



NU SKIN
THE DIFFERENCE. DEMONSTRATED.™

Dear Distributor,

Thank you for registering your interest in leasing a BioPhotonic Scanner - it is a fantastic tool to assist you in building your Nu Skin business and validating two of our key products – LifePak and G3.

Please read and complete this contract and return pages 1 - 3 to Nu Skin.

Where do I send this lease once it is complete?

- Email your scanned contract to productmarketing@nuskin.com
- Fax your Scanner contract to (02) 9491 0907 (AU) or (09) 254 4181 (NZ); or
- Post your completed Scanner contract to Product Marketing, Nu Skin, PO Box 116 North Ryde BC Sydney NSW 1670 (AU) or Product Marketing, Nu Skin, PO Box 107145 Auckland Airport 2150 (NZ).

How long will it take for me to get a Scanner?

Once we receive your completed Master Lease and Licensing Agreement we check that you fulfil the requirements of being an Executive Distributor. Subject to availability and approval, the Scanner implementation process will take approximately 5 business days. Once your Scanner is due for shipment and your lease has been approved, Product Marketing will notify you via email of your courier tracking details.

What do I need to do in order to keep the Scanner?

Nu Skin South Pacific monitors each month the average Scanner usage of our Scanner Lessees to ensure all Scanners are being used productively. If you fall under the monthly average of South Pacific Scanner uploads we will notify you and attempt to help you in using the Scanner. For 2011 the current monthly average is 15 scan uploads per month (subject to change). If you fail to meet this monthly average we reserve the right to charge you monthly lease fees as the lease waiver program will become null and void.

What are my obligations as a Scanner Lessee?

- To keep the Scanner safe and utilise it in a method that has been approved (See Scanner Do's and Don't's).
- Pay a monthly Scanner lease fee of AUD\$275 or NZD\$325 (see Master Lease and Licensing Agreement) or maintain the minimum requirements for the monthly lease waiver.
- Pay a security deposit of AUD\$550 or NZD\$669 as a bond for the Scanner.
- Pay a mandatory monthly Loss and Damage Waiver charge of AUD\$25 or NZD\$30, and be aware you are still liable for the first AUD\$1,000 or NZD\$1,200 if there is any loss or damage to the Scanner and laptop.

Kind Regards,

Nu Skin and Pharmanex Business and Product Marketing Manager, South Pacific

Please read this Master and Licensing Lease Agreement carefully and fill in all required information and signatures before returning to Nu Skin. Further information on the Scanner lease fee waiver promotion, Scanner summary etc are available online.

A. Monthly Loss and Damage Waiver

The AUD\$25 or NZD\$30 monthly loss and damage waiver charge is mandatory for all South Pacific Scanner Lessees. Please be aware that the Scanner and its Related Software (including the laptop) is the Lessee's sole responsibility. If there is any damage or loss of the Scanner and/or its Related Software the Lessee is liable to pay up to the first AUD\$1,000 or NZD\$1,200.

Yes, I have read and understand the terms and conditions of the Loss and Damage Waiver (as specifically provided in Section 4 and 9 of the Terms and Conditions). I understand that AUD\$25 OR NZD\$30 will be debited from my credit card each month at the same time as my Scanner Rental Lease payment (if applicable).

B. Shipping Conditions

Please note that Scanners can be picked up at the Sydney or New Zealand Corporate Office or delivered by courier. A flat fee of AUD\$40 and NZD\$40 is charged to courier the Scanner (3 day courier service). Courier charges will be charged at the time of lease set up date and Scanner shipment. Please note that your Scanner will be couriered in a Scanner box which **must be kept**. When you return the Scanner to Nu Skin, it **must** be packaged in this Scanner box or else you will be charged a replacement box fee of AU\$20 or NZ\$25.

Yes, I have read and understand the shipping conditions. I understand that if the Scanner is being couriered to me that the above amount will be debited from my credit card.

C. Security Bond

An AUD\$550 or NZD\$669 security bond is payable and charged when the Scanner is couriered out or collected.

Yes, I have read and understand the terms and conditions of the Security Bond (as specifically provided in Section 4 of the Terms and Conditions). I understand that an initial bond of AUD\$550 or NZD\$669 will be debited from my credit card. This bond will be returned to me on termination of the contract provided that all contractual obligations are met.

D. Monthly Scanner Lease Fee

Monthly lease fees are AUD\$275 or NZD\$325 unless waived by the Scanner lease fee waiver promotion. Please visit the Scanner page on the Nu Skin website to view the current lease fee waiver promotion Terms and Conditions.

Yes, I have read and understand the terms and conditions of the Monthly Scanner Lease Fee (as specifically provided in Section 4 of the Terms and Conditions). I understand that each month in arrears, a Monthly Scanner Lease Fee of AUD\$275 or NZD\$325 will be debited from my credit card unless I meet the requirements of the Lease Waiver Promotion (Terms and Conditions can be found at www.nuskin.com.au or www.nuskin.co.nz). If I fail to meet the monthly Scanner upload average of 15 scans (subject to change) I may be charged the full lease fee, regardless of whether I have met the Lease Waiver Promotion requirements.

