

## Scanner Agreement USA and Canada Cover Sheet and Checklist

*This completed cover sheet must accompany your submitted agreement. Failure to complete and submit this cover sheet will delay the processing of your agreement.*

Business Name & Name:	Account No. (example: US000100)	State:/ Province:												
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### SPECIAL SHIPPING, LEASING AND SCAN CARD PURCHASE INSTRUCTIONS:

- I understand I will need to provide my own Apple iPad device to use with the Scanner. \_\_\_\_\_
- By my signature on the Scanner Agreement, I authorize Nu Skin (“Nu Skin” includes both Nu Skin Enterprises United States, Inc. (with its principal place of business at 75 West Center Street, Provo UT, 84601) for US Distributors and Nu Skin Canada, Inc. (with its principle place of business at 3350 Ridgeway Drive, Unit 1, Mississauga, Ontario L5L 5Z9) for Canadian Distributors to perform SSN or SIN verification. \_\_\_\_\_
- By my Initials here \_\_\_\_\_, I have read and understand Section 8 (Mobile Device Use) of the Scanner Lease.  
*If you want your scanner to ship to another address other than what you listed in the Primary Location section of the lease document, please indicate the desired shipping address here:*

Address Line 1:	CITY	STATE/ PROVINCE
Address Line 2:	ZIP CODE OR POSTAL CODE	

- YES**, I am aware that I need to purchase digital scan credits in order to be able to perform scans with my BioPhotonic Scanner. Under this Agreement I agree to purchase a package of 50 digital scan credits per month. If this is an insufficient amount for my use of the Scanner digital scan cards can be purchased separately I hereby agree to the terms of use for these digital scans.
- YES!** Please include me in the online directory as a Scan Operator for web browsers to contact me for a scan. I grant Nu Skin permission to make my city and state/province (as listed on my account) along with my name viewable by those visiting [www.pharmanexscanner.com](http://www.pharmanexscanner.com) in search of Scanner Operators.  
*I understand if I become unproductive with my scanner and fail to perform scans on a regular basis, I may be removed from the online directory.*

### INSTRUCTIONS & CHECKLIST OF COMPLETION *(Please check upon completion)*

1. The lease applicant is listed as an associate on the Distributor Account with Nu Skin.....
2. Page 2 of Master Lease/Licensing Agreement is attached and complete.....
3. The primary location is filled out on page 1 section H.....
4. The credit cards listed on the Lease belong to the applicant.....   
*(Only credit cards belonging to the applicant are accepted)*
5. Details for **two credit cards** are complete.....   
*(Secondary card is used as a backup, if primary card declines.)*
6. The applicant SSN or SIN on this cover page matches what is on the lease agreement Section 1.....
7. If you are a Healthcare Professional Section G is required to be complete with stated occupation.....

# MASTER LEASE AND LICENSING AGREEMENT

## Version S3 BioPhotonic Scanner United States and Canada

This Scanner Agreement ("Agreement") is entered into as of this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ (the "Effective Date") between Nu Skin, and the below identified Nu Skin distributor ("you"). This Agreement consists of this page ("Signature Page"), the cover sheet, exhibits, and the attached terms and conditions ("Terms and Conditions"). 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. **Purchase of Digital Scan Credits:** You agree that you will purchase a package of 50 digital scan credits each month over the term of this Agreement. In return for your scan card purchase commitment, Nu Skin will waive the \$100 USD/125\$ CAD lease payment that you would otherwise be required to pay in order to lease a Scanner. This lease is for personal property and related software known as the Pharmanex BioPhotonic Scanner ("Scanner") as more specifically described on the attached Exhibit A, which is incorporated herein by this reference.
- B. In order to purchase this monthly supply of digital scan credits, lease a scanner, and have your payment of the lease fee waived, you must comply with all the terms of Nu Skin's Distributor Agreement and Policies and Procedures, including Chapter 2 Section 3.3 of the Policies and Procedures which requires you to "have sold or consumed at least 80 percent of your total inventory from previous orders." This policy, known as the "80% Rule" means that you must sell or consume at least 80 percent of your digital scan credits before you receive more. Nu Skin will conduct regular audits of your compliance with the 80% Rule in connection with the digital scan credits purchased under this Agreement, and this Agreement will be terminated and you will be required to return the Scanner if you are found to be in violation of this rule.
- C. **Expiration Date.** This Agreement commences on the date on which the first Initial Payment is due and payable and shall continue on a month to month basis.
- D. **Purchase.** You agree to purchase 50 digital scan credits each month for \$100 USD/\$125 CAD plus \$20 USD/\$25 CAD for the Scanner loss and damage waiver and any other valid Assessments. Payments and all Assessments, shall be payable by your credit card.
- E. **Credit Card Information for payments related to this Agreement (TWO REQUIRED):**

