UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

☑ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2012**

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE TRANSITION PERIOD FROM _____ TO _____**

Commission File Number: **001-12421**

NU SKIN ENTERPRISES, INC.

(Exact name of registrant as specified in its charter)

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

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

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

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule12b-2 of the Exchange Act.

Large accelerated filer ☑	Accelerated filer ☐
Non-accelerated filer ☐ (Do not check if a smaller reporting company)	Smaller reporting company ☐

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

As of July 31, 2012, 59,880,914 shares of the registrant's Class A common stock, $.001 par value per share, were outstanding.

NU SKIN ENTERPRISES, INC.

2012 FORM 10-Q QUARTERLY REPORT - SECOND QUARTER

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

Nu Skin, Pharmanex and ageLOC are trademarks of Nu Skin Enterprises, Inc. or its subsidiaries. The italicized product names used in this Quarterly Report on Form 10-Q are product names, and also, in certain cases, our trademarks.

For comparability between our hybrid China model and our global direct selling model, all references to our "distributors" in this Quarterly Report on Form 10-Q include our independent distributors and preferred customers, and our sales employees, contractual sales promoters, direct sellers in China and preferred customers. Similarly, all references to "executive distributors" include our independent distributors, who have completed and maintain certain qualification requirements, and our qualified sales employees and contractual sales promoters in China.

ITEM 1. FINANCIAL STATEMENTS

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

	June 30, 2012	December 31, 2011
ASSETS		
Current assets:		
Cash and cash equivalents	$ 371,801	$ 272,974
Current investments	13,639	17,727
Accounts receivable	44,198	31,615
Inventories, net	124,677	112,111
Prepaid expenses and other	90,525	95,660
	644,840	530,087
Property and equipment, net	169,527	149,505
Goodwill	112,446	112,446
Other intangible assets, net	79,094	83,333
Other assets	129,064	115,585
Total assets	$ 1,134,971	$ 990,956
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 44,764	$ 32,181
Accrued expenses	226,213	180,382
Current portion of long-term debt	28,100	28,608
	299,077	241,171
Long-term debt	190,712	107,944
Other liabilities	77,913	67,605
Total liabilities	567,702	416,720
Commitments and contingencies (Note 9)		
Stockholders' equity:		
Class A common stock - 500 million shares authorized, $.001 par value, 90.6 million shares issued	91	91
Additional paid-in capital	305,336	292,240
Treasury stock, at cost - 30.4 million and 28.3 million shares	(629,078)	(522,162)
Retained earnings	950,127	866,632
Accumulated other comprehensive loss	(59,207)	(62,565)
	567,269	574,236
Total liabilities and stockholders' equity	$ 1,134,971	$ 990,956

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

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	2012	2011
Revenue	$ 593,235	$ 424,426	$ 1,055,237	$ 820,271
Cost of sales	95,584	71,168	171,340	171,822(1)
Gross profit	497,651	353,258	883,897	648,449
Operating expenses:				
Selling expenses	267,363	183,500	469,898	352,642
General and administrative expenses	132,376	103,712	244,424	204,854
Total operating expenses	399,739	287,212	714,322	557,496
Operating income	97,912	66,046	169,575	90,953
Other income (expense), net	(3,369)	(127)	266	(549)
Income before provision for income taxes	94,543	65,919	169,841	90,404
Provision for income taxes	34,136	24,218	61,605	33,395
Net income	$ 60,407	$ 41,701	$ 108,236	$ 57,009
Net income per share (Note 2):				
Basic	$ 0.98	$ 0.67	$ 1.75	$ 0.92
Diluted	$ 0.94	$ 0.65	$ 1.67	$ 0.89
Weighted-average common shares outstanding (000s):				
Basic	61,706	61,806	62,016	61,817
Diluted	64,230	64,193	64,773	64,177

(1) Includes a $32.8 million non-cash charge related to an adverse decision in the Japan customs litigation. See Note 12.

