares under any local, state, federal or foreign securities or exchange control law or under rulings or regulations of the U.S. Securities and Exchange Commission ("SEC") or of any other governmental regulatory body, or prior to obtaining any approval or other clearance from any local, state, federal or foreign governmental agency, which registration, qualification or approval the Company shall, in its absolute discretion, deem necessary or advisable. Participant understands that the Company is under no obligation to register or qualify the Shares with the SEC or any state or foreign securities commission or to seek approval or clearance from any governmental authority for the issuance or sale of the Shares. Further, Participant agrees that the Company shall have unilateral authority to amend the Plan and this Agreement without Participant's consent to the extent necessary to comply with securities or other laws applicable to issuance of Shares.

8. Responsibility for Taxes. Participant acknowledges that, regardless of any action taken by the Company or, if different, Participant's employer (the "Employer"), the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to Participant's participation in the Plan and legally applicable to Participant or deemed by the Company or the Employer in its discretion to be an appropriate charge to Participant even if legally applicable to the Company or the Employer ("Tax-Related Items"), is and remains Participant's responsibility and may exceed the amount actually withheld by the Company or the Employer. Participant further acknowledges that the Company and the Employer (a) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Performance Options, including, but not limited to, the grant, vesting or exercise of the Performance Options, the subsequent sale of any Shares acquired at exercise and the receipt of any dividends; and (b) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Performance Options to reduce or eliminate Participant's liability for Tax-Related Items or achieve any particular tax result. Further, if Participant is subject to Tax-Related Items in more than one jurisdiction, Participant acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.
Prior to any relevant taxable or tax withholding event, as applicable, Participant agrees to make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items.

In this regard, Participant authorizes the Company and/or the Employer, or the respective agents of the Company and/or the Employer, at the Company's discretion, to satisfy withholding obligations with respect to all Tax-Related Items by one or a combination of the following:

(a) withholding from proceeds of the sale of Shares acquired upon exercise of the Performance Options either through a voluntary sale or through a mandatory sale arranged by the Company (on Participant's behalf pursuant to this authorization);

(b) withholding from Participant's wages or other cash compensation paid to Participant by the Company and/or the Employer; or

(c) withholding in Shares to be issued upon exercise of the Performance Options.

Depending on the withholding method, the Company and/or the Employer may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding rates or other applicable withholding rates, including maximum applicable rates, in which case Participant will receive a refund of any over-withheld amount in cash and will have no entitlement to the Share equivalent. If the obligation for Tax-Related Items is satisfied by withholding in Shares, for tax purposes, Participant is deemed to have been issued the full number of Shares subject to the vested Performance Options, notwithstanding that a number of the Shares are held back solely for the purpose of paying the Tax-Related Items.

Participant agrees to pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of Participant's participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the Shares or the proceeds of the sale of Shares if Participant fails to comply with Participant's obligations in connection with the Tax-Related Items.

9. Nature of Grant. In accepting the Performance Options, Participant acknowledges, understands and agrees that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature and may be modified, amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan;

(b) the grant of Performance Options is voluntary and occasional and does not create any contractual or other right to receive future grants of Performance Options, or benefits in lieu of Performance Options even if Performance Options have been granted in the past;

(c) nothing in this Agreement or in the Plan shall confer upon Participant any right to continue in the employment or service of the Employer, the Company or any Subsidiary or be interpreted as forming an employment or services contract with the Employer, the Company or any Subsidiary and shall not interfere with or restrict any way the ability of the Employer, the Company or any Subsidiary, as applicable, to terminate Participant's employment or service relationship, if any;

(d) all decisions with respect to future grants of Performance Options or other grants, if any, will be at the sole discretion of the Company;

(e) Participant's participation in the Plan is voluntary; and

(f) in the event of the termination of Participant's Continuous Service (as defined above) (for any reason whatsoever, whether or not later to be found invalid or in breach of employment laws in the jurisdiction where Participant is employed or the terms of Participant's employment agreement, if any), unless otherwise determined by the Company, Participant's right to vest in the Performance Options under the Plan, if any, will terminate as of the date Participant is no longer actively rendering services and will not be extended by any notice period (*e.g.*, Participant's period of service would not include any contractual notice period or any period of "garden leave" or similar period mandated under employment laws in the jurisdiction where Participant is employed or the terms of Participant's employment agreement, if any); similarly, any right to exercise Performance Options after termination of Participant's Continuous Service will be measured from the date Participant is no longer actively rendering services and will not be extended by any notice period; the Committee shall have the exclusive discretion to determine when Participant is no longer providing Continuous Service for purposes of this Agreement, including whether Participant may still be considered to be providing active service while on a leave of absence.

(g) [Reserved].

10. [Reserved].

11. Miscellaneous Provisions.

11.1 Notices. Any notice required to be given under this Agreement shall be in writing and shall be deemed effective upon personal delivery or upon deposit in the sender's local mail, registered or certified, postage prepaid and properly addressed to the party entitled to such notice at the latest address on file or at such other address as such party may designate by ten days advance written notice under this Section to all other parties to this Agreement.

11.2 Waiver. The failure of the Company in any instance to exercise any rights under this Agreement, including the forfeiture rights under Section 4, shall not constitute a waiver of any other rights that may subsequently arise under the provisions of this Agreement or any other agreement between the Company and Participant. Participant acknowledges that no waiver by the Company of any breach of any provision of this Agreement shall operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by Participant or any other Participant, whether of like or different nature.

11.3 Imposition of Other Requirements & Participant Undertaking. The Company reserves the right to impose other requirements on Participant's participation in the Plan, on the Performance Options and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons. Participant hereby agrees to take whatever additional action and execute whatever additional documents the Company may deem necessary or advisable in order to carry out the foregoing or one or more of the obligations or restrictions imposed on either Participant or the Shares pursuant to the provisions of this Agreement.

11.4 Entire Contract. This Agreement and the Plan constitute the entire understanding and agreement of the parties with respect to the subject matter contained herein. This Agreement is made pursuant to, and incorporates by reference, the provisions of the Plan and shall in all respects be construed in conformity with the terms of the Plan.

11.5 [Reserved].

11.6 Electronic Delivery and Acceptance. The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

11.7 Successors and Assigns. The provisions of this Agreement shall inure to the benefit of, and be binding upon, the Company and its successors and assigns and upon Participant, Participant's permitted assigns and the legal representatives, heirs and legatees of Participant's estate, whether or not any such person shall have become a party to this Agreement and have agreed in writing to join herein and be bound by the terms hereof. Participant may not assign this Agreement other than by the laws of decent and distribution.

11.8 Severability. In the event that any provision in this Agreement will be held invalid or unenforceable, such provision will be severable from, and such invalidity or unenforceability will not be construed to have any effect on, the remaining provisions of this Agreement.

11.9 Governing Law and Choice of Venue. The Performance Options and the provisions of this Agreement shall be governed by, and subject to, the laws of the State of Utah, United States, without regard to the conflict of law provisions, as provided in the Plan. For purposes of litigating any dispute that arises under this Agreement or this grant of Performance Options, the parties hereby submit to and consent to the jurisdiction of the State of Utah, agree that such litigation shall be conducted in the courts of Utah County, Utah, or the federal courts of the United States for the District of Utah, where this grant is made and/or to be performed.

11.10 [Reserved].

11.11 [Reserved].

11.12 [Reserved].

By electronically accepting this Agreement and participating in the Plan, Participant agrees to be bound by the terms and conditions in the Plan and this Agreement. Within six months of the Grant Date, if Participant has not electronically accepted this Agreement on Morgan Stanley's website, or the website of any other stock plan service provider appointed by the Company, and has not otherwise rejected the grant, then this grant shall automatically be deemed accepted, and Participant shall be bound by the terms and conditions in the Plan and this Agreement.

NU SKIN ENTERPRISES, INC.
AMENDED AND RESTATED 2010 OMNIBUS INCENTIVE PLAN
PERFORMANCE RESTRICTED STOCK UNIT AGREEMENT

This Performance Restricted Stock Unit Agreement and Participant's award information (the "Award Summary"), which can be accessed in Participant's My Awards on the Morgan Stanley StockPlanConnect Website at www.stockplanconnect.com or the website of any other stock plan administrator selected by the Company in the future, (collectively, this "Agreement") set forth the terms and conditions of the Performance Restricted Stock Units granted to Participant under the Amended and Restated Nu Skin Enterprises, Inc. 2010 Omnibus Incentive Plan (the "Plan"). In the event of a conflict between the terms and conditions of the Plan and the terms and conditions of this Agreement, the terms and conditions of the Plan shall prevail. Unless otherwise defined herein, the capitalized terms in this Agreement shall have the same defined meaning assigned to them in the Plan.

1. Grant of Performance Restricted Stock Units.

1.1 Grant of Performance Restricted Stock Units. Effective as of the date of grant specified in the Award Summary (the "Grant Date"), the Company grants to Participant an award of the number of Performance Restricted Stock Units specified in the Award Summary (i.e. the number of Performance Restricted Stock Units that would vest upon achievement of the 100% earnings per share levels for each tranche, as set forth in Section 1.2). Each Performance Restricted Stock Unit is a bookkeeping entry representing the Company's unfunded promise to deliver one Share on the terms provided herein and in the Plan.

1.2 Vesting of Performance Restricted Stock Units. The Performance Restricted Stock Units shall vest and become exerciseable as follows, except as otherwise provided in this Agreement, including pursuant to Sections 1.3 and 4:

[Performance Vesting Schedule]

1.3 Termination of Continuous Service. In the event Participant's Continuous Service (as defined below) is terminated for any reason prior to the full vesting of the Performance Restricted Stock Units, the Performance Restricted Stock Units granted hereunder shall terminate to the extent they are not vested as of the termination of Participant's Continuous Service, as determined in accordance with Section 9(f) below, and Participant shall not have any right to receive any Shares subject to such unvested Performance Restricted Stock Units.

For purposes of this Agreement:

"Continuous Service" means that Participant's service with the Company or a Subsidiary, whether as an Employee, Director, or Consultant, is not interrupted or terminated. Participant's Continuous Service shall not be deemed to have terminated merely because of a change in the capacity in which Participant renders service to the Company or a Subsidiary as an Employee, Consultant, or Director, or a change in the entity for which Participant renders such service, provided that there is no interruption or termination of Participant's Continuous Service. For example, a change in status from an Employee of the Company to a Consultant of a Subsidiary or a Director will not constitute an interruption of Continuous Service. Subject to the requirements of applicable law, the Committee, in its sole discretion, shall determine whether Continuous Service shall be considered interrupted in the case of any leave of absence approved by the Company or a Subsidiary, including sick leave, military leave or any other personal leave.

