

# NU SKIN

## 2018 SALES COMPENSATION SUMMARY

### U.S. MARKET

#### Compensation

There are two fundamental ways in which a Brand Affiliate can earn money:

- By reselling products purchased from the company to consumers; and
- Through sales compensation (sometimes called bonuses) for product sales by the Brand Affiliate and others on their Team.

As with any other sales opportunity, sales compensation earned by Brand Affiliates varies significantly based on factors such as goals, ambition, time, commitment and skills. There is no cost or purchase requirement to become a Brand Affiliate. People become Brand Affiliates for various reasons. Many people become Brand Affiliates simply to enjoy the Company's products at discounted Member Prices. Some join the business to improve their skills or to experience the management of their own business. Others become Brand Affiliates, but for various reasons, never engage in Business Activities. Consequently, many Brand Affiliates never qualify for payment of sales compensation.

**Generating sales compensation as a Brand Affiliate requires considerable time, effort and dedication. Success will also depend upon your skills, talents and leadership abilities. There is no guarantee of financial success and results will vary widely among participants.**

#### Retail Markup

Brand Affiliates can buy products from the Company at Member Prices and resell the products to customers. The difference between the price at which they resell the product and the Member Price is their retail markup. As Brand Affiliates set their own pricing on resales of product, the Company does not provide an estimate of average income from product resales by Brand Affiliates or include it in this Sales Compensation Summary.

#### Sales Compensation

Brand Affiliates can also earn sales compensation for product sales by the Brand Affiliate and others on their Team in all countries where the Company does business, with the exception of Mainland China. No sales compensation is paid for sales of promotional materials.

In 2018, the Company paid approximately \$126,892,539 in sales compensation to Brand Affiliates residing in the United States.

The following table shows the average sales compensation paid in 2018 to U.S. Brand Affiliates at various levels in the Company's Sales Compensation Plan, including the average percentage of total Active Brand Affiliates and the average percentage of Brand Representative and above Brand Affiliates that earned commissions at each level.

The average sales compensation paid to U.S. Active Brand Affiliates each month was \$151.34, or \$1,816.10 on an annualized basis. In 2018, the average monthly sales compensation paid to U.S. Brand Affiliates who earned a sales compensation payment was \$786.40, or \$9,436.79 on an annualized basis. Note that these figures do not represent a Brand Affiliate's profit, as they do not consider expenses incurred by a Brand Affiliate in the promotion of his/her business. On a monthly basis, an average of 19.38% of U.S. Active Brand Affiliates earned a sales compensation payment. For purposes of this summary, an "Active Brand Affiliate" is a Brand Affiliate who placed an order for products, promotional materials or services during the most recent three-month period. In the United States, the Company had an average of 69,871 Active Brand Affiliates during 2018. Active Brand Affiliates represented an average of 27.30% of total Brand Affiliates.

If you have any questions concerning this information, please contact the company at (800) 487-1000.

TITLE	Monthly Average Commission Income at Each Level for 2018	Annualized Commissions <sup>1</sup>	Average Percentage of Active Brand Affiliates <sup>2</sup>	Average Percentage of Brand Representative and above Brand Affiliates
Active Brand Affiliate Receiving Commissions (Non-Brand Representative)	\$37	\$444	11.51%	n/a
Qualifying Brand Representative	120	1,440	1.55%	n/a
Provisional Brand Representative	64	768	0.36%	n/a
Brand Representative	515	6,180	3.37%	56.46%
Gold Partner	903	10,836	1.14%	19.17%
Lapis Partner	1,632	19,584	0.77%	12.88%
Ruby Partner	2,592	31,104	0.15%	2.49%
Emerald Director	4,727	56,724	0.20%	3.36%
Diamond Director	8,754	105,048	0.12%	2.06%
Blue Diamond Director	37,596	451,152	0.21%	3.57%

<sup>1</sup>These numbers are calculated by taking the monthly average sales compensation and multiplying by twelve.

<sup>2</sup>These percentages are calculated by taking the average of the total monthly Brand Affiliate/Brand Representative payee count at each level and dividing it by the total number of monthly Active Brand Affiliates.

<sup>3</sup>This number is calculated by adding the average percentage of Active Brand Affiliates in the above table.

<sup>4</sup>This percentage is obtained by taking the total average of monthly Active Brand Affiliates and dividing it by the total average of Brand Affiliates on a monthly basis. "Total Brand Affiliates" includes all U.S. Brand Affiliate accounts currently on file, irrespective of their purchasing products, promotional materials or services or earning commissions. "Brand Affiliate" numbers do not include customer or Member accounts.