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

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	2012	2011
Net income	$ 60,407	$ 41,701	$ 108,236	$ 57,009
Other comprehensive income, net of tax:				
Foreign currency translation adjustment	(3,108)	2,129	1,268	4,537
Net unrealized gains/(losses) on foreign currency cash flow hedges	(1,461)	(826)	1,960	145
Less: Reclassification adjustment for realized losses (gains) in current earnings	(87)	(93)	130	(104)
	(4,656)	1,210	3,358	4,578
Comprehensive income	$ 55,751	$ 42,911	$ 111,594	$ 61,587

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

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

	Six Months Ended June 30,	
	2012	**2011**
Cash flows from operating activities:		
Net income	$ 108,236	$ 57,009
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	16,938	15,853
Japan customs expense	–	32,754
Foreign currency (gains)/losses	(938)	(1,763)
Stock-based compensation	11,131	7,762
Deferred taxes	3,508	(7,580)
Changes in operating assets and liabilities:		
Accounts receivable	(13,447)	(6,423)
Inventories, net	(12,912)	7,943
Prepaid expenses and other	(7,441)	(1,882)
Other assets	(12,479)	(13,152)
Accounts payable	12,152	2,372
Accrued expenses	56,860	(23,571)
Other liabilities	6,746	11,466
Net cash provided by operating activities	168,354	80,788
Cash flows from investing activities:		
Purchases of property and equipment	(30,142)	(16,440)
Proceeds of investment sales	13,944	–
Purchases of investments	(9,855)	–
Net cash used in investing activities	(26,053)	(16,440)
Cash flows from financing activities:		
Exercise of employee stock options	1,951	13,039
Payment of debt	(15,398)	(15,058)
Payment of cash dividends	(24,741)	(16,714)
Income tax benefit of options exercised	6,316	4,747
Proceeds from long term debt	100,006	–
Payment of related party debt	–	(16,995)
Repurchases of shares of common stock	(113,314)	(33,817)
Net cash used in financing activities	(45,180)	(64,798)
Effect of exchange rate changes on cash	1,706	3,516
Net increase in cash and cash equivalents	98,827	3,066
Cash and cash equivalents, beginning of period	272,974	230,337
Cash and cash equivalents, end of period	$ 371,801	$ 233,403

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

1. THE COMPANY

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

The accompanying unaudited consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information and with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States of America for complete financial statements. The unaudited consolidated financial statements include the accounts of the Company and its Subsidiaries. All significant intercompany accounts and transactions are eliminated in consolidation. In the opinion of management, the accompanying unaudited consolidated financial statements contain all adjustments, consisting of normal recurring adjustments, considered necessary for a fair statement of the Company's financial information as of June 30, 2012, and for the three and six-month periods ended June 30, 2012 and 2011. The results of operations of any interim period are not necessarily indicative of the results of operations to be expected for the fiscal year. For further information, refer to the consolidated financial statements and accompanying footnotes included in the Company's Annual Report on Form 10-K for the year ended December 31, 2011.

2. NET INCOME PER SHARE

Net income per share is computed based on the weighted-average number of common shares outstanding during the periods presented. Additionally, diluted earnings per share data gives effect to all potentially dilutive common shares that were outstanding during the periods presented. For the three-month periods ended June 30, 2012 and 2011, other stock options totaling 0.1 million and 2.2 million, respectively, and for the six-month periods ended June 30, 2012 and 2011, other stock options totaling 0.1 million and 2.2 million, respectively, were excluded from the calculation of diluted earnings per share because they were anti-dilutive.

3. DIVIDENDS PER SHARE

In January and May 2012, the Company's board of directors declared a quarterly cash dividend of $0.20 per share for all shares of Class A common stock. These quarterly cash dividends totaling $12.5 million and $12.3 million were paid on March 14, 2012 and June 13, 2012, to stockholders of record on February 24, 2012 and May 25, 2012, respectively. In July 2012, the Company's board of directors declared a quarterly cash dividend of $0.20 per share for all shares of Class A common stock to be paid September 12, 2012 to stockholders of record on August 24, 2012.