Primary Card (Used always 1st attempt)

Discover Card  American Express  VISA  Master Card

CARD HOLDER NAME

CREDIT CARD NUMBER (PRINT CLEARLY)

EXP. DATE




BILLING ADDRESS

ZIP CODE



Secondary Card (Only if Primary declines)

Discover Card  American Express  VISA  Master Card

CARD HOLDER NAME

CREDIT CARD NUMBER (PRINT CLEARLY)

EXP. DATE




BILLING ADDRESS

ZIP CODE



Cardholder's Signature: Use of these cards is authorized by Lessee's signature on this Signature Page

- F. **Credit Authorization and Guarantee.** You also personally guarantee any credit extended by Nu Skin if the Scanner is used for any business purposes.
- G. **Occupation.** If you are a health care professional or work in the health care industry, please indicate specific profession or occupation (e.g., chiropractor, MD, dentist, nurse, etc.):
- H. **Primary Location:** \* the Equipment and Related Software shall be kept primarily at:

LOCATIONS:

TELEPHONE NO.



**IN WITNESS WHEREOF**, the parties have executed this Agreement as of this day of \_\_\_\_\_, 20\_\_\_\_, and you warrant your authority to enter into this Agreement.

YOU:  
NU SKIN ENTERPRISE UNITED STATES, INC.

ADDRESS: 75 WEST CENTER STREET, PROVO UTAH 84601

(1) YOU (THE INDIVIDUAL-REQUIRED):

NAME:	SSN/ SIN:	TEL:
ADDRESS:		
SIGNATURE:		