1.4 Settlement of Performance Restricted Stock Units. Subject to the terms of the Plan and this Agreement, Performance Restricted Stock Units shall be settled in Shares, provided that Participant has satisfied any Tax-Related Items pursuant to Section 8 below. Shares will be issued to Participant within 70 days following the vesting of each tranche of Performance Restricted Stock Units unless subject to the terms of the Company's deferred compensation plan; provided, however, that if the Participant is subject to taxation in the U.S. (a "U.S. Taxpayer"), the Performance Restricted Stock Units vest pursuant to Section 1.6 below and the Performance Restricted Stock Units are considered "non-qualified deferred compensation" subject to Section 409A of the Code ("Code Section 409A," and such compensation, "Deferred Compensation"), the Shares will be issued in accordance with the following schedule: (i) if the termination event giving rise to the vesting acceleration occurs prior to the Change in Control and the Change in Control constitutes a "change in control event" (within the meaning of U.S. Treasury Regulation 1.409A-3(i)(5)(i)) (a "409A CIC"), the Shares will be issued on the date of the Change in Control, and if the Change in Control does not constitute a 409A CIC, the Shares will be issued on the date that is six months following the Participant's "separation from service" (within the meaning of Code Section 409A) (a "Separation from Service"); (ii) if the termination event giving rise to the vesting acceleration occurs on or following the Change in Control and the Change in Control constitutes a 409A CIC, then the Shares will be issued within 30 days following the Participant's Separation from Service, and if the Change in Control is not a 409A CIC, then the Shares will be issued on the date that is six months following the Participant's Separation from Service.

Notwithstanding the foregoing, for purposes of complying with Code Section 409A, if the Participant is a U.S. Taxpayer, the Performance Restricted Stock Units are considered Deferred Compensation and the Performance Restricted Stock Units are to be settled in connection with a termination contemplated under Section 1.6 below, the Company and the Participant shall take all steps necessary (including with regard to any post-termination services by the Participant) to ensure that a termination contemplated under Section 1.6 constitutes a Separation from Service. In addition, if the Performance Restricted Stock Units are Deferred Compensation, the Performance Restricted Stock Units are settled upon the Participant's Separation from Service and the Participant is a "specified employee," within the meaning of Code Section 409A, on the date the Participant experiences a Separation from Service, then the Shares will be issued on the first business day of the seventh month following the Participant's Separation from Service, or, if earlier, on the date of the Participant's death, to the extent such delayed payment is required in order to avoid a prohibited distribution under Code Section 409A.

1.5 Stockholder Rights. Unless and until Shares are issued by the Company after the vesting of Performance Restricted Stock Units, Participant shall have none of the rights or privileges of a shareholder of the Company (including voting, dividend and liquidation rights) with respect to the Shares covered by the Performance Restricted Stock Units.

1.6 Change in Control. Notwithstanding any provision in this Agreement to the contrary, if, within six months prior to and in connection with a Change in Control or within two years following such Change in Control, Participant's employment is terminated (i) by the Company and its Subsidiaries without Cause, or (ii) by Participant for Good Reason, the vesting of outstanding Performance Restricted Stock Units governed by this Agreement shall be accelerated such that the number of Performance Restricted Stock Units specified in the Award Summary (i.e. the number of Performance Restricted Stock Units that would vest upon achievement of the 100% earnings per share levels for each outstanding tranche, as set forth in Section 1.2) shall be deemed to be vested in full immediately prior to the termination of Participant's employment.

For purposes of this Agreement:

"Cause" shall mean that Participant has engaged in any one of the following:

(a) a material breach by Participant of the Company's Key Employee Covenants or any employment agreement, which breach is not cured within any applicable cure period set forth the Company's Key Employee Covenants or employment agreement;

(b) any willful violation by Participant of any material law or regulation applicable to the business of the Company or any of its Subsidiaries;

(c) Participant's conviction of, or a plea of guilty or nolo contendere to, a felony or any willful perpetration of common law fraud; or

(d) any other willful misconduct by Participant that is materially injurious to the financial condition or business reputation of, or is otherwise materially injurious to, the Company or any of its Subsidiaries.

For purposes of the foregoing, in determining whether a "material breach" has occurred, or whether there has been a willful violation of a "material" law or regulation, the standard shall be a breach or violation that is, or will reasonably likely be, materially injurious to the financial condition or business reputation of, or is, or will reasonably likely be, otherwise materially injurious to, the Company or any of its Subsidiaries.

"Good Reason" shall mean the occurance any of the following events that result in a material negative change to Participant:

(a) without Participant's consent, a material reduction in the scope of Participant's duties and responsibilities or the level of management to which Participant reports;

(b) without Participant's consent, a reduction in base salary (other than an across-the-board reduction of not more than 10% applicable to all similarly situated employees);

(c) without Participant's consent, a material reduction in Participant's benefits in the aggregate (in terms of benefit levels) from those provided to Participant under any employee benefit plan, program and practice in which Participant participates;

(d) without Participant's consent, a relocation of Participant's principal place of employment of more than 50 miles from Participant's primary residence;

(e) the failure of the Company to have a successor entity specifically assume this Agreement or any employment agreement within 10 business days after a Change in Control; or

(f) a material breach by the Company a successor entity of this Agreement or any employment agreement.

Notwithstanding the foregoing, Good Reason shall only be found to exist if Participant, not later than 90 days after the initial occurrence of an event deemed to give rise to a right to terminate for Good Reason, has provided 30 days written notice to the Company prior to Participant's resignation indicating and describing the event resulting in such Good Reason, and the Company does not cure such event (other than the event in clause vi), which shall not be subject to cure) within 90 days following the receipt of such notice from Participant.

2. Securities Law Compliance. Participant represents that Participant has received and carefully read a copy of the Prospectus for the Plan, together with the Company's most recent Annual Report to Stockholders. Participant hereby acknowledges that Participant is aware of the risks associated with the Shares and that there can be no assurance the price of the Shares will not decrease in the future. Participant hereby acknowledges no representations or statements have been made to Participant concerning the value or potential value of the Shares. Participant acknowledges that Participant has relied only on information contained in the Prospectus and has received no representations, written or oral, from the Company or its employees, attorneys or agents, other than those contained in the Prospectus or this Agreement. Participant acknowledges that the Company has made no representations or recommendations, and is not providing any tax, legal or financial advice, regarding Participant's participation in the Plan, or Participant's acquisition or sale of the underlying Shares. Participant is hereby advised to consult with his or her own personal tax, legal and financial advisors regarding his or her participation in the Plan before taking any action related to the Plan.

3. Transfer Restrictions. Participant shall not transfer, assign, sell, encumber, pledge, grant a security interest in or otherwise dispose of the Performance Restricted Stock Units subject to this Agreement in any manner other than by the laws of descent or distribution. Any such transfer, assignment, sale, encumbrance, pledge, security interest or disposition shall be void and shall result in the automatic termination of the Performance Restricted Stock Units and this Agreement.

4. Forfeiture. If, at any time during Participant's Continuous Service or at any time during the 12-month period following termination of Participant's Continuous Service, Participant engages in conduct that constitutes Cause (as defined above), then at the election of the Committee, (a) this Agreement and all unvested Performance Restricted Stock Units granted hereunder shall terminate, and (b) Participant shall return to the Company for cancellation all Shares held by Participant plus pay the Company the amount of any proceeds received from the sale of any Shares to the extent such Shares were issued pursuant to Performance Restricted Stock Units granted under this Agreement that vested (i) during the 12-month period immediately preceding the Cause, or (ii) on the date of or at any time after such Cause.
If the Company is required to prepare an accounting restatement due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, the Committee may terminate any Performance Restricted Stock Units granted hereunder or require Participant to reimburse the Company the amount of any payment or benefit received with respect to any Performance Restricted Stock Units granted hereunder to the extent the Performance Restricted Stock Units would not have been earned or accrued after giving effect to the accounting restatement.

5. Governing Plan Document. This Agreement incorporates by reference all of the terms and conditions of the Plan, as presently existing and as hereafter amended. Participant expressly acknowledges and agrees that the terms and provisions of this Agreement are subject in all respects to the provisions of the Plan. Participant also expressly:

(a) Acknowledges receipt of the Plan and represents that Participant is familiar with the provisions of the Plan, and that Participant enters into this Agreement subject to all of the provisions of the Plan;

(b) Recognizes that the Committee has been granted complete authority to administer the Plan in its sole discretion, and agrees to accept all decisions related to the Plan and all interpretations of the Plan made by the Committee as final and conclusive upon Participant and upon all persons at any time claiming any interest through Participant in the Performance Restricted Stock Units or the Shares subject to this Agreement; and

(c) Acknowledges and understands that the establishment of the Plan and the existence of this Agreement are not sufficient, in and of themselves, to exempt Participant from the requirements of Section 16(b) of the Exchange Act and any rules or regulations promulgated thereunder, and that Participant (to the extent Section 16(b) applies to Participant) shall not be exempt from such requirements pursuant to Rule 16b-3 unless and until Participant shall comply with all applicable requirements of Rule 16b-3, including without limitation, the possible requirement that Participant must not sell or otherwise dispose of any Shares acquired pursuant to Performance Restricted Stock Units unless and until a period of at least six months shall have elapsed between the date upon which such Performance Restricted Stock Units were granted to Participant and the date upon which Participant desires to sell or otherwise dispose of such Shares.

6. Representations and Warranties. As a condition to the receipt of any Shares upon vesting of the Performance Restricted Stock Units, the Company may require Participant to make any representations and warranties to the Company that legal counsel to the Company may determine to be required or advisable under any applicable law or regulation, including without limitation, representations and warranties that the Shares are being acquired only for investment and without any present intention or view to sell or distribute any such Shares.

7. Compliance With Law and Regulations. Notwithstanding any other provision of the Plan or this Agreement, unless there is an available exemption from any registration, qualification or other legal requirement applicable to the Shares, the Company shall not be required to deliver any Shares issuable upon settlement of the Performance Restricted Stock Units prior to the completion of any registration or qualification of the Shares under any local, state, federal or foreign securities or exchange control law or under rulings or regulations of the U.S. Securities and Exchange Commission ("SEC") or of any other governmental regulatory body, or prior to obtaining any approval or other clearance from any local, state, federal or foreign governmental agency, which registration, qualification or approval the Company shall, in its absolute discretion, deem necessary or advisable. Participant understands that the Company is under no obligation to register or qualify the Shares with the SEC or any state or foreign securities commission or to seek approval or clearance from any governmental authority for the issuance or sale of the Shares. Further, Participant agrees that the Company shall have unilateral authority to amend the Plan and this Agreement without Participant's consent to the extent necessary to comply with securities or other laws applicable to issuance of Shares.