4. DERIVATIVE FINANCIAL INSTRUMENTS

The Company held mark to market forward contracts designated as foreign currency cash flow hedges with notional amounts totaling 3.7 billion Japanese yen ($46.3 million as of June 30, 2012) and 5.3 billion Japanese yen ($65.8 million as of June 30, 2011) to hedge forecasted foreign-currency-denominated intercompany transactions.

The contracts held at June 30, 2012 have maturities through June 2013 and accordingly, all unrealized gains and losses on foreign currency cash flow hedges included in accumulated other comprehensive income will be recognized in current earnings over the next 12 months. The pre-tax net (losses)/gains on foreign currency cash flow hedges recorded in current earnings were immaterial for the three- and six-month periods ended June 30, 2012 and 2011.

In addition, the Company held forward foreign exchange contracts in the amounts of 7.9 million Canadian dollars ($7.8 million as of June 30, 2012), 25.3 million Thailand baht ($0.8 million as of June 30, 2012) and 42.2 million South African rand ($5.2 million as of June 30, 2012) as fair value hedges which are settled in the following month and not designated for hedge accounting to hedge risks associated with foreign-currency-denominated intercompany transactions.

5. REPURCHASES OF COMMON STOCK

During the three- and six-month periods ended June 30, 2012, the Company repurchased approximately 2.4 million and 2.5 million shares of its Class A common stock under its open market repurchase plan for approximately $107.8 million and $113.3 million, respectively. During the three- and six- month periods ended June 30, 2011, the Company repurchased approximately 0.4 million and 1.1 million shares of its Class A common stock under its open market repurchase plan for approximately $11.8 million and $33.8 million. At June 30, 2012, $219.9 million was available for repurchases under the stock repurchase program. On May 1, 2012, the Company's board of directors authorized a $250.0 million extension of the Company's ongoing share repurchase authorization.

6. SEGMENT INFORMATION

The Company operates in a single operating segment by selling products to a global network of independent distributors that operates in a seamless manner from market to market, except for its operations in Mainland China. In Mainland China, the Company utilizes an employed sales force, contractual sales promoters and direct sellers to sell its products through fixed retail locations. Selling expenses are the Company's largest expense comprised of the commissions paid to its worldwide independent distributors as well as remuneration to its sales force in Mainland China. The Company manages its business primarily by managing its global sales force. The Company does not use profitability reports on a regional or divisional basis for making business decisions. However, the Company does report revenue in five geographic regions: North Asia, Greater China, South Asia/Pacific, Americas and Europe.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
Revenue:	**2012**	**2011**	**2012**	**2011**
North Asia	$ 177,695	$ 183,097	$ 359,895	$ 362,531
Greater China	199,728	79,404	292,339	147,997
South Asia/Pacific	98,344	59,212	175,665	109,158
Americas	71,766	59,805	138,106	115,684
Europe (region)	45,702	42,908	89,232	84,901
Totals	$ 593,235	$ 424,426	$ 1,055,237	$ 820,271

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

	Three Months Ended June 30,		Six Months Ended June 30,	
Revenue:	**2012**	**2011**	**2012**	**2011**
Nu Skin	$ 295,068	$ 227,931	$ 544,583	$ 444,891
Pharmanex	296,292	194,104	506,597	370,301
Other	1,875	2,391	4,057	5,079
Totals	$ 593,235	$ 424,426	$ 1,055,237	$ 820,271

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

	Three Months Ended June 30,		Six Months Ended June 30,	
Revenue:	**2012**	**2011**	**2012**	**2011**
Japan	$ 115,615	$ 115,067	$ 225,679	$ 226,900
Hong Kong	101,928	12,295	118,789	24,620
South Korea	62,080	68,030	134,216	135,631
United States	57,485	49,621	111,401	96,851
Mainland China	57,299	38,110	108,137	69,166
Taiwan	40,501	28,999	65,413	54,211
Europe	40,100	37,126	77,842	72,757