## Terms and Conditions

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- Meaning of Words** – “Scanner” means the Scanner and related equipment described in Exhibit A. “Related Software” means the software programs developed and owned by Nu Skin and described in such Exhibit A. “Distributor” shall mean an independent contractor who has signed a Distributor Agreement with Nu Skin Enterprises United States, Inc., Nu Skin Canada, Inc. or their affiliate. Capitalized terms not defined in this Agreement shall have the meaning set forth in the Signature Page.
- Lease and License** - On the terms set forth in this Agreement Nu Skin agrees to lease to you, and you agree to lease from Nu Skin, the Scanner, and Nu Skin hereby licenses to you 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 authorized representative of Nu Skin, which will occur only after (i) confirmation by Nu Skin that you are a Distributor, and (ii) approval by Nu Skin. **YOU WARRANT THAT YOU SHALL USE THE SCANNER PRIMARILY FOR BUSINESS PURPOSES AND NOT FOR PERSONAL, FAMILY OR OTHER PURPOSES. YOU FURTHER WARRANT THAT YOU SHALL ONLY USE THE SCANNER FOR THE PURPOSES EXPRESSLY ALLOWED IN THIS AGREEMENT.**
- Term; No Medical Device** –The term of this Agreement shall commence on the Effective Date. You acknowledge that (a) the Scanner is not a medical device, and cannot diagnose, treat, cure or prevent any disease, has not been cleared as an approved medical device and you assume the risk that this Agreement may be terminated if the Scanner is deemed to be an unapproved medical device by the FDA, and (b) Nu Skin makes no representation or warranty that the Scanner is not a medical device.  
Either party may terminate this Agreement at any time, subject to (i)thirty days prior written notice to the other. Upon notice of early termination and satisfactory return of equipment, You shall be released from further monthly payment obligation.
- Payment** – You agree to purchase from Nu Skin a package of 50 digital scan credits each month. In addition you agree to pay a monthly fee for the Scanner Loss and Damage Waiver (a copy of this document is attached). In return for this commitment, Nu Skin will waive the scanner lease payment and you will lease the scanner free of any additional charge.. You agree to make these payments in the amounts and on the dates (“Payment Dates”) specified in the Signature Page. The purchase of digital scan credits and any other charges shall be payable automatically by a valid credit card as shown on the Signature Page, which credit card You authorize Nu Skin to charge to receive all amounts due and payable under this Agreement. Failure to maintain a valid, active credit card to make payments shall constitute grounds for immediate termination of the Agreement.
- Title; Label** - Title to the Scanner (including any replacements, additions, accessories, modifications, upgrades, and enhancements) shall remain with Nu Skin at all times, and you have no right, title or interest therein other than its leasehold and licensing interests under this Agreement. You shall, at your own expense, protect and defend Nu Skin’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. Nu Skin may affix, or direct you to affix, a label to the Scanner, and you shall not alter, deface, cover or remove such identification or label.
- Limitation on Warranties** – The Scanner will be of the kind and quality described in this Agreement, free of defects in workmanship and, with regard to the Scanner, in the material. Nu Skin shall, upon receipt of written notification and receipt of the Scanner (insured and shipped at your expense), take steps to correct such nonconformity either by replacing the Scanner and/or Related Software, or component thereof, or by repairing any defective part or parts at Nu Skin’s option. The foregoing warranty shall be null and void if you have modified, abused or damaged the Scanner or Related Software, or if the Scanner or Related Software is lost or damaged in shipping, in which event you shall indemnify Nu Skin for all losses resulting therefrom; and provided further, that the foregoing warranty shall be null and void if you remove the Scanner or Related Software outside the United States or Canada. **THE FOREGOING WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES OF NU SKIN AND NU SKIN SHALL NOT BE DEEMED TO HAVE MADE ANY OTHER WARRANTIES OF MERCHANTABILITY, FITNESS FOR PURPOSE OR OTHER WARRANTIES, EXPRESS OR IMPLIED.** Nu Skin shall have no liability to you or any third party for any special, direct, indirect, incidental or consequential damages of any sort.
- Use and Operation of Scanner** - You understand and agree that the Scanner (and the Related Software) is a measuring tool, for use in determining whether to increase a person’s intake of certain selected dietary ingredients, specifically carotenoids.

The information derived from the measurement obtained from the Scanner is only 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. You shall use the Scanner in accordance with this Agreement and the User Manual accompanying the Scanner, and, in particular, shall not (i) make any claims related to the scanner that have not been approved by Nu Skin; (ii) use the Scanner or Related Software to promote or sell nutritional supplements except those of Nu Skin or of Pharmanex, LLC; or (iii) represent that the Scanner can diagnose, prevent, mitigate, treat or cure any disease or condition of the human body. All Scanner use shall be in conformity with all applicable laws and regulations, any insurance policies, the warranties of Nu Skin herein, any manufacturer warranties, and any Scanner maintenance agreements. You may permit other Distributors to use and operate the Scanner for customers and clients of such Distributors; provided, however, that you shall continue to remain liable for all obligations under this Agreement. You shall not relinquish possession of the Scanner or Related Software to a Distributor until such Distributor has been trained in the use, benefits and limitations of the Scanner, and have obtained Distributor’s agreement to abide by this Section 7. You shall insure that Distributors do not permit any other person, firm or corporation to use the Scanner or Related Software.

- Mobile Device Use** - You must download a mobile device application from the internet that controls the operation of the S3 Scanner via a Bluetooth connection (the S3 Scanner Application). The S3 Scanner Application is developed for mobile devices as made available by Nu Skin and announced through company communications. You shall bear responsibility for downloading the S3 Scanner Application and purchasing and maintaining a functioning mobile device in order to operate the Scanner. You are responsible for all content and data management as a result of using and owning a mobile device. You assume all risk of loss, damage, theft or destruction of your mobile device. Furthermore, in the event of loss, damage, theft or destruction, you shall be responsible for obtaining repairs or a suitable replacement device in order to operate the S3 Scanner. Nu Skin shall support functionality of the S3 Scanner Application only, and shall not provide support for your mobile device.