8. Responsibility for Taxes. Participant acknowledges that, regardless of any action taken by the Company or, if different, Participant's employer (the "Employer"), the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to Participant's participation in the Plan and legally applicable to Participant or deemed by the Company or the Employer in its discretion to be an appropriate charge to Participant even if legally applicable to the Company or the Employer ("Tax-Related Items"), is and remains Participant's responsibility and may exceed the amount actually withheld by the Company or the Employer. Participant further acknowledges that the Company and the Employer (a) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Performance Restricted Stock Units, including, but not limited to, the grant, vesting or settlement of the Performance Restricted Stock Units, the subsequent sale of any Shares acquired at settlement and the receipt of any dividends; and (b) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Performance Restricted Stock Units to reduce or eliminate Participant's liability for Tax-Related Items or achieve any particular tax result. Further, if Participant is subject to Tax-Related Items in more than one jurisdiction, Participant acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to any relevant taxable or tax withholding event, as applicable, Participant agrees to make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items.

In this regard, Participant authorizes the Company and/or the Employer, or the respective agents of the Company and/or the Employer, at the Company's discretion, to satisfy withholding obligations with respect to all Tax-Related Items by one or a combination of the following:

(a) withholding from proceeds of the sale of Shares acquired upon settlement of the Performance Restricted Stock Units either through a voluntary sale or through a mandatory sale arranged by the Company (on Participant's behalf pursuant to this authorization);

(b) withholding from Participant's wages or other cash compensation paid to Participant by the Company and/or the Employer; or

(c) withholding in Shares to be issued upon settlement of the Performance Restricted Stock Units.

Depending on the withholding method, the Company and/or the Employer may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding rates or other applicable withholding rates, including maximum applicable rates, in which case Participant will receive a refund of any over-withheld amount in cash and will have no entitlement to the Share equivalent. If the obligation for Tax-Related Items is satisfied by withholding in Shares, for tax purposes, Participant is deemed to have been issued the full number of Shares subject to the vested Performance Restricted Stock Units, notwithstanding that a number of the Shares are held back solely for the purpose of paying the Tax-Related Items.

Participant agrees to pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of Participant's participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the Shares or the proceeds of the sale of Shares if Participant fails to comply with Participant's obligations in connection with the Tax-Related Items.

9. Nature of Grant. In accepting the Performance Restricted Stock Units, Participant acknowledges, understands and agrees that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature and may be modified, amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan;

(b) the grant of Performance Restricted Stock Units is voluntary and occasional and does not create any contractual or other right to receive future awards of Performance Restricted Stock Units, or benefits in lieu of Performance Restricted Stock Units even if Performance Restricted Stock Units have been awarded in the past;

(c) nothing in this Agreement or in the Plan shall confer upon Participant any right to continue in the employment or service of the Employer, the Company or any Subsidiary or be interpreted as forming an employment or services contract with the Employer, the Company or any Subsidiary and shall not interfere with or restrict any way the ability of the Employer, the Company or any Subsidiary, as applicable, to terminate Participant's employment or service relationship, if any;

(d) all decisions with respect to future grants of Performance Restricted Stock Units or other grants, if any, will be at the sole discretion of the Company;

(e) Participant's participation in the Plan is voluntary; and

(f) in the event of the termination of Participant's Continuous Service (as defined above) (for any reason whatsoever, whether or not later to be found invalid or in breach of employment laws in the jurisdiction where Participant is employed or the terms of Participant's employment agreement, if any), unless otherwise determined by the Company, Participant's right to vest in the Performance Restricted Stock Units under the Plan, if any, will terminate as of the date Participant is no longer actively rendering services and will not be extended by any notice period (e.g., Participant's period of service would not include any contractual notice period or any period of "garden leave" or similar period mandated under employment laws in the jurisdiction where Participant is employed or the terms of Participant's employment agreement, if any); the Committee shall have the exclusive discretion to determine when Participant is no longer providing Continuous Service for purposes of this Agreement, including whether Participant may still be considered to be providing active service while on a leave of absence.

(g) [Reserved].

10. Section 409A. The Performance Restricted Stock Units and issuance of Shares thereunder are intended to comply with Code Section 409A and the U.S. Treasury Regulations relating thereto so as not to subject the Participant to the payment of additional taxes and interest under Code Section 409A or other adverse tax consequences. In furtherance of this intent, the provisions of this Agreement will be interpreted, operated, and administered in a manner consistent with these intentions. The Committee may modify the terms of this Agreement, the Plan or both, without the consent of the Participant, in the manner that the Committee may determine to be necessary or advisable in order to comply with Code Section 409A or to mitigate any additional tax, interest and/or penalties or other adverse tax consequences that may apply under Code Section 409A if compliance is not practical. This Section 10 does not create an obligation on the part of the Company to modify the terms of this Agreement or the Plan and does not guarantee that the Performance Restricted Stock Units or the delivery of Shares upon vesting/settlement of the Performance Restricted Stock Units will not be subject to taxes, interest and penalties or any other adverse tax consequences under Code Section 409A. Nothing in this Agreement shall provide a basis for any person to take any action against the Company or any of its Subsidiaries based on matters covered by Code Section 409A, including the tax treatment of any amounts paid under this Agreement, and neither the Company nor any of its Subsidiaries will have any liability under any circumstances to the Participant or any other party if the Performance Restricted Stock Units, the delivery of Shares upon vesting/settlement of the Performance Restricted Stock Units or other payment or tax event hereunder that is intended to be exempt from, or compliant with, Code Section 409A, is not so exempt or compliant or for any action taken by the Committee with respect thereto. Further, settlement of any portion of the Performance Restricted Stock Units that is Deferred Compensation may not be accelerated or postponed except to the extent permitted by Code Section 409A.

11. Miscellaneous Provisions.

11.1 Notices. Any notice required to be given under this Agreement shall be in writing and shall be deemed effective upon personal delivery or upon deposit in the sender's local mail, registered or certified, postage prepaid and properly addressed to the party entitled to such notice at the latest address on file or at such other address as such party may designate by ten days advance written notice under this Section to all other parties to this Agreement.

11.2 Waiver. The failure of the Company in any instance to exercise any rights under this Agreement, including the forfeiture rights under Section 4, shall not constitute a waiver of any other rights that may subsequently arise under the provisions of this Agreement or any other agreement between the Company and Participant. Participant acknowledges that no waiver by the Company of any breach of any provision of this Agreement shall operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by Participant or any other Participant, whether of like or different nature.

11.3 Imposition of Other Requirements & Participant Undertaking. The Company reserves the right to impose other requirements on Participant's participation in the Plan, on the Performance Restricted Stock Units and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons. Participant hereby agrees to take whatever additional action and execute whatever additional documents the Company may deem necessary or advisable in order to carry out the foregoing or one or more of the obligations or restrictions imposed on either Participant or the Shares pursuant to the provisions of this Agreement.

11.4 Entire Contract. This Agreement and the Plan constitute the entire understanding and agreement of the parties with respect to the subject matter contained herein. This Agreement is made pursuant to, and incorporates by reference, the provisions of the Plan and shall in all respects be construed in conformity with the terms of the Plan.

11.5 [Reserved].

11.6 Electronic Delivery and Acceptance. The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

11.7 Successors and Assigns. The provisions of this Agreement shall inure to the benefit of, and be binding upon, the Company and its successors and assigns and upon Participant, Participant's permitted assigns and the legal representatives, heirs and legatees of Participant's estate, whether or not any such person shall have become a party to this Agreement and have agreed in writing to join herein and be bound by the terms hereof. Participant may not assign this Agreement other than by the laws of decent and distribution.

11.8 Severability. In the event that any provision in this Agreement will be held invalid or unenforceable, such provision will be severable from, and such invalidity or unenforceability will not be construed to have any effect on, the remaining provisions of this Agreement.

11.9Governing Law and Choice of Venue. The Performance Restricted Stock Units and the provisions of this Agreement shall be governed by, and subject to, the laws of the State of Utah, United States, without regard to the conflict of law provisions, as provided in the Plan. For purposes of litigating any dispute that arises under this Agreement or this grant of Performance Restricted Stock Units, the parties hereby submit to and consent to the jurisdiction of the State of Utah, agree that such litigation shall be conducted in the courts of Utah County, Utah, or the federal courts of the United States for the District of Utah, where this grant is made and/or to be performed.

11.10 [Reserved].

11.11 [Reserved].

11.12 [Reserved].

By electronically accepting this Agreement and participating in the Plan, Participant agrees to be bound by the terms and conditions in the Plan and this Agreement. Within six months of the Grant Date, if Participant has not electronically accepted this Agreement on Morgan Stanley's website, or the website of any other stock plan service provider appointed by the Company, and has not otherwise rejected the grant, then this award shall automatically be deemed accepted, and Participant shall be bound by the terms and conditions in the Plan and this Agreement.

EXHIBIT 10.29
Director Version

NU SKIN ENTERPRISES, INC.
AMENDED AND RESTATED 2010 OMNIBUS INCENTIVE PLAN
STOCK OPTION AGREEMENT

This Stock Option Agreement and Participant's grant details (the "Grant Summary"), which can be accessed in Participant's My Grants on the Morgan Stanley StockPlanConnect Website at www.stockplanconnect.com or the website of any other stock plan administrator selected by the Company in the future, (collectively, this "Agreement") sets forth the terms and conditions of the Options granted to Participant under the Amended and Restated Nu Skin Enterprises, Inc. 2010 Omnibus Incentive Plan (the "Plan"). In the event of a conflict between the terms and conditions of the Plan and the terms and conditions of this Agreement, the terms and conditions of the Plan shall prevail. Unless otherwise defined herein, the capitalized terms in this Agreement shall have the same defined meaning assigned to them in the Plan.

1. Grant of Options.

1.1 Grant of Options. Effective as of the date of grant specified in the Grant Summary (the "Grant Date"), the Company grants to Participant Options to purchase up to the number of Shares specified in the Grant Summary. The Options are Nonqualifed Stock Options. Options granted under this Agreement may not be exercised at any time until such Options are vested, as provided in Section 1.2.

1.2 Vesting of Options. The Options shall vest in full on [Vesting Date], except as otherwise provided in this Agreement, including pursuant to Sections 1.3 and 4.