E. Usage Terms and Conditions

Nu Skin monitors on a monthly basis the Scanner usage of our Distributors to ensure Distributors are utilising the Scanners to build their business. If you fail to meet the monthly average of 15 scan uploads per month (subject to change) we reserve the right to charge you the full lease. At any time Nu Skin has the right to request your Scanner be returned to the Company.

Yes, I understand that I need to purchase SCAN CARDS in order to be able to perform scans with the Scanner.

Yes, I have read and understand the usage terms and conditions.

Yes, please include me in the online directory as a Scan Operator – I understand my city and state along with my Distributor name, mobile number and email address will be viewable.

No, I do not wish to have my details published online.

DISTRIBUTOR NAME/LESSEE	ID NUMBER
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SIGNED	DATE
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EQUIPMENT (to be completed by CORPORATE when Scanner is issued)		
VENDOR	SERIAL NO. OF SCANNER S2 SYSTEM	SERIAL NO. OF DELL LAPTOP
Nu Skin Enterprises South Pacific	_____	_____
Internal Use only: _____	Verification 1 _____	Verification 2 _____



MASTER LEASE AND LICENSING AGREEMENT BIOPHOTONIC SCANNER SOUTH PACIFIC

DISTRIBUTOR NAME / LESSEE	DATE
DISTRIBUTOR ID NUMBER (For example ASW000100)	
PHONE NUMBER ()	EMAIL ADDRESS

Are you collecting the Scanner from the Sydney DSC or New Zealand Head Office ? Yes (We will contact you when it is available)
 No, please deliver the scanner by courier

ADDRESS YOU WOULD LIKE THE SCANNER COURIED TO DURING BUSINESS HOURS

PAYMENTS TO BE PROCESSED

- **INITIAL SECURITY BOND:** AUD\$550 or NZD\$669
- **MONTHLY SCANNER LEASE FEE:** AUD\$275 or NZD\$325 per month unless waived under the Scanner Lease Waiver Promotion (see www.nuskin.com.au or www.nuskin.co.nz websites for details).
- **MONTHLY LOSS AND DAMAGE WAIVER FEE:** AUD\$25 or NZD\$30
- **SHIPPING CONDITIONS AND FEE:** Please note that Scanners can be picked up at the Sydney or New Zealand Corporate Office or delivered by courier. A flat fee of AUD\$40 and NZD\$40 is charged to courier the Scanner.

Yes, I authorise Nu Skin Enterprises to charge my credit card in arrears each month for payment of the Monthly Scanner Lease Fee and the Monthly Loss and Damage Waiver. I also authorise Nu Skin Enterprises to charge my credit card for the initial security bond payment and shipping fees where applicable.

SIGNED	DATE
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CREDIT CARD INFORMATION

PLEASE NOTE THAT THIS SECTION WILL BE DESTROYED AFTER PROCESSING.

Please tick: VISA MASTERCARD

CREDIT CARD NUMBER (Please print clearly)	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> - <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> - <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> - <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
EXPIRY DATE _____ / _____	SECURITY (CVV) CODE <input type="text"/> <input type="text"/> <input type="text"/>
CARDHOLDER NAME AS IT APPEARS ON THE CARD*	
COMPANY NAME AS IT APPEARS ON THE CARD*	
SIGNATURE	DATE

*Please note the credit card must be in the same name as Scanner applicant or else lease will not be processed. If you have a company credit card, please ensure you complete both the company name and personal name that appears on the card.

Internal Use only: _____ Verification 1 _____ Verification 2 _____
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MASTER LEASE AND LICENSING AGREEMENT BIOPHOTONIC SCANNER SOUTH PACIFIC

This Master Lease and Licensing Agreement is entered into as of day of _____ month, of 20____ (the "Effective Date") between Nu Skin Australia Enterprises Inc, or between Nu Skin Enterprises New Zealand, Inc. Each reference on this Signature Page shall be construed to incorporate all the terms provided in the terms and conditions. In the event of any conflict between the provisions of this Signature Page and the terms and conditions, the latter shall control.