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9. **Risk of Loss** – Except as may be set out in the loss and damage waiver attached hereto, you assume all risk of loss, damage, theft or destruction of the Scanner. If the Scanner is lost or stolen, or if Lessor determines that it cannot be repaired, You shall, within 30 days after such loss, theft, damage or destruction, pay Nu Skin the cost of replacing such Scanner, as applicable, plus any other amounts owed under this Agreement, whereupon this Agreement shall terminate.
  10. **Maintenance and Repairs** – Except for normal cleaning and taking reasonable care of the Scanner, Nu Skin shall be responsible for all maintenance, defects or quality issues and you shall promptly notify Nu Skin of all quality, maintenance or repair issues.
  11. **Taxes and Assessments** – You shall be responsible for and shall hold Nu Skin harmless from all documentation and filing fees and all taxes relating to this Agreement, the Scanner (“Assessments”), but excluding any Federal, state, provincial or local income taxes of Nu Skin imposed upon Nu Skin in consequence of its receipt of payments hereunder.
  12. **Indemnification** – You assume liability for and hereby agree to indemnify, protect and keep harmless Nu Skin 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 use, condition or maintenance of the Scanner, whether authorized by Nu Skin or not, or whether arising from use of the Scanner by another Distributor, including but not limited to any use not authorized under Section 7. Any scanner operator who is subject to the privacy rules of HIPAA and who uploads data from a scan to Nu Skin without a signed HIPAA Authorization, shall indemnify, protect and keep harmless Nu Skin 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, arising from Your failure to obtain a HIPAA Authorization. You alone shall determine if you are subject to HIPAA, and Nu Skin hereby disclaims any responsibility or liability in connection with your failure to comply. The indemnities hereunder shall survive the Expiration or termination of this Agreement.
  13. **Return of Scanner** – At the Expiration or earlier termination of this Agreement, You shall return the Scanner to Nu Skin at Nu Skin’s address on the Signature Page, properly packaged and fully insured, at your expense, in the same operating order, repair condition and appearance as on the Effective Date, except for reasonable wear and tear resulting from authorized use thereof. If the Scanner is not returned in a timely fashion, or if repairs are necessary to place the Scanner in the condition required in this Section, you shall continue to pay to a rental fee at the last prevailing rate without receiving scan credits 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. Nu Skin’s acceptance of such rental payments on account of such delay or repair does not constitute a renewal of the Term or a waiver of Nu Skin’s right to prompt return of the Scanner in proper condition. If the Scanner is damaged and Nu Skin determines that the Scanner cannot be repaired, then Section 9 shall apply.
  14. **Your Representations and Warranties** – You represents and warrants that: (i) this Agreement and all related documents are your legal, valid and enforceable obligations; (ii) you have entered into a Distributor Agreement with Nu Skin; (iii) the credit card identified on the Signature Page is in your name and is valid and is in full force and effect, and you have authority to authorize Nu Skin to deduct or receive all payments under this Agreement from such credit card, and that such credit card shall remain valid during the Term; **(iv) YOUR DECISION TO PURCHASE DIGITAL SCAN CARDS, LEASE THE SCANNER AND LICENSE THE RELATED SOFTWARE IS ENTIRELY DISCRETIONARY AND THE LEASE AND LICENSE MAY OR MAY NOT BENEFIT YOUR BUSINESS AS A DISTRIBUTOR FOR NU SKIN OR ANY OF ITS AFFILIATES; (v) YOU SHALL NOT RECEIVE ANY DISTRIBUTOR COMMISSIONS AS A RESULT OF YOUR LEASE OF THE SCANNER, AND LICENSE THE RELATED SOFTWARE; (vi) you are an independent contractor and as such shall not attempt to speak for or to bind Nu Skin or its affiliates in any way; and (vii) you shall not, and shall not permit any other person or entity, to operate or use the Scanner so as to incur or impose any liability against or obligation on Nu Skin.**