1.3 Term of Options.

(a) In the event Participant's Continuous Service (as defined below) is terminated for any reason prior to the full vesting of the Options, the Options granted hereunder shall terminate to the extent they are not vested as of the termination of Participant's Continuous Service, as determined in accordance with Section 9(f) below, and Participant shall not have any right to exercise such unvested Options.

(b) Subject to the provisions of the Plan and this Agreement, including Section 4 hereof, all Options granted hereunder that are vested but unexercised shall terminate on the earliest to occur of:

(1) the date on which Participant's Continuous Service is terminated because of a Forfeiture Event;

(2) three years after the termination of Participant's Continuous Service for any reason;

(3) the seventh anniversary of the Grant Date.

For purposes of this Agreement:

"Continuous Service" means that Participant's service with the Company or a Subsidiary, whether as an Employee, Director, or Consultant, is not interrupted or terminated. Participant's Continuous Service shall not be deemed to have terminated merely because of a change in the capacity in which Participant renders service to the Company or a Subsidiary as an Employee, Consultant, or Director, or a change in the entity for which Participant renders such service, provided that there is no interruption or termination of Participant's Continuous Service. For example, a change in status from an Employee of the Company to a Consultant of a Subsidiary or a Director will not constitute an interruption of Continuous Service. Subject to the requirements of applicable law, the Committee, in its sole discretion, shall determine whether Continuous Service shall be considered interrupted in the case of any leave of absence approved by the Company or a Subsidiary, including sick leave, military leave or any other personal leave.

1.4 Exercise of Options. Exerciseable Options may be exercised as provided on the Morgan Stanley StockPlanConnect Website at www.stockplanconnect.com (or the website of any other stock plan administrator selected by the Company in the future) or by written notice of such exercise, in the form prescribed by the Committee, to the person designated by the Committee at the corporate offices of the Company. The notice shall specify the number of Options that are being exercised. Full payment of the Option Price shall be made at the time of exercise in a manner set forth in the Plan, or in such other manner as may be approved by the Committee, consistent with the terms of the Plan, as it may be amended from time to time.

1.5 Stockholder Rights. Unless and until Shares are issued by the Company upon exercise of the Options, Participant shall have none of the rights or privileges of a shareholder of the Company (including voting, dividend and liquidation rights) with respect to the Shares covered by the Options.

1.6 [Reserved].

2. Securities Law Compliance. Participant represents that Participant has received and carefully read a copy of the Prospectus for the Plan, together with the Company's most recent Annual Report to Stockholders. Participant hereby acknowledges that Participant is aware of the risks associated with the Shares and that there can be no assurance the price of the Shares will not decrease in the future. Participant hereby acknowledges no representations or statements have been made to Participant concerning the value or potential value of the Shares. Participant acknowledges that Participant has relied only on information contained in the Prospectus and has received no representations, written or oral, from the Company or its employees, attorneys or agents, other than those contained in the Prospectus or this Agreement. Participant acknowledges that the Company has made no representations or recommendations, and is not providing any tax, legal or financial advice, regarding Participant's participation in the Plan, or Participant's acquisition or sale of the underlying Shares. Participant is hereby advised to consult with his or her own personal tax, legal and financial advisors regarding his or her participation in the Plan before taking any action related to the Plan.

3. Transfer Restrictions. Participant shall not transfer, assign, sell, encumber, pledge, grant a security interest in or otherwise dispose of the Options subject to this Agreement in any manner other than by the laws of descent or distribution, and shall be exercised, during the lifetime of Participant, only by Participant. Any such transfer, assignment, sale, encumbrance, pledge, security interest or disposition shall be void and shall result in the automatic termination of the Options and this Agreement.

4. Forfeiture. If at any time during Participant's Continuous Service or at any time during the 12-month period following termination of Participant's Continuous Service, a Forfeiture Event (as defined below) occurs, then at the election of the Committee, (a) this Agreement and all Options granted hereunder shall terminate, and (b) Participant shall return to the Company for cancellation all Shares held by Participant plus pay the Company the amount of any proceeds received from the sale of any Shares to the extent such Shares were issued pursuant to Options granted under this Agreement that were exercised (i) during the 12-month period immediately preceding the Forfeiture Event, or (ii) on the date of or at any time after such Forfeiture Event.

"Forfeiture Event" means the following:

(a) an act of fraud or intentional misrepresentation related to Participant's services;

(b) disclosure or use of confidential information in a manner detrimental to the Company;

(c) competing with the Company; or

(d) any other willful misconduct by Participant that is materially injurious to the financial condition or business reputation of, or is otherwise materially injurious to, the Company. The Committee, in its sole discretion, may waive at any time in writing this forfeiture provision and release Participant from liability hereunder.

5. Governing Plan Document. This Agreement incorporates by reference all of the terms and conditions of the Plan, as presently existing and as hereafter amended. Participant expressly acknowledges and agrees that the terms and provisions of this Agreement are subject in all respects to the provisions of the Plan. Participant also expressly:

(a) Acknowledges receipt of the Plan and represents that Participant is familiar with the provisions of the Plan, and that Participant enters into this Agreement subject to all of the provisions of the Plan;

(b) Recognizes that the Committee has been granted complete authority to administer the Plan in its sole discretion, and agrees to accept all decisions related to the Plan and all interpretations of the Plan made by the Committee as final and conclusive upon Participant and upon all persons at any time claiming any interest through Participant in the Options or the Shares subject to this Agreement; and

(c) Acknowledges and understands that the establishment of the Plan and the existence of this Agreement are not sufficient, in and of themselves, to exempt Participant from the requirements of Section 16(b) of the Exchange Act and any rules or regulations promulgated thereunder, and that Participant (to the extent Section 16(b) applies to Participant) shall not be exempt from such requirements pursuant to Rule 16b-3 unless and until Participant shall comply with all applicable requirements of Rule 16b-3, including without limitation, the possible requirement that Participant must not sell or otherwise dispose of any Shares acquired pursuant to Options unless and until a period of at least six months shall have elapsed between the date upon which such Options were granted to Participant and the date upon which Participant desires to sell or otherwise dispose of such Shares.

6. Representations and Warranties. As a condition to the receipt of any Shares upon exercise of the Options, the Company may require Participant to make any representations and warranties to the Company that legal counsel to the Company may determine to be required or advisable under any applicable law or regulation, including without limitation, representations and warranties that the Shares are being acquired only for investment and without any present intention or view to sell or distribute any such Shares.

7. Compliance With Law and Regulations. Notwithstanding any other provision of the Plan or this Agreement, unless there is an available exemption from any registration, qualification or other legal requirement applicable to the Shares, the Company shall not be required to deliver any Shares issuable upon exercise of the Options prior to the completion of any registration or qualification of the Shares under any local, state, federal or foreign securities or exchange control law or under rulings or regulations of the U.S. Securities and Exchange Commission ("SEC") or of any other governmental regulatory body, or prior to obtaining any approval or other clearance from any local, state, federal or foreign governmental agency, which registration, qualification or approval the Company shall, in its absolute discretion, deem necessary or advisable. Participant understands that the Company is under no obligation to register or qualify the Shares with the SEC or any state or foreign securities commission or to seek approval or clearance from any governmental authority for the issuance or sale of the Shares. Further, Participant agrees that the Company shall have unilateral authority to amend the Plan and this Agreement without Participant's consent to the extent necessary to comply with securities or other laws applicable to issuance of Shares.

8. Responsibility for Taxes. Participant acknowledges that, regardless of any action taken by the Company, the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to Participant's participation in the Plan and legally applicable to Participant or deemed by the Company in its discretion to be an appropriate charge to Participant even if legally applicable to the Company ("Tax-Related Items"), is and remains Participant's responsibility and may exceed the amount actually withheld by the Company. Participant further acknowledges that the Company (a) makes no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Options, including, but not limited to, the grant, vesting or exercise of the Options, the subsequent sale of any Shares acquired at exercise and the receipt of any dividends; and (b) does not commit to and is under no obligation to structure the terms of the grant or any aspect of the Options to reduce or eliminate Participant's liability for Tax-Related Items or achieve any particular tax result. Further, if Participant is subject to Tax-Related Items in more than one jurisdiction, Participant acknowledges that the Company may be required to withhold or account for Tax-Related Items in more than one jurisdiction.
Prior to any relevant taxable or tax withholding event, as applicable, Participant agrees to make adequate arrangements satisfactory to the Company to satisfy all Tax-Related Items.

In this regard, Participant authorizes the Company, or the Company's agents, at the Company's discretion, to satisfy withholding obligations with respect to all Tax-Related Items by one or a combination of the following:

(a) withholding from proceeds of the sale of Shares acquired upon exercise of the Options either through a voluntary sale or through a mandatory sale arranged by the Company (on Participant's behalf pursuant to this authorization);

(b) withholding from Participant's wages or other cash compensation paid to Participant by the Company; or

(c) withholding in Shares to be issued upon exercise of the Options.

Depending on the withholding method, the Company may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding rates or other applicable withholding rates, including maximum applicable rates, in which case Participant will receive a refund of any over-withheld amount in cash and will have no entitlement to the Share equivalent. If the obligation for Tax-Related Items is satisfied by withholding in Shares, for tax purposes, Participant is deemed to have been issued the full number of Shares subject to the vested Options, notwithstanding that a number of the Shares are held back solely for the purpose of paying the Tax-Related Items.

Participant agrees to pay to the Company any amount of Tax-Related Items that the Company may be required to withhold or account for as a result of Participant's participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the Shares or the proceeds of the sale of Shares if Participant fails to comply with Participant's obligations in connection with the Tax-Related Items.

9. Nature of Grant. In accepting the Options, Participant acknowledges, understands and agrees that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature and may be modified, amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan;

(b) the grant of Options is voluntary and occasional and does not create any contractual or other right to receive future grants of Options, or benefits in lieu of Options even if Options have been granted in the past;

(c) nothing in this Agreement or in the Plan shall confer upon Participant any right to continue in the service of the Company as a member of the Board of Directors of the Company or in any other capacity;

(d) all decisions with respect to future grants of Options or other grants, if any, will be at the sole discretion of the Company;

(e) Participant's participation in the Plan is voluntary; and

(f) in the event of the termination of Participant's Continuous Service, and unless otherwise expressly provided in this Agreement or determined by the Company, Participant's right to vest in the Options under the Plan, if any, will terminate as of the date Participant's Continuous Service terminated, as determined by the Committee in its sole discretion; similarly, any right to exercise Options after termination of Participant's Continuous Service will be measured from the date Participant is no longer providing Continuous Service, as determined by the Committee in its sole discretion.

(g) [Reserved].