Long-lived assets:	**June 30, 2012**	**December 31, 2011**
Japan	$ 9,455	$ 14,113
Hong Kong	782	1,030
South Korea	11,706	11,451
United States	124,020	98,205
Mainland China	10,796	15,135
Taiwan	1,549	1,556
Europe	2,049	1,966

7. DEFERRED TAX ASSETS AND LIABILITIES

The Company accounts for income taxes in accordance with the Income Taxes Topic of the Financial Accounting Standards Codification. These standards establish financial accounting and reporting standards for the effects of income taxes that result from an enterprise's activities during the current and preceding years. The Company takes an asset and liability approach for financial accounting and reporting of income taxes. The Company pays income taxes in many foreign jurisdictions based on the profits realized in those jurisdictions, which can be significantly impacted by terms of intercompany transactions between the Company and its foreign affiliates. Deferred tax assets and liabilities are created in this process. As of June 30, 2012 the Company had net deferred tax assets of $49.2 million. The Company nets these deferred tax assets and deferred tax liabilities by jurisdiction. The Company establishes valuation allowances when necessary to reduce deferred tax assets to the amounts expected to be ultimately realized.

8. UNCERTAIN TAX POSITIONS

The Company files income tax returns in the U.S. federal jurisdiction, and in various state and foreign jurisdictions. In 2009, the Company entered into a voluntary program with the United States Internal Revenue Service ("the IRS") called Compliance Assurance Process ("CAP"). The objective of CAP is to contemporaneously work with the IRS to achieve federal tax compliance and resolve all or most of the issues prior to filing of the tax return. The Company has elected to participate in the CAP program for 2012 and may elect to continue participating in CAP for future tax years; the Company may withdraw from the program at any time. During the third quarter of 2011, the Company entered into a closing agreement with the IRS for all adjustments for the 2005 through 2008 tax years. Due to the Company's participation in the IRS CAP program, the Company is no longer subject to US federal income tax examinations for the years before 2009. With a few exceptions, the Company is no longer subject to state and local income tax examination by tax authorities for the years before 2005. In major foreign jurisdictions, the Company is no longer subject to income tax examinations for years before 2005. In addition to its participation in CAP, the Company is currently under examination in certain foreign jurisdictions; however, the outcomes of those reviews are not yet determinable.

The Company's unrecognized tax benefits relate to multiple foreign and domestic jurisdictions. Due to potential increases in unrecognized tax benefits from the multiple jurisdictions in which the Company operates, as well as the expiration of various statutes of limitation, it is reasonably possible that the Company's gross unrecognized tax benefits, net of foreign currency adjustments, may change within the next 12 months by a range of approximately $1 to $2 million. The amount of gross unrecognized tax benefits increased insignificantly during the six months ended June 30, 2012, due mainly to additional interest and penalties.