  15. **Default, Remedies and Adverse Credit Notice** –The following shall be Events of Default: (i) your failure to pay any amounts hereunder when due; (ii) the failure of any of your representations or warranties herein to be correct in any respect at any time; (iii) your distributorship cease to do business as a going concern, or sell substantially all of your assets, merge, consolidate or reorganize with or into any entity; (iv) your insolvency, bankruptcy or assignment for the benefit of creditors (v) your failure to perform any obligation under your Distributor Agreement, including compliance with all policies and procedures (such as the 80% Rule) in force by Nu Skin or any other agreement with Nu Skin or Nu Skin’s affiliates, or any other creditor; or (vi) an adverse change in your financial condition as a result of which Nu Skin, in good faith, deems itself or the Scanner to be insecure. At any time after an Event of Default, Nu Skin may exercise any one or more of the following remedies and any other remedies under applicable law: (i) by written notice, terminate this Agreement; (ii) render the Scanner unusable; (iii) enforce your performance of this Agreement and/or recover damages for its breach; (iv) whether or not this Agreement is terminated, cause you to promptly return the Scanner; and (v) recover all of its costs and expenses, including attorneys’ fees. In addition to the foregoing remedies, with respect to the Related Software, Nu Skin shall also have the right to retain and fully exercise all of its rights and elections under Canadian bankruptcy law and Title 11 of the United States Code (the “Bankruptcy Code”), specifically including Section 365 of the Bankruptcy Code. If a petition in bankruptcy is filed by or against you, you shall assume or reject this Agreement, including the license granted hereunder, within sixty (60) days thereof. The personal property lease of the Scanner and license of the Related Software may not be severed for purposes of this Agreement. Nu Skin may also, at its option, recover by set off against bonuses due to you under the Distributor Agreement, or by charging to your credit card, the amounts owing under this Agreement. Nu Skin’s remedies shall be cumulative and in addition to all other legal or equitable remedies. No express or implied waiver of any Default shall waive any later Default. Any action by you against Nu Skin relating to this Agreement must be commenced within one (1) year after any such cause of action accrues. **AS REQUIRED BY UTAH LAW, YOU ARE HEREBY NOTIFIED THAT A NEGATIVE CREDIT REPORT REFLECTING ON YOUR CREDIT RECORD MAY BE SUBMITTED TO A CREDIT-REPORTING AGENCY IF YOU FAIL TO FULFILL THE TERMS OF YOUR CREDIT OBLIGATIONS UNDER THIS AGREEMENT.**
  16. **Assignment** – **YOU MAY NOT ASSIGN OR TRANSFER YOUR RIGHTS AND OBLIGATIONS UNDER THIS AGREEMENT WITHOUT NU SKIN’S PRIOR WRITTEN CONSENT. NU SKIN MAY ASSIGN ITS RIGHTS UNDER THIS AGREEMENT AT ANY TIME.**
  17. **True Lease** – Nothing contained herein shall give or convey to you any right, title or interest in and to the Scanner or Related Software except as a lessee or licensee thereof. It is the express intent of the parties that this Agreement constitutes a true lease of personal property and a software license, and in no event shall it be considered a sale of the Scanner or the Related Software to Lessee.