10. [Reserved].

11. Miscellaneous Provisions.

11.1 Notices. Any notice required to be given under this Agreement shall be in writing and shall be deemed effective upon personal delivery or upon deposit in the sender's local mail, registered or certified, postage prepaid and properly addressed to the party entitled to such notice at the latest address on file or at such other address as such party may designate by ten days advance written notice under this Section to all other parties to this Agreement.

11.2 Waiver. The failure of the Company in any instance to exercise any rights under this Agreement, including the forfeiture rights under Section 4, shall not constitute a waiver of any other rights that may subsequently arise under the provisions of this Agreement or any other agreement between the Company and Participant. Participant acknowledges that no waiver by the Company of any breach of any provision of this Agreement shall operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by Participant or any other Participant, whether of like or different nature.

11.3 Imposition of Other Requirements & Participant Undertaking. The Company reserves the right to impose other requirements on Participant's participation in the Plan, on the Options and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons. Participant hereby agrees to take whatever additional action and execute whatever additional documents the Company may deem necessary or advisable in order to carry out the foregoing or one or more of the obligations or restrictions imposed on either Participant or the Shares pursuant to the provisions of this Agreement.

11.4 Entire Contract. This Agreement and the Plan constitute the entire understanding and agreement of the parties with respect to the subject matter contained herein. This Agreement is made pursuant to, and incorporates by reference, the provisions of the Plan and shall in all respects be construed in conformity with the terms of the Plan.

11.5 [Reserved].

11.6 Electronic Delivery and Acceptance. The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

11.7 Successors and Assigns. The provisions of this Agreement shall inure to the benefit of, and be binding upon, the Company and its successors and assigns and upon Participant, Participant's permitted assigns and the legal representatives, heirs and legatees of Participant's estate, whether or not any such person shall have become a party to this Agreement and have agreed in writing to join herein and be bound by the terms hereof. Participant may not assign this Agreement other than by the laws of decent and distribution.

11.8 Severability. In the event that any provision in this Agreement will be held invalid or unenforceable, such provision will be severable from, and such invalidity or unenforceability will not be construed to have any effect on, the remaining provisions of this Agreement.

11.9 Governing Law and Choice of Venue. The Options and the provisions of this Agreement shall be governed by, and subject to, the laws of the State of Utah, United States, without regard to the conflict of law provisions, as provided in the Plan. For purposes of litigating any dispute that arises under this Agreement or this grant of Options, the parties hereby submit to and consent to the jurisdiction of the State of Utah, agree that such litigation shall be conducted in the courts of Utah County, Utah, or the federal courts of the United States for the District of Utah, where this grant is made and/or to be performed.

11.10 [Reserved].

11.11 [Reserved].

11.12 [Reserved].

By electronically accepting this Agreement and participating in the Plan, Participant agrees to be bound by the terms and conditions in the Plan and this Agreement. Within six months of the Grant Date, if Participant has not electronically accepted this Agreement on Morgan Stanley's website, or the website of any other stock plan service provider appointed by the Company, and has not otherwise rejected the grant, then this grant shall automatically be deemed accepted, and Participant shall be bound by the terms and conditions in the Plan and this Agreement.

EXHIBIT 10.30
Director Version

NU SKIN ENTERPRISES, INC.
AMENDED AND RESTATED 2010 OMNIBUS INCENTIVE PLAN
RESTRICTED STOCK UNIT AGREEMENT

This Restricted Stock Unit Agreement and Participant's award information (the "Award Summary"), which can be accessed in Participant's My Awards on the Morgan Stanley StockPlanConnect Website at www.stockplanconnect.com or the website of any other stock plan administrator selected by the Company in the future, (collectively, this "Agreement") sets forth the terms and conditions of the Restricted Stock Units granted to Participant under the Amended and Restated Nu Skin Enterprises, Inc. 2010 Omnibus Incentive Plan (the "Plan"). In the event of a conflict between the terms and conditions of the Plan and the terms and conditions of this Agreement, the terms and conditions of the Plan shall prevail. Unless otherwise defined herein, the capitalized terms in this Agreement shall have the same defined meaning assigned to them in the Plan.

1. Grant of Restricted Stock Units.

1.1 Grant of Restricted Stock Units. Effective as of the date of grant specified in the Award Summary (the "Grant Date"), the Company grants to Participant an award of the number of Restricted Stock Units as set forth in the Award Summary. Each Restricted Stock Unit is a bookkeeping entry representing the Company's unfunded promise to deliver one Share on the terms provided herein and in the Plan.

1.2 Vesting of Restricted Stock Units. The Restricted Stock Units shall vest in full on [Vesting Date], except as otherwise provided in this Agreement, including pursuant to Sections 1.3 and 4.

1.3 Termination of Continuous Service. In the event Participant's Continuous Service (as defined below) is terminated for any reason prior to the full vesting of the Restricted Stock Units, the Restricted Stock Units granted hereunder shall terminate to the extent they are not vested as of the termination of Participant's Continuous Service, as determined in accordance with Section 9(f) below, and Participant shall not have any right to receive any Shares subject to such unvested Restricted Stock Units.

For purposes of this Agreement:

"Continuous Service" means that Participant's service with the Company or a Subsidiary, whether as an Employee, Director, or Consultant, is not interrupted or terminated. Participant's Continuous Service shall not be deemed to have terminated merely because of a change in the capacity in which Participant renders service to the Company or a Subsidiary as an Employee, Consultant, or Director, or a change in the entity for which Participant renders such service, provided that there is no interruption or termination of Participant's Continuous Service. For example, a change in status from an Employee of the Company to a Consultant of a Subsidiary or a Director will not constitute an interruption of Continuous Service. Subject to the requirements of applicable law, the Committee, in its sole discretion, shall determine whether Continuous Service shall be considered interrupted in the case of any leave of absence approved by the Company or a Subsidiary, including sick leave, military leave or any other personal leave.

1.4 Settlement of Restricted Stock Units. Subject to the terms of the Plan and this Agreement, Restricted Stock Units shall be settled in Shares, provided that Participant has satisfied any Tax-Related Items pursuant to Section 8 below. Shares will be issued to Participant within a reasonable time following each Vesting Date, but in no event shall the Shares be issued more than 70 days from the end of the calendar year that includes the applicable Vesting Date unless subject to the terms of the Company's deferred compensation plan.

1.5 Stockholder Rights. Unless and until Shares are issued by the Company after the Vesting Date, Participant shall have none of the rights or privileges of a shareholder of the Company (including voting, dividend and liquidation rights) with respect to the Shares covered by the Restricted Stock Units.

1.6 [Reserved].

2. Securities Law Compliance. Participant represents that Participant has received and carefully read a copy of the Prospectus for the Plan, together with the Company's most recent Annual Report to Stockholders. Participant hereby acknowledges that Participant is aware of the risks associated with the Shares and that there can be no assurance the price of the Shares will not decrease in the future. Participant hereby acknowledges no representations or statements have been made to Participant concerning the value or potential value of the Shares. Participant acknowledges that Participant has relied only on information contained in the Prospectus and has received no representations, written or oral, from the Company or its employees, attorneys or agents, other than those contained in the Prospectus or this Agreement. Participant acknowledges that the Company has made no representations or recommendations, and is not providing any tax, legal or financial advice, regarding Participant's participation in the Plan, or Participant's acquisition or sale of the underlying Shares. Participant is hereby advised to consult with his or her own personal tax, legal and financial advisors regarding his or her participation in the Plan before taking any action related to the Plan.

3. Transfer Restrictions. Participant shall not transfer, assign, sell, encumber, pledge, grant a security interest in or otherwise dispose of the Restricted Stock Units subject to this Agreement in any manner other than by the laws of descent or distribution. Any such transfer, assignment, sale, encumbrance, pledge, security interest or disposition shall be void and shall result in the automatic termination of the Restricted Stock Units and this Agreement.

4. Forfeiture. If, at any time during Participant's Continuous Service or at any time during the 12-month period following termination of Participant's Continuous Service, a Forfeiture Event (as defined below) occurs, then at the election of the Committee, (a) this Agreement and all unvested Restricted Stock Units granted hereunder shall terminate, and (b) Participant shall return to the Company for cancellation all Shares held by Participant plus pay the Company the amount of any proceeds received from the sale of any Shares to the extent such Shares were issued pursuant to Restricted Stock Units granted under this Agreement that vested (i) during the 12-month period immediately preceding the Forfeiture Event, or (ii) on the date of or at any time after such Forfeiture Event.
"Forfeiture Event" means the following:

(a) an act of fraud or intentional misrepresentation related to Participant's services;

(b) disclosure or use of confidential information in a manner detrimental to the Company;

(c) competing with the Company; or

(d) any other willful misconduct by Participant that is materially injurious to the financial condition or business reputation of, or is otherwise materially injurious to, the Company. The Committee, in its sole discretion, may waive at any time in writing this forfeiture provision and release Participant from liability hereunder.

5. Governing Plan Document. This Agreement incorporates by reference all of the terms and conditions of the Plan, as presently existing and as hereafter amended. Participant expressly acknowledges and agrees that the terms and provisions of this Agreement are subject in all respects to the provisions of the Plan. Participant also expressly:

(a) Acknowledges receipt of the Plan and represents that Participant is familiar with the provisions of the Plan, and that Participant enters into this Agreement subject to all of the provisions of the Plan;

(b) Recognizes that the Committee has been granted complete authority to administer the Plan in its sole discretion, and agrees to accept all decisions related to the Plan and all interpretations of the Plan made by the Committee as final and conclusive upon Participant and upon all persons at any time claiming any interest through Participant in the Restricted Stock Units or the Shares subject to this Agreement; and

(c) Acknowledges and understands that the establishment of the Plan and the existence of this Agreement are not sufficient, in and of themselves, to exempt Participant from the requirements of Section 16(b) of the Exchange Act and any rules or regulations promulgated thereunder, and that Participant (to the extent Section 16(b) applies to Participant) shall not be exempt from such requirements pursuant to Rule 16b-3 unless and until Participant shall comply with all applicable requirements of Rule 16b-3, including without limitation, the possible requirement that Participant must not sell or otherwise dispose of any Shares acquired pursuant to Restricted Stock Units unless and until a period of at least six months shall have elapsed between the date upon which such Restricted Stock Units were granted to Participant and the date upon which Participant desires to sell or otherwise dispose of such Shares.

6. Representations and Warranties. As a condition to the receipt of any Shares upon vesting of the Restricted Stock Units, the Company may require Participant to make any representations and warranties to the Company that legal counsel to the Company may determine to be required or advisable under any applicable law or regulation, including without limitation, representations and warranties that the Shares are being acquired only for investment and without any present intention or view to sell or distribute any such Shares.