The basic terms of this Agreement:

- A. Scanner:** This agreement is for a lease of personal property and related software known as the Pharmanex BioPhotonic Scanner ("Scanner").
- B. Expiration Date:** This agreement is for a period of **36 months** from the date on which the first rental is due and payable.
- C. Rental:** The Scanner Lessee will be required to pay the AUD\$275 / NZD\$325 Monthly Scanner Lease Fee unless waived by the Scanner Lease Waiver Promotion. Please see online for the Scanner South Pacific summary document for more information. If you do not qualify for a waived or discounted lease payment, Nu Skin will charge you the Scanner lease fee for the month. All payments shall be due and payable **in arrears** on the 7th day of the following month. Please note that if you cancel your Scanner contract, payment for that month will be charged the following month as payment is in arrears. Each lease payment shall be prorated for any partial month, and payments and all assessments shall be payable by the Lessee's credit card. Additional monthly fees include the mandatory loss and damage waiver.
- D. Security Bond:** The Lessee will need to pay AUD\$550 / NZD\$669 as a bond for the Scanner. This amount is in addition to, and shall not be applied to, the Lease Fee except in the event of a default under this agreement. The Security Bond may also be applied to other Lessee obligations under this agreement in the event of a default hereunder. The Security Bond shall be due and payable upon execution by the Lessee of the Certificate of Acceptance, and shall be refundable in accordance with the terms of this agreement.
- E. Renewal at Expiration:** Subject to the minimum requirements as outlined in the terms and conditions, and subject to any other amendments by the Lessor at its sole discretion, this schedule shall be automatically extended from month to month, in accordance with the provisions of the master which shall all be due and payable monthly in arrears, by a valid credit card, on the same rental payment dates as under the initial term, subject to the early termination provisions and terms of this Agreement.
- F. Term:** Subject to the minimum requirements, the term of this Agreement shall be for a period of 36 months, unless terminated by either party with 14 days written notice.
- G. Termination:** Either party may terminate this Agreement at any time prior to the expiration of this Agreement by written notice provided to the other party, provided that the Lessee shall give at least 14 days prior written notice to the Lessor for such termination. All obligations of the Lessee shall survive the expiration or termination of this Agreement.
Upon termination of the Master Lease, the Lessee must:
 - promptly return the Scanner and its Equipment and its Related Software in working order at their own cost; and
 - ensure that all rental fees due and/or payable have been paid.

H. Primary Location: The Scanner and its equipment shall be kept primarily at:

ADDRESS

- I. Applicable laws:** The Lessee agrees to abide by all applicable laws, including but not limited to, privacy laws which might apply to the use of the Scanner and its equipment in Australia or New Zealand.
- J. Product Claims & Marketing Materials:** The Lessee will agree to use the Scanner and its equipment only as directed and only make claims that have been approved and are established in the Nu Skin corporate marketing materials and website. The Lessee will also agree to use corporate approved marketing materials to promote the Nu Skin and/or Pharmanex products and the Scanner.

In witness hereof, the parties have caused this Master Lease and Licensing Agreement to be executed on:

_____ day of _____ month, of 20_____

LESSOR/LICENSOR:

Nu Skin Enterprises Australia, Inc.
Nu Skin Enterprises New Zealand, Inc.
Name: Katherine Guthrie
Title: Nu Skin & Pharmanex Business & Product Marketing Manager

SIGNED

LESSEE/LICENSEE

NAME

DISTRIBUTOR ID#

If you are a Corporation or Health Care Professional please provide the following:

NAME OF CORPORATION

ABN#^(AU) GST#^(NZ)

SIGNED

By signing you are agreeing to the terms and conditions of this document.

Internal Use only: _____ Verification 1 _____ Verification 2 _____

1. MEANING OF WORDS

The term "Distributor" shall mean an independent contractor who has signed a Distributor Agreement with Nu Skin Enterprises Australia and New Zealand Inc. The term "Scanner" as used in this Agreement means: Pharmanex BioPhotonic Carotenoid Antioxidant Scanner System version 2 (S2) (the "S2 Scanner System Everest Edition"), manufactured by Pharmanex, consisting of hardware and software, including the following:

- (i) one BioPhotonic Scanner which emits a blue light source;
- (ii) one encasement which houses the light source and spectrometer;
- (iii) one laptop computer (the "Laptop") (which receives the data from the optical scanner), including but not limited to the processor, AC adapter, cables, liquid crystal displays, optical drive, hard drive, keyboard, base, battery, memory modules, internal modem, connectors, documentation, and all software provided with the Laptop or embedded therein or in any of the foregoing Laptop components or accessories;
- (iv) all Related Software, which means any proprietary software development tools, software libraries, rendering engines, content and other software or computer programming code, including all program output in the form of screen displays, graphics, printer output, plotter output and sounds that are part thereof relating to the S2 Scanner System (and whether embedded in the S2 Scanner System or residing on the Laptop), and in which Lessor shall retain all authorship and ownership rights, title and interest, subject to the licensing rights granted to Lessee under the Agreement; and
- (v) carrying cases for the S2 Scanner System and the Laptop, whether any of the foregoing (i) through (v) are now owned or hereafter acquired or developed, together with all additions, replacements, enhancements and modifications, and all proceeds and products thereof.

The term "Related Software" means any proprietary software development tools, software libraries, rendering engines, content and other software or computer programming code, including all program output in the form of screen displays, printer output, plotter output and sounds that are part thereof relating to the Scanner (and whether embedded in the Scanner or residing on the laptop used therewith), that are in existence and owned by Lessor as of the Effective Date, and in which Lessor shall retain all authorship and ownership rights, title and interest, subject to the licensing rights granted to Lessee under the Agreement.