18. **Tax Benefits** – You acknowledge that Nu Skin is the owner of the Scanner for federal and state or provincial income tax purposes, and as such is entitled to take all applicable depreciation deductions.
19. **Force Majeure** – Nu Skin’s obligations hereunder shall be suspended to the extent it is hindered or prevented from complying therewith because of Nu Skin’s inability to perform for any cause whatever beyond its control.
20. **Miscellaneous** – The rights herein granted to Nu Skin shall also apply to its affiliated and subsidiary companies. The failure of a 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 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 Signature Page by Certified Mail, by guaranteed overnight delivery, by electronic mail, or by facsimile. The laws of the State of Utah shall govern this Agreement. Any action brought to enforce it must be brought in Provo, Utah or in the Federal Courts in Utah. The Parties consent to the personal jurisdiction of such courts within Utah and waive any objection to improper venue. This Agreement, the Attachments and Exhibits embody the entire agreement between the Parties. Nu Skin may modify or amend any of the terms and conditions of this Agreement by providing you with 30 days notice. Your continued use of the Scanner following this notice will constitute your acceptance of any of Nu Skin’s modifications or amendments.

**EXHIBIT A  
TO SCANNER AGREEMENT (INTERNAL USE ONLY)**

Quantity	Vendor Nu Skin Enterprises United States, Inc.	Serial No (s). of Scanner S3 System (s)
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**Description:**

The term “Scanner” as used in this Agreement means: Pharmanex BioPhotonic Carotenoid Antioxidant Scanner System version 3 (S3) (the “S3 Scanner System”), 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) all Related Software and Mobile Device Applications, 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 S3 Scanner System (and whether embedded in the S3 Scanner System or residing on the mobile device application), and in which Nu Skin shall retain all authorship and ownership rights, title and interest, subject to the licensing rights granted to you under the Agreement; and (iv) carrying cases for the S3 Scanner System, whether any of the foregoing (i) through (iv) 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 that are in existence and owned by Nu Skin as of the Effective Date, and in which Nu Skin shall retain all authorship and ownership rights, title and interest, subject to the licensing rights granted to you under the Agreement.

# SCANNER EQUIPMENT LOSS/DAMAGE WAIVER

This Damage Waiver ("Waiver") is entered into between you and Nu Skin for the Equipment covered by the Agreement (defined below) in order to release you from certain obligations occurring as a result of an approved loss or damage event described below.

## Waiver Consideration

*In consideration of the damage waiver and release from liability provided herein, Lessee shall pay Lessor a waiver fee of \$20 USD/\$25 CAD per month (the "Loss & Damage Waiver Payment") for the Equipment. Agreeing to and paying for this Waiver is required in order for you to receive a scanner.*

Waiver Payments shall be charged to your credit card in the same manner as other payments under the Agreement, which charges you hereby authorize by signature below.

## Damage or Loss Waiver

If the Equipment is lost or stolen and not recovered, or damaged Nu Skin hereby waives any claim against you for loss or damage to the Equipment in excess of the first \$500 USD/\$500 CAD.

Coverage does not apply in countries, states or provinces where this Waiver is prohibited by law.

This Waiver shall not apply to any loss or damage due to: (a) any obligation you assumed under the Agreement but is not specifically waived hereunder; (b) a violation by you of any term or condition of the Agreement; (c) you delay or failure to report the loss to Nu Skin and/or proper local authorities in a timely manner; or (d) loss, theft or damage caused by any willful or reckless act by you or any person acting on your behalf.

Your duties in the Event of Loss or Damage: In the event of loss of or damage to the Equipment, you shall, as applicable, (i) take all reasonable, necessary steps to protect and prevent further damage to the Equipment; (ii) report the loss to Nu Skin and, if stolen, to all appropriate local authorities as soon as possible; and (iii) provide Nu Skin with documentation, such as a police report, and accurate information regarding the date of loss or damage, a description of damages, how the loss or damage occurred, and any other pertinent information. Claim Procedure; Notice of Claim: You shall call Nu Skin's Customer Support (Scanner) ("Customer Support") at the number set forth below as soon as possible, and report all details of the damage or loss to Customer Support. Customer Support will thereupon confirm that you have paid for coverage and prepare a Loss or Damage Form to be reviewed by Nu Skin's corporate representatives. If such representatives approve the Loss or Damage Form, then you shall not be responsible for any amounts of damages or loss in excess of the first \$500 USD/\$500 CAD. Customer Support will then make arrangements for return and/or replacement of the Equipment, or to terminate the Agreement as provided thereunder; provided, however, that in all events you shall be responsible for the first \$500 USD/\$500 CAD of loss or damage, which amount you hereby authorize Nu Skin to charge to your credit card. If damage or a loss is not reported to Customer Support within 90 days after it occurs, this Waiver shall be null and void and you shall retain full liability for loss or damage in accordance with the terms of the Lease Agreement.

**Definitions:** All capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Agreement. "Equipment" shall have the meaning set forth in the Agreement and each Schedule thereunder. "Agreement" means that certain Scanner Agreement entered into between you and Nu Skin that includes the lease of a Pharmanex Scanner. "Schedule" means all of the Schedules to the Agreement entered into between you and Nu Skin pursuant to the Agreement. General: Payment of Waiver Payments: Coverage is not effective unless all Waiver Payments are current and paid prior to a loss or damage occurrence. Transfer of Waiver: You shall not transfer or assign this Waiver without the prior written consent of Nu Skin. Conflict: If there are any conflicts between this Waiver and the Agreement, the Agreement shall govern. Miscellaneous: Any action brought to enforce this Waiver must be brought in Provo, Utah or in the Federal Courts in Utah. The parties consent to the personal jurisdiction of such courts within Utah and waive any objection to improper venue. Nu Skin may modify or amend any of the terms and conditions of this Waiver by providing you with 30 days notice. Your continued use of the Scanner following this notice will constitute your acceptance of any of Nu Skin's modifications or Amendments. In witness whereof, the parties have caused this Waiver to be executed as of the \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_.