7. Compliance With Law and Regulations. Notwithstanding any other provision of the Plan or this Agreement, unless there is an available exemption from any registration, qualification or other legal requirement applicable to the Shares, the Company shall not be required to deliver any Shares issuable upon settlement of the Restricted Stock Units prior to the completion of any registration or qualification of the Shares under any local, state, federal or foreign securities or exchange control law or under rulings or regulations of the U.S. Securities and Exchange Commission ("SEC") or of any other governmental regulatory body, or prior to obtaining any approval or other clearance from any local, state, federal or foreign governmental agency, which registration, qualification or approval the Company shall, in its absolute discretion, deem necessary or advisable. Participant understands that the Company is under no obligation to register or qualify the Shares with the SEC or any state or foreign securities commission or to seek approval or clearance from any governmental authority for the issuance or sale of the Shares. Further, Participant agrees that the Company shall have unilateral authority to amend the Plan and this Agreement without Participant's consent to the extent necessary to comply with securities or other laws applicable to issuance of Shares.

8. Responsibility for Taxes. Participant acknowledges that, regardless of any action taken by the Company, the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to Participant's participation in the Plan and legally applicable to Participant or deemed by the Company in its discretion to be an appropriate charge to Participant even if legally applicable to the Company ("Tax-Related Items"), is and remains Participant's responsibility and may exceed the amount actually withheld by the Company. Participant further acknowledges that the Company (a) makes no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Restricted Stock Units, including, but not limited to, the grant, vesting or settlement of the Restricted Stock Units, the subsequent sale of any Shares acquired at settlement and the receipt of any dividends; and (b) does not commit to and is under no obligation to structure the terms of the grant or any aspect of the Restricted Stock Units to reduce or eliminate Participant's liability for Tax-Related Items or achieve any particular tax result. Further, if Participant is subject to Tax-Related Items in more than one jurisdiction, Participant acknowledges that the Company may be required to withhold or account for Tax-Related Items in more than one jurisdiction.
Prior to any relevant taxable or tax withholding event, as applicable, Participant agrees to make adequate arrangements satisfactory to the Company to satisfy all Tax-Related Items.

In this regard, Participant authorizes the Company, or the Company's agents, at the Company's discretion, to satisfy withholding obligations with respect to all Tax-Related Items by one or a combination of the following:

(a) withholding from proceeds of the sale of Shares acquired upon settlement of the Restricted Stock Units either through a voluntary sale or through a mandatory sale arranged by the Company (on Participant's behalf pursuant to this authorization);

(b) withholding from Participant's wages or other cash compensation paid to Participant by the Company; or

(c) withholding in Shares to be issued upon settlement of the Restricted Stock Units.

Depending on the withholding method, the Company may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding rates or other applicable withholding rates, including maximum applicable rates, in which case Participant will receive a refund of any over-withheld amount in cash and will have no entitlement to the Share equivalent. If the obligation for Tax-Related Items is satisfied by withholding in Shares, for tax purposes, Participant is deemed to have been issued the full number of Shares subject to the vested Restricted Stock Units, notwithstanding that a number of the Shares are held back solely for the purpose of paying the Tax-Related Items.

Participant agrees to pay to the Company any amount of Tax-Related Items that the Company may be required to withhold or account for as a result of Participant's participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the Shares or the proceeds of the sale of Shares if Participant fails to comply with Participant's obligations in connection with the Tax-Related Items.

9. Nature of Grant. In accepting the Restricted Stock Units, Participant acknowledges, understands and agrees that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature and may be modified, amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan;

(b) the grant of Restricted Stock Units is voluntary and occasional and does not create any contractual or other right to receive future awards of Restricted Stock Units, or benefits in lieu of Restricted Stock Units even if Restricted Stock Units have been awarded in the past;

(c) nothing in this Agreement or in the Plan shall confer upon Participant any right to continue in the service of the Company as a member of the Board of Directors of the Company or in any other capacity;

(d) all decisions with respect to future grants of Restricted Stock Units or other grants, if any, will be at the sole discretion of the Company;

(e) Participant's participation in the Plan is voluntary; and

(f) in the event of the termination of Participant's Continuous Service, and unless otherwise expressly provided in this Agreement or determined by the Company, Participant's right to vest in the Restricted Stock Units under the Plan, if any, will terminate as of the date Participant's Continuous Service terminated, as determined by the Committee in its sole discretion.

(g) [Reserved].

10. Section 409A. The Restricted Stock Units and issuance of Shares thereunder are intended to comply with Code Section 409A and the U.S. Treasury Regulations relating thereto so as not to subject the Participant to the payment of additional taxes and interest under Code Section 409A or other adverse tax consequences. In furtherance of this intent, the provisions of this Agreement will be interpreted, operated, and administered in a manner consistent with these intentions. The Committee may modify the terms of this Agreement, the Plan or both, without the consent of the Participant, in the manner that the Committee may determine to be necessary or advisable in order to comply with Code Section 409A or to mitigate any additional tax, interest and/or penalties or other adverse tax consequences that may apply under Code Section 409A if compliance is not practical. This Section 10 does not create an obligation on the part of the Company to modify the terms of this Agreement or the Plan and does not guarantee that the Restricted Stock Units or the delivery of Shares upon vesting/settlement of the Restricted Stock Units will not be subject to taxes, interest and penalties or any other adverse tax consequences under Code Section 409A. Nothing in this Agreement shall provide a basis for any person to take any action against the Company or any of its Subsidiaries based on matters covered by Code Section 409A, including the tax treatment of any amounts paid under this Agreement, and neither the Company nor any of its Subsidiaries will have any liability under any circumstances to the Participant or any other party if the Restricted Stock Units, the delivery of Shares upon vesting/settlement of the Restricted Stock Units or other payment or tax event hereunder that is intended to be exempt from, or compliant with, Code Section 409A, is not so exempt or compliant or for any action taken by the Committee with respect thereto. Further, settlement of any portion of the Restricted Stock Units that is deferred compensation may not be accelerated or postponed except to the extent permitted by Code Section 409A.

11. Miscellaneous Provisions.

11.1 Notices. Any notice required to be given under this Agreement shall be in writing and shall be deemed effective upon personal delivery or upon deposit in the sender's local mail, registered or certified, postage prepaid and properly addressed to the party entitled to such notice at the latest address on file or at such other address as such party may designate by ten days advance written notice under this Section to all other parties to this Agreement.

11.2 Waiver. The failure of the Company in any instance to exercise any rights under this Agreement, including the forfeiture rights under Section 4, shall not constitute a waiver of any other rights that may subsequently arise under the provisions of this Agreement or any other agreement between the Company and Participant. Participant acknowledges that no waiver by the Company of any breach of any provision of this Agreement shall operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by Participant or any other Participant, whether of like or different nature.

11.3 Imposition of Other Requirements & Participant Undertaking. The Company reserves the right to impose other requirements on Participant's participation in the Plan, on the Restricted Stock Units and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons. Participant hereby agrees to take whatever additional action and execute whatever additional documents the Company may deem necessary or advisable in order to carry out the foregoing or one or more of the obligations or restrictions imposed on either Participant or the Shares pursuant to the provisions of this Agreement.

11.4 Entire Contract. This Agreement and the Plan constitute the entire understanding and agreement of the parties with respect to the subject matter contained herein. This Agreement is made pursuant to, and incorporates by reference, the provisions of the Plan and shall in all respects be construed in conformity with the terms of the Plan.

11.5 [Reserved].

11.6 Electronic Delivery and Acceptance. The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

11.7 Successors and Assigns. The provisions of this Agreement shall inure to the benefit of, and be binding upon, the Company and its successors and assigns and upon Participant, Participant's permitted assigns and the legal representatives, heirs and legatees of Participant's estate, whether or not any such person shall have become a party to this Agreement and have agreed in writing to join herein and be bound by the terms hereof. Participant may not assign this Agreement other than by the laws of decent and distribution.

11.8 Severability. In the event that any provision in this Agreement will be held invalid or unenforceable, such provision will be severable from, and such invalidity or unenforceability will not be construed to have any effect on, the remaining provisions of this Agreement.

11.9 Governing Law and Choice of Venue. The Restricted Stock Units and the provisions of this Agreement shall be governed by, and subject to, the laws of the State of Utah, United States, without regard to the conflict of law provisions, as provided in the Plan. For purposes of litigating any dispute that arises under this Agreement or this grant of Restricted Stock Units, the parties hereby submit to and consent to the jurisdiction of the State of Utah, agree that such litigation shall be conducted in the courts of Utah County, Utah, or the federal courts of the United States for the District of Utah, where this grant is made and/or to be performed.

11.10 [Reserved].

11.11 [Reserved].

11.12 [Reserved].

By electronically accepting this Agreement and participating in the Plan, Participant agrees to be bound by the terms and conditions in the Plan and this Agreement. Within six months of the Grant Date, if Participant has not electronically accepted this Agreement on Morgan Stanley's website, or the website of any other stock plan service provider appointed by the Company, and has not otherwise rejected the grant, then this award shall automatically be deemed accepted, and Participant shall be bound by the terms and conditions in the Plan and this Agreement.

EXHIBIT 10.36

KEY EMPLOYEE COVENANTS AGREEMENT

_____ "Employee"
(PRINT NAME)

Nu Skin Enterprises, Inc. and its affiliated companies ("Company") operate in highly competitive direct sales, multilevel marketplace competing for product market share as well as recruitment and retention of independent distributors. The success of Company depends on maintaining a competitive edge in this industry through the introduction of innovative products and attracting and retaining distributors. Accordingly, as a condition of and in consideration of employment or continued employment with Company, the parties hereby acknowledge and agree as follows.

1. **Conflict of Interest**: During employment with Company, Employee shall not have any personal interest that is incompatible with the loyalty and responsibility owed to the Company. Employee must discharge his/her responsibility solely on the basis of what is in the best interest of Company and independent of personal considerations or relationships. Employee shall maintain impartial relationships with vendors, suppliers and distributors. Should Employee have any questions regarding this matter, Employee should consult with his/her director or supervisor. If any conflict of interest or potential conflict of interest arises, the Employee must notify his director or supervisor and seek an appropriate waiver or resolution of such conflict of interest. Although it is difficult to identify every activity that might give rise to a conflict of interest, and not by way of making an all-inclusive list, the following provisions apply to common areas for potential conflicts of interests:

   1.1 **Related Party Transactions.** Employees should not have a direct or indirect ownership or financial interest in vendors of Company nor any company doing or seeking to do business with Company. Employees should also not have a financial or other interest in any transaction involving the Company. In the event such a conflict arises, the Employee must notify his/her director or supervisor and the Company many not do business with such vendor or enter into any such transaction unless it has been approved in accordance with the Company's policy with respect to related party transactions.