9. COMMITMENTS AND CONTINGENCIES

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

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

The Company is currently involved in a dispute with customs authorities in Japan with respect to duty assessments on several of the Company's Pharmanex nutritional products, which is separate and distinct from the dispute discussed in Note 12. The dispute relates to additional customs assessments made by Yokohama Customs for the period of October 2006 through September 2009 in connection with post-importation audits, as well as the disputed portion of the Company's import duties from October 2009 to the present, which the Company has or will hold in bond or pay under protest. The aggregate amount of these assessments and disputed duties was approximately 4.2 billion Japanese yen as of June 30, 2012 (approximately $53.5 million), net of any recovery of consumption taxes. Additional assessments related to any prior period would be barred by applicable statutes of limitations. The issue in this case is whether a United States entity utilizing a commissionaire agent in Japan to import its products can use the manufacturer's invoice or must use another valuation method, and, if an alternative method must be used, what the allowable deductions would be in determining the proper valuation. Following the Company's review of the assessments and after consulting with the Company's legal and customs advisors, the Company believes that the additional assessments are improper and are not supported by applicable customs laws. The Company filed letters of protest with Yokohama Customs, which were rejected. The Company then appealed the matter to the Ministry of Finance in Japan. In May 2011, the Company received notice that, as anticipated, the Ministry of Finance in Japan denied the Company's administrative appeal. The Company disagrees with the Ministry of Finance's administrative decision. The Company is now pursuing the matter in Tokyo District Court, which the Company believes will provide a more independent determination of the matter. In addition, the Company is currently being required to post a bond or make a deposit equal to the difference between the Company's declared duties and the amount the customs authorities have determined the Company should be paying on all current imports. Because the Company believes that the assessment of higher duties by the customs authorities is an improper application of the regulations, the Company is currently expensing the portion of the duties the Company believes is supported under applicable customs law, and recording the additional deposit or payment as a receivable within long-term assets on its consolidated financial statements. If the Company is unsuccessful in recovering the amounts assessed and paid or held in bond, the Company will likely be required to record a non-cash expense for the full amount of the disputed assessments. The Company anticipates that additional disputed duties will be reduced going forward as the Company now purchases a majority of the affected products in Japan from a Japanese company that purchases and imports the products from the manufacturer.

10. LONG-TERM DEBT

The Company currently has debt pursuant to various credit facilities and other borrowings. The Company's book value for both the individual and consolidated debt included in the table below approximates fair value. The estimated fair value of the Company's debt is based on interest rates available for debt with similar terms and remaining maturities. The Company has classified these instruments as Level 2 in the fair value hierarchy. The following table summarizes the Company's long-term debt arrangements:

Facility or Arrangement[1]	Original Principal Amount	Balance as of December 31, 2011	Balance as of June 30, 2012[2]	Interest Rate	Repayment terms
Multi-currency uncommitted shelf facility:					
U.S. dollar denominated:	$40.0 million	$28.6 million	$28.6 million	6.2%	Notes due July 2016 with annual principal payments that began in July 2010.
	$20.0 million	$17.1 million	$14.3 million	6.2%	Notes due January 2017 with annual principal payments that began in January 2011.
Japanese yen denominated:	3.1 billion yen	1.3 billion yen ($17.4 million as of December 31, 2011)	0.9 billion yen ($11.2 million as of June 30, 2012)	1.7%	Notes due April 2014 with annual principal payments that began in April 2008.
	2.3 billion yen	1.9 billion yen ($25.3 million as of December 31, 2011)	1.9 billion yen ($24.3 million as of June 30, 2012)	2.6%	Notes due September 2017 with annual principal payments that began in September 2011.
	2.2 billion yen	1.9 billion yen ($24.2 million as of December 31, 2011)	1.5 billion yen ($19.4 million as of June 30, 2012)	3.3%	Notes due January 2017 with annual principal payments that began in January 2011.
	8.0 billion yen[3]	N/A	8.0 billion yen ($100.0 million as of June 30, 2012)	1.7%	Notes due May 2022 with annual principal payments that begin in May 2016.
Committed loan:					
U.S. dollar denominated:	$30.0 million	$24.0 million	$21.0 million	Variable 30 day: 1.24%	Amortizes at $1.5 million per quarter.
Revolving credit facility	N/A	None	None	N/A	

[1] On May 25, 2012, the Company (a) entered into an amendment and restatement of its multi-currency uncommitted shelf facility to extend the termination date to May 25, 2015 and provide for the issuance of up to $150 million in additional senior promissory notes; (b) entered into an amendment and restatement of its revolving credit facility to extend the termination date to May 9, 2014; and (c) terminated pledges and guarantees of the Company's subsidiaries as security for the multi-currency uncommitted shelf facility, committed loan and revolving credit facility. The committed loan continues to be secured by deeds of trust with respect to the Company's corporate headquarters and distribution center in Provo, Utah.

[2] The current portion of the Company's long-term debt (i.e. becoming due in the next 12 months) includes $13.5 million of the balance of the Company's Japanese yen-denominated debt under the multi-currency uncommitted shelf facility, $8.6 million of the balance on the Company's U.S. dollar denominated debt under the multi-currency uncommitted shelf facility and $6.0 million of the Company's committed loan.