YOU:  
Nu Skin Enterprises United States, Inc.

Address: 75 WEST CENTER STREET, PROVO, UTAH 84601
By:
Scanner equipment: CS

(1) YOU (THE INDIVIDUAL-REQUIRED):

NAME:	DISTRIBUTOR ID#:
ADDRESS:	
TEL:	SIGNATURES:



NU SKIN  
DISCOVER THE BEST YOU™

## SCANNING DO'S AND DON'TS—MARKETING GUIDELINES

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The Scanner is a marvelous tool intended to help you with your Pharmanex business when used properly. The following is a general summary of what can and cannot be said about the Scanner. It is not an exhaustive list of all permissible and prohibited claims. If you have a question about what statements can be made about the Scanner, please contact your distributor representative. The Pharmanex® BioPhotonic Scanner is intended to show consumers that Pharmanex SCS-Certified products can increase carotenoid antioxidants in the skin. The Pharmanex® BioPhotonic Scanner is not intended to be used for medical purposes. It is not a medical device or diagnostic tool of any kind and cannot diagnose, treat, mitigate, cure or prevent any disease or affect the structure or any function of the body, nor is it a health assessment tool.

### DO

- Emphasize that the Scanner is intended to show that Pharmanex SCS Certified products work.
- Clearly separate claims for dietary supplements from claims about the Scanner
- If you encounter consumers who believe that the Scanner can diagnose, prevent or cure disease, immediately make clear to them that the Scanner does not diagnose any disease or precondition of any disease
- Use only information that has been approved by the company
- Refer customers to their doctors for questions regarding the use of Pharmanex products with specific medical conditions
- Refer media questions to Pharmanex® Public Relations (801-345-1000)
- Dress appropriately for the occasion
- Have fun and show your enthusiasm for the product, the business and the ability to live better, longer Don't make claims that the Scanner will diagnose any disease

### DON'T

- Don't make claims suggesting any medical use.
- Don't claim the Scanner will have an effect on the structure or function of the body.
- Don't claim that using the Scanner will prevent disease of any kind.
- Don't tell consumers that their antioxidant levels are high, low, or average • Don't promise specific Skin Carotenoid Scores.
- Don't persuade customers to leave purchasing relationships with other distributors.
- Don't perform scans without a scan certificate.
- Don't open the Scanner or modify any part of the Scanner.
- Don't tell customers that because of their scores, they should seek the advice of their healthcare professional.
- Don't compare the Scanner to other measurement or testing equipment such as cholesterol tests, pregnancy home test kits, or diabetic testing strips or devices. These are all medical devices the scanner is not.