   1.2 **Non-Competition.** Employee shall not provide services to, or have a direct or indirect ownership in, any company which competes with Company in any product category or any direct selling or multilevel marketing company; provided, however, Employee may own publicly-traded securities of a company's whose securities are publicly traded on either the NYSE, American or NASDAQ stock exchanges if the Employee's ownership interest is less than 1% of the total outstanding securities of such company.

1.3 **Other Employment.** Employee shall not perform services of any kind for any entity doing or seeking to do business with Company. As to employment with or service to another company, Employee shall not allow any such activity to detract from his/her job performance, use Company's time, resources, or personnel, or require such long hours to affect his/her physical or mental effectiveness.

1.4 **Distributorships.** While employed by Company and for a period of three (3) months after termination of an employment relationship with Company, Employee shall not directly or indirectly own any interest in a Company distributorship. Additionally, during the course of employment, neither the Employee, nor the Employee's spouse or an immediate family member living in the same household shall own any interest in, or otherwise be associated with, a Company distributorship or any other multilevel distributorship. Employee's spouse or immediate family member living in the same household will not, without the prior written consent of the Company, own any interest in, or otherwise be affiliated with, another direct sales distributorship or be employed by another direct sales or multilevel marketing company. Any pre-existing ownership interests or employment covered in this paragraph must be disclosed to the Company at the time of the execution of this Agreement. Employee shall disclose to his/her immediate director or supervisor any and all areas posing a potential or actual conflict of interest. Said disclosure shall be made as promptly as possible after such conflict arises.

2. Work Product:

2.1 Company shall have the sole proprietary interest in the work product of Employee created during his/her employment with Company ("Work Product"), and Employee expressly assigns to Company or its designee all rights, title and interest in an to all copyrights, patents, trade secrets, improvements, inventions, sketches, models and all documents related thereto, manufacturing processes and innovations, special calibration techniques, software, service cod, systems designs and any other Work Product developed by Employee, either solely or jointly with others, where said Work Product relates to any business activity or research and development activity in which Company is involved or plans to be involved at the time of or prior to Employee's creating such Work Product, or where such Work Product is developed with the use of Company's time, material, or facilities; and Employee further agrees to disclose any and all such Work Product to Company without delay.

2.2 Employee will promptly disclose to the Company all Work Product, whether or not patentable or registrable under patent, copyright or similar statutes, made or conceived or reduced to practice or learned by Employee, either alone or jointly with others, during the period of his/her employment that (i) at the time of conception or reduction to practice are related to the actual or demonstrably anticipated business of the Company, (ii) result from tasks performed by Employee for the Company, or (iii) are developed on any amount of the Company's time or result from the use of premises or property (including computer systems and engineering facilities) owned, leased, or contracted for by the Company (collectively, "Inventions").

3. **Non-Disclosure and Assignment**:

3.1 Employee acknowledges that during the term of employment with Company he/she may develop, learn and be exposed to information about Company and its business, including but not limited to formulas, business plans, financial data, vendor lists, product and marketing plans, distributor lists, and other trade secrets which information is secret, confidential and vital to the continued success of Company ("Confidential Information"). All Confidential Information and/or Inventions, as well as all intellectual property rights therein, shall be the sole property of the Company. Employee hereby assigns and agrees to assign to the Company any rights he or she may have or acquire in such Confidential Information and/or Inventions.

3.2 During and after Employee's employment, Employee shall hold the Confidential Information and/or Inventions in confidence and shall protect them with utmost care. Employee shall not disclose, copy, remove the Company's premises, or permit any person to disclose or copy any of the Confidential Information and/or Inventions, and Employee shall not use any of the Confidential Information and/or Inventions, except as necessary to perform his/her duties as an employee of Company. In the event that Employee has or has had access to any confidential information belonging to any third party, including but not limited to any of Employee's previous employers, Employee shall hold all such confidential information in confidence and shall comply with the terms of any and all agreements between Employee or Company and the third party with respect to such confidential information.

3.3 This Agreement will not be interpreted to prevent the use or disclosure of information that (i) is required by law to be disclosed, but only to the extent that such disclosure is legally required, (ii) becomes a part of the public knowledge other than by a breach of an obligation of confidentiality, or (iii) is rightfully received from a third party not obligated to hold such information confidential.

3.4 Upon Company's request, and in any event upon termination of Employee's employment for any reason, Employee shall promptly return to Company all materials in his/her possession or control that represent, contain or reasonably could contain Confidential Information and/or Inventions, including but not limited to documents, drawings, diagrams, flow charts, computer programs, memoranda, notes, and every other medium, and all copies thereof.

3.5 During and after Employee's employment, regardless of the circumstances of Employee's termination, Employee shall not communicate to, or use for his/her benefit, or for the benefit of any person, firm, or other entity, without the prior approval of the Company, any Confidential Information or information about Inventions; provided, however, that Employee may communicate such information as required pursuant to law or as necessary or appropriate in connection with any suit or action, or any potential suit or action, brought by Employee against the Company in connection with his/her employment relationship with the Company. Employee will return to Company all Company-owned materials including, without limitation, computer and office equipment, supplies and internal Company manuals, customer lists and information, and marketing materials.

4. **Future Inventions**: Employee recognizes that Inventions relating to his/her activities while working for Company and conceived or made by Employee, whether alone or with others, within one year after termination of Employee's employment may have been conceived in significant part while employed by Company. Accordingly, Employee agrees that such Inventions shall be presumed to have been conceived during Employee's employment with Company and are to be, and hereby are, assigned to Company unless and until Employee has established the contrary.

5. **Cooperation**: Employee shall assist Company in every way deemed necessary or desirable by the Company (but at the Company's expense) to obtain and enforce patents, copyrights, trademarks and other rights and protections relating to any Confidential Information and Inventions in any and all countries, and to that end Employee will execute all documents for use in obtaining and enforcing such patents, copyrights, trademarks and other rights and protections as Company may desire, together with any assignments thereof to Company or persons designated by it. If Company is unable for any reason to secure Employee's signature to any document required to apply for or execute any patent, copyright, mask work or other applications with respect to any Inventions (including improvements, renewals, extensions, continuations, divisions or continuations in part thereof), Employee hereby irrevocably designates Company and its duly authorized officers and agents as Employee's agents and attorneys-in-fact for and on Employee's behalf to execute and file any such application and to do all other lawfully permitted acts to further the prosecution and issuance of patents, copyrights, mask works or other rights thereon with the same legal force and effect as if executed by Employee. Employee's obligation to assist Company shall continue beyond the termination of his/her employment, but Company shall compensate him/her at a reasonable rate after his/her termination for time actually spent by Employee at Company's request on such assistance.

6. **Ethical Standards**: Employee agrees to maintain the highest ethical and legal standards in his/her conduct, to be scrupulously honest and straight-forward in all of his/her dealings and to avoid all situations which might project the appearance of being unethical or illegal.

7. **Product Resale**: As an employee of Company, Employee may receive Company products and materials either at no charge or at a discount as specified from time to time by Company in its sole discretion. Employee agrees that the products received from Company are strictly limited to Employee's personal use and that of Employee's family and may not be resold, given or disposed of to any other person or entity, or otherwise disposed of in a manner inconsistent with the personal use herein described.

8. **Gratuities**: Employee shall neither seek nor retain gifts, gratuities, entertainment or other forms of compensation, benefit, or persuasion from suppliers, distributors, vendors or their representatives without the consent of a Company Vice President with the exception of meals provided in the ordinary course of business on an infrequent basis.

9. **Non-Solicitation**: Employee shall not in any way, directly or indirectly, at any time during employment or within two (2) years after either a voluntary or involuntary employment termination: (a) solicit, divert, or take away Company's distributors; (b) in any manner Company's employees, or vendors; or (c) assist any other person in any manner or persons in an attempt to do any of the foregoing.

10. **Non-Disparagement**: Employee shall not in any way, directly or indirectly at any time during employment or after either voluntary or involuntary employment termination, disparage Company, Company products or Company Distributors.

11. **Non-Endorsement**: Employee shall not in any way, directly or indirectly, at any time during employment or within one (1) year after either a voluntary or involuntary employment termination endorse any product that competes with products of Company, promote or speak on behalf of any company whose products compete with those of Company, allow Employee's name or likeness to be used in any way to promote any company or product that competes with Company or any products of Company.

12. **Non-Competition**: In exchange for the benefits of continued employment by Company, Employee shall not accept employment with, engage in or participate, directly or indirectly, individually or as an officer, director, employee, shareholder, consultant, partner, joint venturer, agent, equity owner, distributor or in any other capacity whatsoever, with any direct sales or multilevel marketing company including any direct or indirect affiliate or subsidiary of such company that competes with the business of Company whether for market share of products or for independent distributors in a territory in which Company is doing business. The restrictions set forth in this paragraph shall remain in effect during the Employee's employment with Company and during a period of six months following the Employee's termination of employment. Within fifteen days of termination of Employee's employment, Company shall notify Employee whether it elects to enforce the Employee's obligation set forth in this paragraph. In the event Company decides to enforce employees non-competition obligation set forth herein, Company shall pay Employee a sum equal to seventy-five percent of the Employee's base salary at termination of employment, less applicable withholding taxes and excluding all incentive compensation and other benefit payments for the period following the termination of employment during which the restrictive covenants in this paragraph remain in effect. Unless other arrangements are made, payment shall be made in periodic installments in accordance with Company's regular payroll practices. Such ongoing payments shall be contingent upon Employee's ongoing compliance with his/her continuing obligations under this Agreement.

13. **Acknowledgement**: Employee acknowledges that his/her position and work activities with the Company are "key" and vital to the on-going success of Company's operation in each product category and in each geographic location in which Company operates. In addition, Employee acknowledges that his/her employment or involvement with any other direct selling or multilevel marketing company in particular would create the impression that Employee has left Company for a "better opportunity," which could damage Company by this perception in the minds of Company's employees or independent distributors. Therefore, Employee acknowledges that his/her confidentiality, non-solicitation, non-disparagement, non-endorsement and non-competition covenants are fair and reasonable and should be construed to apply to the fullest extent possible by applicable laws. Employee has carefully read this Agreement, has consulted with independent legal counsel to the extent Employee deems appropriate, and has given careful consideration to the restraints imposed by the Agreement. Employee acknowledges that the terms of this Agreement are enforceable regardless of the manner in which Employee's employment is terminated, whether voluntary or involuntary. In the event that Employee is to be employed as an attorney for a competitive business, Company and Employee acknowledge that paragraph 12 is not intended to restrict the right of the Employee to practice law in violation of any applicable rules of professional conduct.