[3] On May 31, 2012, the Company issued a series of yen denominated senior promissory notes under the multi-currency uncommitted shelf facility with an aggregate principal amount of 8.0 billion yen.

11. ACCOUNTING PRONOUNCEMENTS

In May 2011, the FASB issued ASU 2011-04, *Fair Value Measurement (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRS.* ASU 2011-04 provides a consistent definition of fair value and ensures that the fair value measurement and disclosure requirements are similar between U.S. GAAP and International Financial Reporting Standards. ASU 2011-04 changes certain fair value measurement principles and enhances the disclosure requirements particularly for Level 3 fair value measurements. The adoption of ASU 2011-04 did not have a significant impact on the Company's financial statements.

In June 2011, the FASB issued ASU 2011-05 as amended by ASU 2011-12, *Presentation of Comprehensive Income.* ASU 2011-05 requires entities to present items of net income and other comprehensive income either in one continuous statement, referred to as the statement of comprehensive income, or in two separate, but consecutive, statements of net income and other comprehensive income. Beginning with the three months ended March 31, 2012, the Company provided the required financial reporting presentation pursuant to ASU 2011-05 and ASU 2011-12 herein.

In September 2011, the FASB ratified ASU No. 2011-08, *Intangibles-Goodwill and Other (Topic 350): Testing Goodwill for Impairment.* ASU 2011-08 allows an entity the option of performing a qualitative assessment before calculating the fair value of its reporting units. If, based on the qualitative assessment, an entity concludes it is more likely than not that the fair value of the reporting unit exceeds its carrying value, quantitative testing for impairment is not necessary. The adoption of ASU No. 2011-08, effective January 1, 2012, had no impact on the Company's consolidated financial statements.

12. COST OF SALES

In March 2011, the Tokyo District Court upheld a disputed $32.8 million customs assessment on certain of the Company's products imported into Japan during the period of October 2002 through July 2005. As a result of this decision, the Company recorded an expense for the full amount of the disputed assessments in the first quarter of 2011. The charge was a non-cash item, as the Company was previously required to pay the assessments. The Company has appealed this decision and currently anticipates a decision on the appeal in the next year.

ITEM 2. **MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

The following Management's Discussion and Analysis should be read in conjunction with Management's Discussion and Analysis included in our Annual Report on Form 10-K for the year ended December 31, 2011 filed with the Securities and Exchange Commission ("SEC") on February 28, 2012, and our other filings, including Current Reports on Form 8-K, filed with the SEC through the date of this report.

Overview

Our revenue for the three- and six-month periods ended June 30, 2012 increased 40% and 29% to $593.2 million and $1.06 billion, when compared to the same periods in 2011, with foreign currency exchange rate fluctuations negatively impacting revenue 2% and 1% for the three- and six-month periods. This significant revenue growth was driven largely by successful regional limited-time offers of our *ageLOC R*^{2} and *ageLOC Galvanic Body Spa* and related products in Greater China and South Asia, where second quarter revenue grew year over year by 152% and 66%, respectively. These limited-time offers generated approximately $165 million in product orders, with $140 million reported in revenue during the second quarter. Limited-time offers typically generate significant distributor activity and a high level of distributor purchasing. This generally results in a higher than normal increase in revenue during the quarter of the limited-time offers. Our product innovation also continued to drive significant growth in our customer base and sales force, including significant growth in our sales leaders, with the number of executive distributors and actives up globally 41% and 8%, year-over-year.

Earnings per share for the second quarter of 2012 were $0.94, compared to $0.65 in the prior year. Earnings per share for the first half of 2012 were $1.67 compared to $0.89 in the prior year period, or $1.21 excluding first quarter 2011 non-cash charges of $32.8 million related to a Japan customs ruling. Earnings per share improved due largely to revenue growth coupled with improved operating margins. Earnings per share excluding Japan customs expense is a non-GAAP financial measure. See "Non-GAAP Financial Measures" below.