2. LEASE AND LICENSE

Lessor agrees to lease to the Lessee, and the Lessee agrees to lease from the Lessor, the Scanner, and the Lessor hereby license to the Lessee the Related Software, all in accordance with the terms and conditions of this Agreement provided, however, that this Agreement shall only become effective upon the signing of all documents required pursuant hereto by an authorised representative of the Lessor, which will occur only after confirmation by the Lessor that the Lessee is an Executive.

3. TERM; ADR; NO MEDICAL DEVICE

The term of this Agreement shall be a period of 36 consecutive months, commencing on the effective date. This lease can be cancelled at any time by either party with 14 days written notice. If Lessee is not in breach, this Agreement shall renew automatically from month to month unless either party gives the other written notice of its intent not to renew this Agreement at least 14 days prior to the expiration date of its initial term or any renewal term. Lessee acknowledges that:

- (a) The Scanner is not a medical device, is not, and cannot diagnose, treat cure or prevent any disease, has not been cleared as an approved medical device and Lessee assumes the risk that this Agreement may be terminated if the Scanner is deemed to be an unapproved medical device by the TGA, and
- (b) The Lessor makes no representation or warranty that the Scanner is a medical device.
- (c) Lessee may terminate this Agreement at any time, subject to:
 - (i) 14 days prior written notice to the Lessor;
 - (ii) The return of the Scanner or its equipment;
 - (iii) Payment of any Lease and other amounts accrued or owed through the termination date (and thereafter for obligations surviving termination); and
 - (iv) Payment of all remaining Lease and other amounts which otherwise would have accrued through expiration.

4. LEASE; CHARGES AND SECURITY BOND; LOSS AND DAMAGE WAIVER

The Lessee shall pay the Lessor the security bond, lease charge and loss and damage waiver for the use of the Biophotonic Scanner and the licensing of the Related Software, in the amounts and on the dates specified in the Master Lease and Licensing Agreement. So long as there is no default or termination under this Agreement, the security bond shall be applied towards the final payments of the

initial term. The security bond, lease charges and loss and damages waiver, shall be payable automatically by a valid credit card as provided by the Lessee on page 2 of the agreement. The Lessee authorises the Lessor to charge to receive lease charges and/or all other amounts due and payable under this Agreement. Failure to maintain a valid, active credit card to make lease payments shall constitute grounds for immediate termination of the Agreement.

5. TITLE; LABEL

Title to the Scanner and its equipment (including any replacements, additions, accessories, modifications, upgrades, and enhancements) shall remain with the Lessor at all times, and the Lessee shall have no right, title or interest therein other than its leasehold and licensing interests under this Agreement. The Lessee shall, at their expense, protect and defend the Lessor's title to the Scanner and keep it free and clear from any claims, liens, and encumbrances. The Scanner shall at all times be and remain personal property. The Lessor may affix, or direct the Lessee to affix a label or identification to the Scanner, and the Lessee shall not alter, deface, cover or remove such identification or label.

6. LIMITATION ON WARRANTIES

The Scanner will be free of defects in workmanship and, with regard to the Scanner, in the material. The Lessor shall, upon receipt of written notification and receipt of the Scanner (insured and shipped at the Lessee's expense), take steps to correct any nonconformity either by replacing the Scanner and/or Related Software, or component thereof, or by repairing any defective part or parts, at the Lessor's discretion. The foregoing warranty shall be null and void if the Lessee has:

- (a) modified, abused or damaged the Scanner and/or Related Software;
- (b) if the Scanner and/or Related Software is lost or damaged in shipping, in which event the Lessee shall indemnify the Lessor for all losses resulting there from;
- (c) if the Lessee removes the Scanner or Related Software out of the country.

The foregoing warranty is in lieu of all other warranties of the Lessor, and the Lessor shall not be deemed to have made any other warranties of merchantability, fitness for purpose or other warranties, express or implied. The Lessor shall have no liability to the Lessee or any third party for any special, direct, indirect, incidental or consequential damages of any sort.

7. USE AND OPERATION OF SCANNER

The Lessee understands and agrees that the Scanner (along with the Related Software) is an analysing tool, for use in determining whether to increase a person's intake of certain selected dietary ingredients, specifically carotenoids. The information derived from the analysis obtained by the Scanner and Related Software is to be considered only as a part of an over-all, well rounded approach to good health practices, including regular monitoring of certain dietary intakes, and is not intended to provide an overall nutritional profile. The Lessee agrees that it will use the Scanner and Related Software in accordance with this Agreement and the user manual accompanying the Scanner and Related Software, provided that any such use is in conformity with all applicable laws and regulations, any insurance policies, the warranties of the Lessor herein, any warranties of the manufacturer, and any maintenance agreements with respect to the Scanner.