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



## Official Company Communication

<b>Subject</b>	Official Legal, Regulatory, and Marketing Guidelines regarding the Use of the Pharmanex® BioPhotonic Scanner in Medical or Clinical Settings
<b>Background</b>	In 2001, Nu Skin Enterprises® (NSE) became the exclusive owner of licensing rights for the use of a technology developed and patented at the University of Utah using Raman Spectroscopy. This licensing was specifically for the measurement of skin carotenoids in non-medical settings for the sale of supplements. At that time, a second license allowing use of Raman Spectroscopy in medical and clinical research settings was issued to a separate company not affiliated with NSE. Their license did not allow them to sell supplements in any environment; however, certain contractual restrictions limited our ability to sell supplements in some medical settings and locations.
<b>Newly Acquired License</b>	On March 7, 2006, NSE acquired additional rights to use the patented technology for the promotion and sales of nutritional supplements in all settings, both medical and non-medical. This newly acquired license contractually allows for placement and use of the BioPhotonic Scanner in medical and clinical settings for the sale of nutritional supplements.
<b>Business Guidelines</b>	The newly acquired license expands the Scanner's field of use, adding credibility and an opportunity to promote the Scanner to new distributors and prospects. Where authorized, distributors are encouraged to work with their local market to ensure that all distributor-driven business initiatives, advertising, or sales materials meet these official guidelines. With this model, distributors are empowered to create their own initiatives within the current compensation plan/business model to leverage the BioPhotonic Scanner.
<b>Limitations</b>	<p>Although the BioPhotonic Scanner can now be located in medical or clinical settings, its regulatory status as a non-medical device remains the same. The Scanner is not a medical device, and cannot be used for the diagnosis of any disease or medical condition. Use of the BioPhotonic Scanner will continue to be limited to the promotion of healthy diet and lifestyle habits in any location, and then, only in connection with the sale of Pharmanex® nutritional and dietary supplements.</p> <p>Please be aware that in some markets, the placement of the BioPhotonic Scanner in a medical or clinical setting is prohibited by local regulation. Any questions can be directed to your local office distributor representative.</p>
<b>Legal/Regulatory Guidelines</b>	<ol style="list-style-type: none"> <li>1. All Distributors must agree to abide by the BioPhotonic Scanner marketing guidance documents: a) Prohibited Claims (attachment 1); b) Marketing Guidelines (attachment 2).</li> <li>2. With regards to physicians and other health care professionals, the following additional requirements apply:             <ol style="list-style-type: none"> <li>a. BioPhotonic Scanner results, documentation, and nutritional advice related to the promotion of Pharmanex products must be maintained and reported separately from any medical reports, diagnostic charts and other medical records generated by physicians or other medical professionals in connection with their medical or health care practice.</li> <li>b. Physicians and other health care professionals are responsible for compliance with state administrative rules, federal regulations, or local licensing boards, if applicable, in connection with their operation of the BioPhotonic Scanner.</li> <li>c. Physicians and other health care professionals are responsible for compliance with health care privacy requirements, if applicable, including HIPAA, in connection with their operation of the BioPhotonic Scanner.</li> <li>d. Physicians and other health care professionals are responsible for compliance with the Stark Legislation, Fraud and Abuse or any other anti-kickback regulations, if applicable, in connection with their operation of the BioPhotonic Scanner and promotion of Pharmanex products.</li> </ol> </li> </ol>
<b>Created by:</b> <b>Approved by:</b>	J. Engemann, T. Whitehead, E. Anderson T. Whitehead, J. Beeson





## ATTACHMENT 1

### Pharmanex® BioPhotonic Scanner Prohibited Claims

The BioPhotonic Scanner measures carotenoid antioxidant levels in skin tissue of generally healthy people. The scanner measurement will enable generally healthy consumers to assess the effect of LifePak® in their diets as they choose to make dietary changes that will increase their antioxidant levels.

You 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.

1. Do not claim that the scanner is a medical device or that it is intended for medical use. Do not refer to it as a device at any time.
2. Do not claim that the scanner is a diagnostic tool of any kind. Do not represent that the scanner can tell consumers that their skin carotenoid antioxidant levels are high, low, normal, or optimal. You can tell consumers that the scanner can measure the level of carotenoids in the body associated with the consumption of LifePak®.
3. Do not claim that the scanner can diagnose a disease or pre-condition to a disease.
4. Do not claim that the scanner can, by itself, contribute to good health or prevent poor health. The scanner is not a health assessment tool of any kind and do not represent it as such.
5. If customers have incorrect ideas about what the scanner can do, correct the misunderstanding immediately. For example, if someone says that they heard that the scanner helped diagnose an illness or helped someone prevent an illness, firmly tell them that their understanding is incorrect because the scanner cannot treat or diagnose a medical condition or illness or promote good health in any way. Then tell them what the scanner can do: namely, measure the level of carotenoids associated with the use of LifePak®.
6. Do not 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 conditions are healthy or unhealthy.
7. Do not claim that medical intervention is necessary or unnecessary because of a scanner score. Consumers should always be advised to consult their health care professionals before they make significant changes in their diets or lifestyles, but the scanner score, by itself, will not, under any circumstances, let consumers know if medical intervention is necessary.
8. Do not 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 your websites 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 distributorships.