14. **Return of Equipment and Information upon Termination**: Upon termination of employment, Employee shall return to company all assets and equipment of Company along with any Confidential Information and Work Product including any distributor and vendor contact information and notes or summaries of all of the above.

15. **Remedies**: Employee acknowledges: (a) that compliance with the restrictive covenants contained in this Agreement are necessary to protect the business and goodwill of Company and (b) that a breach will result in irreparable and continuing damage to Company, for which money damages may not provide adequate relief. Consequently, Employee agrees that, in the event that he/she breaches or threatens to breach these restrictive covenants, Company shall be entitled to both: (1) a preliminary or permanent injunction to prevent the continuation of harm and (2) money damages insofar as they can be determined. Nothing in this Agreement shall be construed to prohibit Company from also pursuing any other remedy, the parties having agreed that all remedies are cumulative. It is further recognized and agreed that the covenants set forth herein are for the purpose of restricting Employee's activities to the extent necessary for the protection of the legitimate business interests of Company and that Employee agrees that said covenants do not and will not preclude him/her from engaging in activities sufficient for the purposes of earning a living.

16. **Attorney's Fees**: If any party to this Agreement breaches any of the terms of this Agreement, then that party shall pay to the non-defaulting party all of the non-defaulting party's costs and expenses, including reasonable attorney's fees, incurred by that party in enforcing the terms of this Agreement.

17. **Court's Right to Modify Restriction**: The parties have attempted to limit the Employee's right to compete only to the extent necessary to protect Company from unfair competition. The parties recognize, however, that reasonable people may differ in making such a determination. Consequently, the parties agree that, if the scope or enforceability of the restrictive covenants contained in this Agreement is in any way disputed at any time, a court or other trier of fact may modify and enforce the covenants to the extent that it believes to be reasonable under the circumstances existing at that time.

18. **Severability**: If any provision, paragraph, or subparagraph of this Agreement is adjudged by any court or administrative agency to be void or unenforceable in whole or in part, this adjudication shall not affect the validity of the remainder of the Agreement, including any other provision, paragraph, or subparagraph. Each provision, paragraph, and subparagraph of this Agreement is severable from every other provision, paragraph, and subparagraph and constitutes a separate and distinct covenant.

19. **Governing Law and Forum**: This Agreement shall be governed and enforced in accordance with the laws of the State of Utah, and any litigation between the parties relating to this Agreement shall be conducted in the courts of Utah County or Salt Lake City where necessary for federal court matters.

20. **Employment At Will**: Employee understands that employment with Company is at-will, meaning that employment with Company is completely voluntary and for an indefinite term and that either Employee or Company is free to terminate the employment relationship at any time, with or without cause or advance notice, provided that termination is not done for an unlawful or discriminatory purpose.

21. **Employment Subject to Company's Policies and Procedures**: The Parties acknowledge and agree that Company has established, and may establish, various workplace policies and procedures, which the Company may modify in its sole discretion from time to time. Employee acknowledges such policies and procedures, and agrees to abide by such policies and procedures as they may be implemented or modified from time to time.

22. **Entire Agreement**: Company and Employee understand and agree that this Agreement shall constitute the entire agreement between them regarding the subject matter contained herein, and that all prior understandings or agreements regarding these matters are hereby superseded and replaced, including, without limitation, the Key-Employee Covenants Agreement previously signed by the parties. Any amendment to or modification of this Agreement must be in writing signed by the parties hereto and stating the intent of the parties to amend or modify this Agreement.

23. **Survivability of Obligations**: This Agreement sets forth several obligations which continue after the termination of Employee's employment with Company, including without limitation those obligations set forth in paragraphs 1, 2, 3, 4, 5, 6, 9, 10, 11, and 12, and the Parties specifically acknowledge and agree that such obligations shall survive the termination of Employee's employment for any reason.

THIS AGREEMENT HAS BEEN READ, UNDERSTOOD AND FREELY ACCEPTED BY:

_____ Dated: _____

Employee

EXHIBIT 21.1

SUBSIDIARIES OF THE REGISTRANT

Big Planet, Inc., a Delaware corporation

Jixi Nu Skin Vitameal Co., Ltd., a Chinese corporation

Nox Technologies, Inc., a Delaware corporation

NSE Asia Products, Pte Ltd, a Singapore corporation

NSE Investments, Inc., a Delaware corporation

NSE Korea, Ltd., a Korean corporation

NSE Products, Inc., a Delaware corporation

NSEMC, Inc., a Delaware corporation

NSEMC do Brasil Cosmeticos e Participacoes Ltda., a Brazil limited liability company

Nu Skin (China) Daily-Use and Health Products Co., Ltd., a Chinese company

Nu Skin (Malaysia) Sdn. Bhd., a Malaysian corporation

Nu Skin Argentina, Inc., a Utah corporation

Nu Skin Asia Holdings Ptd Ltd., a Singapore corporation

Nu Skin Asia Investment, Inc., a Delaware corporation

Nu Skin Belgium, NV, a Belgium corporation

Nu Skin Brazil, Ltda., a Brazilian limited liability company

Nu Skin Canada, Inc., a Utah corporation

Nu Skin Chile Enterprises Ltda., a Chilean limited liability company

Nu Skin Colombia, Inc., a Delaware corporation

Nu Skin Costa Rica, a Costa Rican corporation

Nu Skin Czech Republic, s.r.o., a Czech corporation

Nu Skin Eastern Europe Ltd. A Hungary corporation

Nu Skin El Salvadore S.A. de C.V., an El Salvadore corporation

Nu Skin Enterprises de Venezuela C.A., a Venezuela corporation

Nu Skin Enterprises (Thailand), Ltd., a Delaware corporation

Nu Skin Enterprises (Thailand), Ltd., a Thailand corporation

Nu Skin Enterprises Australia, Inc., a Utah corporation

Nu Skin Enterprises Hong Kong, LLC, a Delaware limited liability company

Nu Skin Enterprises India Private Ltd., an Indian corporation

Nu Skin Enterprises New Zealand, Inc., a Utah corporation

Nu Skin Enterprises Philippines, LLC, a Delaware limited liability company

Nu Skin Enterprises Poland Sp z.o.o., a Polish corporation

Nu Skin Enterprises RS, Ltd., a Russian limited liability company

Nu Skin Enterprises Singapore Pte. Ltd., a Singapore corporation

Nu Skin Enterprises South Africa (Proprietary) Limited, a South African corporation

Nu Skin Enterprises Ukraine, LLC, a Ukrainian limited liability company

Nu Skin Enterprises United States, Inc., a Delaware corporation

Nu Skin Enterprises Vietnam, LLC, a Vietnamese limited liability company

Nu Skin Enterprises, SRL, a Romanian corporation

Nu Skin FSC, Inc., a Barbados corporation

Nu Skin France, SARL, a French limited liability company

Nu Skin Germany, GmbH, a German limited liability company

Nu Skin Guatemala, S.A., a Guatemalan corporation

Nu Skin Honduras, S.A., a Honduras corporation

Nu Skin International Management Group, Inc., a Utah corporation

Nu Skin International, Inc., a Utah Corporation

Nu Skin Islandi ehf, an Iceland private limited liability company

Nu Skin Israel, Inc, a Delaware corporation

Nu Skin Italy, Srl, an Italian corporation

Nu Skin Japan Company Limited, a Japanese corporation

Nu Skin Japan, Ltd., a Japanese corporation

Nu Skin Malaysia Holdings Sdn. Bhd., a Malaysian corporation

Nu Skin Mexico, S.A. de C.V., a Mexican corporation

Nu Skin Netherlands, B.V., a Netherlands corporation

Nu Skin New Caledonia EURL, a French corporation

Nu Skin Norway AS, a Norwegian corporation

Nu Skin Pharmanex (B) Sdn Bhd, a Brunei corporation

Nu Skin Scandinavia A.S., a Denmark corporation

Nu Skin Slovakia s.r.o., a Slovakian company

Nu Skin Taiwan, LLC., a Utah limited liability company

Nu Skin Turkey Cilt Bakimi Ve Besleyici Urunleri Ticaret Limited Sirketi, a Turkish limited liability company

Pharmanex (Huzhou) Health Products Co., Ltd., a Chinese corporation

Pharmanex Electronic-Optical Technology (Shanghai) Co., Ltd., a Chinese corporation

Pharmanex, LLC, a Delaware limited liability company

PT. Nu Skin Distribution Indonesia, an Indonesian corporation

PT. Nusa Selaras Indonesia, an Indonesian corporation

Shanghai Xinru Bio-technologies, Ltd., a Chinese company

EXHIBIT 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (Nos. 333-48611, 333-68407, 333-95033, 333-102327, 333-124764, 333-130304, 333-136464, 333-167690 and 333-190508) of Nu Skin Enterprises, Inc. of our report dated February 27, 2015 relating to the financial statements and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Salt Lake City, Utah
February 27, 2015

EXHIBIT 31.1
SECTION 302 – CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, M. Truman Hunt, certify that:

1. I have reviewed this annual report on Form 10-K of Nu Skin Enterprises, Inc;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 27, 2015

/s/ M. Truman Hunt
M. Truman Hunt
Chief Executive Officer

EXHIBIT 31.2
SECTION 302 – CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, Ritch N. Wood, certify that:

1. I have reviewed this annual report on Form 10-K of Nu Skin Enterprises, Inc;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 27, 2015

/s/ Ritch N. Wood
Ritch N. Wood
Chief Financial Officer

EXHIBIT 32.1
SECTION 1350 CERTIFICATION OF CHIEF EXECUTIVE OFFICER

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the annual report of Nu Skin Enterprises, Inc. (the "Company") on Form 10-K for the period ended December 31, 2014 (the "Report"), I, M. Truman Hunt, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 27, 2015

/s/ M. Truman Hunt
M. Truman Hunt
Chief Executive Officer

EXHIBIT 32.2
SECTION 1350 CERTIFICATION OF CHIEF FINANCIAL OFFICER

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the annual report of Nu Skin Enterprises, Inc. (the "Company") on Form 10-K for the period ended December 31, 2014 (the "Report"), I, Ritch N. Wood, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 27, 2015

/s/ Ritch N. Wood
Ritch N. Wood
Chief Financial Officer