(a) Lessee shall not:

- (i) Permit any other person, firm, or corporation to use the Scanner and/or Related Software, except as specifically provided in Section 7(b) hereof;
- (ii) Use the Scanner and/or Related Software for any purpose except to help to analyse carotenoid levels in the skin;
- (iii) Use the Scanner and/or Related Software to promote or sell nutritional products except those of Lessor or of Pharmanex, an affiliate of the Lessor;
- (iv) Make, or allow, any changes or alterations to be made to the Scanner and/or Related Software without the Lessor's prior written consent;
- (v) Represent that the Scanner and/or Related Software is able to diagnose, prevent, mitigate, treat or cure any disease;
- (vi) Represent that the Scanner and/or Related Software will provide a complete health profile or complete nutritional profile, or predict or diagnose the existence or likelihood of disease, illness, or symptoms of any disease or illness;
- (vii) Represent that the Scanner and/or Related Software is or is not a medical device, medical equipment, or diagnostic device or tool of any kind for diagnosing illness, disease, or symptoms of disease, or that the Scanner and/or Related Software is intended to affect the structure or any function of the human body;
- (viii) Use the Scanner and/or Related Software as a medical device. The Scanner cannot be used for the diagnosis of any disease or medical condition. Use of the Scanner will continue to be limited to the

promotion of a healthy diet and lifestyle habits in any location, and then, only in connection with the sale of Pharmanex® nutritional and dietary supplements (although the Scanner can now be located in medical or clinical settings, its regulatory status as a non-medical device remains the same);

- (ix) Perform a scan without consent from the person to be scanned;
 - (x) Reverse-compile, reverse-assemble or reverse-engineer the Scanner and/or Related Software or any of the components embedded in, or that constitute part of, the Scanner, Related Software or any of the peripherals related thereto, nor shall it copy or mimic the expression of the same;
 - (xi) Install, or attempt to install, any software or other components onto the Scanner, any part thereof, or onto the Related Software, including any of the peripherals related to the Scanner and/or Related Software;
 - (xii) Use the Equipment or Related Software for purposes other than performing functions of a sales aid to promote the Lessor's nutritional products or health supplements; or
 - (xiii) Use or permit anyone to use the Scanner or Related Software in events or functions held by the Lessor, including without limitation events held at office premises of the Lessor such as walk-in-centres, training centres, executive corners, or at non-office premises such as expositions in malls or exhibition halls, unless otherwise proposed by the Lessor in specific events at the Lessor's sole discretion.
- (b) The Lessee may permit other Distributors to use and operate the Scanner and/or Related Software for the customers and clients of such Distributors; provided, however, that the Lessee shall continue to remain liable for all of its obligations under this Agreement, notwithstanding any loss and/or damage to the Scanner and/or Related Software while in the possession of, or under the control of, a Distributor. The Lessee agrees that it shall not relinquish possession of the Scanner and/or Related Software to a Distributor until such Distributor has been trained in the use, benefits and limitations of the Scanner and/or Related Software. The Lessee shall also be responsible for ensuring that Distributors do not permit any other person, firm or corporation to use the Scanner and/or Related Software.

8. LIMITATION ON LAPTOP USE

The Scanner includes a laptop computer capable of accessing the internet. Lessee shall only use the Laptop as necessary to operate the Scanner. The Laptop may not be used to access any internet site except for certain pages of the Lessor's website that are necessary tool to properly operate the Scanner. In the event that the Lessee uses the Laptop to access a website that is not specifically permitted by the Lessor, the Lessee will be liable for any damages caused by any computer virus, spyware, or other software that affects the Laptop or the Scanner's ability to operate properly, and the warranty provided in Section 6 of this Agreement shall be null and void. Furthermore, in the event of such unauthorised use of the Laptop, the Lessor may, at its own discretion, terminate this Agreement immediately.

9. RISK OF LOSS; LOSS AND DAMAGE WAIVER

Payment of the monthly loss and damage waiver protects the Lessee against certain types of loss, theft and damages to the Scanner after the first AU\$1,000/NZ\$1,200 is payable. The waiver only applies in the country in which the Scanner and/or Related Software are leased from. If the Scanner is taken out of the country without written corporate approval from the Lessor, then this waiver becomes null and void.

- (a) The waiver shall not apply to any loss and damage due to:
 - (i) Any obligation the Lessee has assumed in the Agreement but is not specifically waived hereunder;
 - (ii) A violation by the Lessee of any term or condition of the Agreement or corporate Policies and Procedures;
 - (iii) Lessee's delay or failure to report the loss to the Lessor and/or proper authorities in a timely manner; or
 - (iv) Loss, theft or damage caused by any wilful or reckless act of the Lessee or person acting on the Lessee's behalf.

Duties of the Lessee in the event of loss or damage: In the event of loss and/or damage to the Scanner and/or its Equipment, the Lessee shall take all reasonable, necessary steps to protect and prevent further damage; report the loss to the Lessor and, if stolen, report to **all appropriate local authorities as soon as possible** and provide the Lessor with documentation (a police report), and accurate and pertinent information in regards to the loss and/or damage.

Claim Procedure: Lessee shall report the loss/damage to the Lessor immediately and complete a claim form. If approved, the Lessee shall not be responsible for any amounts of damages or loss in excess of the first AUD\$1,000 or NZD\$1,200. If damage and/or loss are not reported to the Lessor within 90 days of the occurrence,

or appropriate documentation (police report etc) is not provided, then this waiver shall be null and void and the Lessee shall retain full liability for the loss and/or damage in accordance with the terms and conditions of the Lease Agreement.

10. MAINTENANCE AND REPAIRS

Except for normal cleaning and taking reasonable care of the Scanner and/or Related Software, the Lessor shall be responsible for all maintenance, defects or quality issues and the Lessee shall promptly notify the Lessor of all quality, maintenance or repair issues.

11. TAXES AND ASSESSMENTS

The Lessee shall be responsible for and shall hold the Lessor harmless from all documentation and filing fees and all assessments (if any), but excluding any applicable taxes of the Lessor imposed upon or measured by the net income of the Lessor in consequence of its receipt of lease payments. All assessments (if any) may, at the Lessor's discretion and without notice to the Lessee, be charged to the Lessee's credit card shown on page 2 of the agreement, which charges Lessee hereby authorises the Lessor to make.

12. INDEMNIFICATION

The Lessee assumes liability for and hereby agrees to indemnify, protect and keep harmless the Lessor and its affiliates and their officers, directors and employees from and against any and all liabilities, obligations, losses, damages, injuries, claims, demands, penalties, actions, costs and expenses, including reasonable attorney's fees and expenses, of whatsoever kind and nature, arising out of the negligent, wilful or improper use, condition or maintenance of the Scanner and/or Related Software, whether authorised by the Lessor or not, or whether arising from the use of the Scanner and/or Related Software by another Distributor or any person acting on the Lessee's behalf, including but not limited to any use not authorised in this schedule.

Any Lessee who is a health care provider and who uploads data from the Scanner to the Lessor without proper authorisation shall indemnify, protect and keep harmless the Lessor and its affiliates and their officers, directors and employees from and against any and all liabilities, obligations, losses, damages, injuries, claims, demands, penalties, actions, costs and expenses, including reasonable attorney's fees and expenses, of any kind and nature, arising from the Lessee's failure to obtain such authorisation. It shall be the sole responsibility of the Lessee to determine if the Lessee is a health care provider and subject to specific requirements and standards under all applicable laws, and the Lessor hereby disclaims any responsibility therefore or liability in connection with the Lessee's failure to make such a determination or failure to make a correct determination. The indemnities hereunder shall survive the expiration or other termination of this Agreement.

13. RETURN OF SCANNER AND/OR RELATED SOFTWARE

At the expiration or earlier termination of this Agreement, the Lessee shall return the Scanner and Related Software to Lessor at the Lessor's address on the Master Lease and Licensing Agreement, properly packaged and fully insured, at the Lessee's expense, and freight prepaid by the Lessee, in the same operating order, repair condition and appearance as on the effective date, except for reasonable wear and tear resulting from authorised use thereof. If the Scanner and/or Related Software are not returned in a timely fashion, or if repairs are necessary to place the Scanner and/or Related Software in the condition required in this section, the Lessee shall continue to pay the Lessor a lease fee at the last prevailing rate for the period of delay in redelivery, or for the period of time reasonably necessary to perform such repairs together with the cost of such repairs, as applicable. Lessor's acceptance of such lease fees on account of such delay or repair does not constitute a renewal of the term or a waiver of the Lessor's right to promptly return the Scanner in proper condition. If the Lessor determines that the Scanner and/or Related Software cannot be repaired, then the loss and damage waiver shall apply.

14. REPRESENTATIONS AND WARRANTIES OF THE LESSEE

- (a) Lessee represents and warrants that:
 - (i) if it is a corporation, it is duly organised, in good standing and qualified to do business wherever necessary for its operations;
 - (ii) if it is an entity other than a corporation, it is duly organised, registered and validly existing under applicable law and qualified to do business wherever necessary for its operations; and
 - (iii) they have duly authorised the execution, delivery and performance of this Agreement and all related documents;
- (b) This Agreement and all related documents are the Lessee's legal, valid and enforceable obligations. The Lessee, regardless of whether it is a corporation, partnership, limited liability company or other legal entity, or an individual, hereby represents, warrants, acknowledges and agrees that:

- (i) The Lessee has entered into a Distributor Agreement with Nu Skin International, Inc., and is an Executive Distributor of the Lessor or its affiliates;
- (ii) The Lessee's credit card identified on each of the schedules is in the Lessee's name and is valid and is in full force and effect, and the Lessee has authority to authorise Lessor to deduct or receive lease payments and all other payments under this Agreement from such credit card; and provided further, that in the event the credit card should expire, be cancelled or lost or otherwise become invalid for whatever reason during the term, the Lessee shall, within five (5) business days, provide the Lessor, in writing, information on a valid credit card that the Lessor may use to receive all outstanding lease payments and other payments due under this Agreement;
- (iii) The Lessee is an independent contractor and as such shall not attempt to speak for or to bind the Lessor or its affiliates in any way;
- (iv) The Lessee shall not operate or use, and shall not permit any Distributor or any other person or entity to operate or use, the Scanner and/or Related Software so as to incur or impose any liability against or obligation on the Lessor; and
- (v) The Lessor or an affiliate of the Lessor is only allowed to operate the Scanner and/or Related Software in an area designated by the Lessor at its sole discretion.

15. DEFAULT, REMEDIES AND ADVERSE CREDIT NOTICE

The following shall be events of default:

- (i) the Lessee's failure to pay any Lease when due which continues unremedied for five (5) business days. (The term "Default" shall mean an Event of Default or an event which would be an Event of Default with only the passage of time or the giving of notice, or both);
- (ii) the Lessee's failure to comply with any provision of section 11 of this schedule;
- (iii) the Lessee's failure to upload to the Lessor an electronic report of all scan information contained on each scan certificate within 120-hours of such scan;
- (iv) the failure of the Lessee's credit card shown on any schedule to be valid, for whatever reason, which continues unremedied for five (5) business days;
- (v) the Lessee's failure to pay any amount other than lease charges or perform any other obligation under this Agreement for five (5) business days after notice of non-performance;
- (vi) the failure of any of the Lessee's representations or warranties herein or in any related document to be correct in any respect at any time;
- (vii) Lessee dissolves or ceases to do business as a going concern;
- (viii) the Lessee sells all or substantially all of its assets, merges or consolidates with or into, or reorganises with, any entity;
- (ix) the Lessee's insolvency, bankruptcy or assignment for the benefit of creditors, or the appointment of or the Lessee's consent to the appointment of a trustee or receiver for the Lessee or a substantial part of its property;
- (x) the Lessee's failure to perform any obligation under its Distributor Agreement or any other agreement with the Lessor or the Lessor's affiliates, or any other creditor;
- (xi) the existence of any judgments or any pending or threatened proceedings that may adversely affect the Lessee; or
- (xii) an adverse change in the Lessee's financial condition as a result of which the Lessor, in good faith, deems itself or the Scanner and/or Related Software to be insecure.

16. ASSIGNMENT

The Lessee acknowledges that it may not assign or in any way transfer or dispose of all or part of its rights or obligations under this Agreement without the prior written consent of the Lessor. The Lessor may assign its rights under this Agreement at any time.

17. TAX BENEFITS

The Lessee acknowledges that the Lessor is the owner of the Scanner and/or Related Software for all tax purposes, and as such is entitled to take all relevant depreciation deductions. The Lessee agrees that it will not take any depreciation deductions, with respect to the Scanner and/or Related Software.

18. FORCE MAJEURE

The obligations of the Lessor hereunder shall be suspended to the extent it is hindered or prevented from complying therewith because of the manufacturer's inability to perform for whatever reason, labour disturbances (including strikes and lockouts), war, riots or civil commotion, acts of God, fires, floods, explosions, storms, accidents, governmental regulations or interference or any cause whatever beyond its control.

- (a) The Lessee agrees that, during and after the term of this Agreement, the Lessee shall maintain in confidence all confidential Information and shall not disclose any confidential Information to any third party or use any confidential Information for any purpose whatsoever except as contemplated by this Agreement. In maintaining the confidentiality of confidential Information, the Lessee shall exercise the same degree of care that it exercises with its own confidential information, and in no event less than a reasonable degree of care. The Lessee shall, without limiting its obligation to maintain the confidential information in confidence, use commercially reasonable efforts to ensure that each of its employees and contractors hold in confidence and make no use of any confidential Information for any purpose other than those permitted by this Agreement.

The Lessee shall use its best efforts to ensure that no person other than its customers and distributors shall have access to the Confidential information without the prior written consent of the Lessor, and shall restrict access to confidential information to those having a need for access thereto.

- (b) The obligation of confidentiality contained in this Agreement shall not apply to the extent that:
 - (i) either party is required to disclose information by order or regulation of a governmental agency or a court of competent jurisdiction, provided, however, that such party shall not, to the extent possible, make any such disclosure without first notifying the disclosing party and allowing the disclosing party a reasonable opportunity to seek injunctive relief or a protective order with respect to the obligation to make such disclosure;

or

- (ii) the party receiving disclosed information can demonstrate that the disclosed information was at the time of such disclosure already in, or subsequently becomes part of, the public domain other than as a result of actions of the receiving party, its affiliates, employees, consultants, agents or subcontractors in violation hereof. Or the disclosed information was received by the receiving party on an unrestricted basis from a source unrelated to the disclosing party provided the receiving party has no knowledge or reason to know that such party is under a duty of confidentiality with respect to such information.
- (c) The Lessee acknowledges and confirms that the confidential information constitutes valuable proprietary information and trade secrets of the Lessor and/or its affiliates and that the unauthorised use, loss or outside disclosure of such information shall cause irreparable injury to the Lessor and/or its affiliates. The Lessee shall notify the Lessor immediately upon discovery of any unauthorised use or disclosure of confidential information of the Lessor, and will cooperate with the Lessor in every reasonable way to help regain possession of such information and to prevent its further unauthorised use.

The Lessee acknowledges that monetary damages may not be a sufficient remedy for unauthorised disclosure of the confidential information and that the Lessor shall be entitled, without waiving other rights or remedies, to such injunctive or equitable relief as may be deemed proper by a court of competent jurisdiction, and shall be entitled to recover reasonable attorneys' fees for any action arising out of or relating to a disclosure of such confidential information.

- (d) The Lessee shall, upon the request of the Lessor, return to the Lessor all confidential information, including any copies or reproductions thereof, in Lessee's possession or control.
- (e) reasonably provide the Lessee with consultancy services on a gratuitous basis and at its sole discretion in response to the Lessee's queries on the operation, warm-up, calibration and data upload of the Scanner and/or the Related Software; and
- (f) reasonably provide the Lessee and their delegated operators on the operational training of the Scanner and/or the Related Software. The rights herein granted to the Lessor shall also apply to its affiliated and subsidiary companies. The failure of either Party to insist upon the performance of any term or condition of this Agreement or to exercise any right hereunder on one or more occasions shall not constitute a waiver or relinquishment of its right to demand future performance of such term or condition, or to exercise such right in the future. If any term of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, then this Agreement and such schedule(s), including all of the remaining terms, will remain in full force and effect as if such invalid or unenforceable term had never been included. All notices and other communications required or permitted to be given under this Agreement shall be transmitted in writing to the address on the schedule by registered post, by electronic mail, or by facsimile.

Utilising the Scanner and Related Software can be an effective way to build a Nu Skin business, however it is extremely important to ensure you are representing the Nu Skin and Pharmanex® brand and products correctly. Below is a list of do's and don'ts when using the Scanner and Related Software.

DO:

- Emphasise that the Scanner is intended to show that LifePak and g3 work.
- Limit any health-related claims to ones involving proper nutrition.
- Use only information and claims (product and Scanner claims) approved by the Nu Skin and Pharmanex.
- Refer customers to their doctors for questions regarding the use of any of the Pharmanex supplements with specific medical conditions or medications.
- If customers have incorrect ideas about what the Scanner can do, correct the misunderstanding immediately.

The Scanner analyses carotenoid antioxidant levels in skin tissue of generally healthy people. The Scanner analysis will enable generally healthy consumers to assess the effect of LifePak and g3 in their diets as they choose to make dietary changes that will increase their antioxidant levels. The Lessee cannot make any of the following claims about the Scanner on any website, in any written or oral presentations, in speeches, in PowerPoint presentations, on flyers, in brochures, in descriptions, etc.

DON'T:

- Claim that the Scanner is a medical device or that it is intended for medical use.
- Refer to it as a device at any time or refer to it as a diagnostic tool of any kind.
- Claim that the Scanner can diagnose a disease or pre-condition to a disease.
- Claim that the Scanner can, by itself, contribute to good health or prevent poor health.
- Claim the Scanner is a health assessment tool of any kind and do not represent it as such.
- Claim that the Scanner can diagnose a condition or affect the structure or function of the body. For example, do not say that the Scanner score will let consumers know if their condition is healthy or unhealthy.
- Claim that medical intervention is necessary or unnecessary because of a Scanner score.
- Under any circumstances make any statements that claim or imply that any Pharmanex product, service, or tool can prevent, diagnose, cure, treat or mitigate any disease or symptoms of disease.

The foregoing is a general summary of what can and cannot be said about the Scanner and other Pharmanex products. The summary is not intended to be an exhaustive list of all prohibited claims.

Nu Skin and Pharmanex will continue to review Lessee websites (please note that only Blue Diamond Executives may have their own website) and other materials and will, when necessary, take disciplinary action against distributors found to be in violation of the rules up to and including termination of distributorship. (Please see the Policies and Procedures online or in the Business Portfolio for more information).

QUESTIONS:

If you have any questions about what you can and can't say regarding Nu Skin and Pharmanex products or the Scanner please visit www.nuskin.com.au or www.nuskin.co.nz as all product information and claims are online or in our catalogue.

If you have further questions please email productmarketing@nuskin.com

**FAILURE TO COMPLY WITH ANY OF THESE GUIDELINES CAN RESULT IN SANCTIONS
OR THE LOSS OF YOUR SCANNER.**