Revenue

North Asia. The following table sets forth revenue for the three- and six-month periods ended June 30, 2012 and 2011 for the North Asia region and its principal markets (U.S. dollars in millions):

	Three Months Ended June 30,			Six Months Ended June 30,		
	2012	2011	Change	2012	2011	Change
Japan	$ 115.6	$ 115.1	*	$ 225.7	$ 226.9	(1%)
South Korea	62.1	68.0	(9%)	134.2	135.6	(1%)
North Asia total	$ 177.7	$ 183.1	(3$)	$ 359.9	$ 362.5	(1%)

*Less than 1%

Revenue in the region for the three-month period ended June 30, 2012 was negatively impacted approximately 1% by foreign currency exchange rate fluctuations and was unaffected for the six-month period ended June 30, 2012.

Local-currency revenue in Japan declined 1% and 3% for the three- and six-month periods ended June 30, 2012, compared to the same periods in 2011. Our executive and active counts in Japan were down 3% and 4%, respectively compared to the prior year. We currently plan to introduce our *ageLOC Galvanic Body Spa* and related products in Japan through a limited-time offering in the fourth quarter of this year, which we currently believe will have a positive impact on our results. The direct selling industry and most direct selling companies in Japan have been in decline for several years in this challenging market. Substantial regulatory and media scrutiny of the industry continues to negatively impact the industry and our business. We also recently received a warning from a consumer center that required us to commit to take additional actions to address its concerns. As a result of this increased scrutiny, we continue to implement additional steps to reinforce our distributor compliance, education and training efforts in Japan, and have also been cautious in both our corporate and our distributors' marketing activities. For more information regarding this matter, see "Note Regarding Forward-Looking Statements" below.

South Korea experienced a local-currency revenue decline of 3% and an increase of 2% for the three- and six-month periods ended June 30, 2012, compared to the same periods in 2011. We believe continued softness in this market is due largely to a couple of factors. First, the successful launch of our *ageLOC Edition Galvanic Spa System II* and restaging of our *TRA* weight management products in the first half of 2011 presented difficult year-over-year comparisons in this market. We currently plan to introduce our *ageLOC Galvanic Body Spa* and related products in South Korea through a limited-time offering in the fourth quarter of 2012, which we believe will have a positive impact in this market. Second, South Korean regulations limit the commissions we pay in this market to 35% of revenue. To comply with these regulations we adjusted our commission payout, which negatively impacted the productivity of our distributors in this market. Our executive distributors in South Korea decreased 8% and the number of actives increased 10%, compared to the prior year.

Greater China. The following table sets forth revenue for the three- and six-month periods ended June 30, 2012 and 2011 for the Greater China region and its principal markets (U.S. dollars in millions):

	Three Months Ended June 30,			Six Months Ended June 30,		
	2012	2011	Change	2012	2011	Change
Hong Kong	$ 101.9	$ 12.3	728%	$ 118.8	$ 24.6	383%
Mainland China	57.3	38.1	50%	108.1	69.2	56%
Taiwan	40.5	29.0	40%	65.4	54.2	21%
Greater China total	$ 199.7	$ 79.4	152%	$ 292.3	$ 148.0	98%

Foreign currency exchange rate fluctuations positively impacted revenue by approximately 1% and 2% in this region during the three- and six-month periods ended June 30, 2012.

Significant revenue growth in the Greater China region was driven by successful limited-time offers of our *ageLOC R*^{2} and *ageLOC Galvanic Body Spa* and related products in connection with our Greater China regional convention held in Hong Kong in June. These limited-time offers generated approximately $100 million in revenue during the second quarter. Our product innovation also continued to drive significant growth in our customer base and sales force in this region, including significant growth in our sales leaders.

Local-currency revenue for the three- and six-month periods ended June 30, 2012 in China was up 46% and 51%, respectively; Hong Kong was up 727% and 381%, respectively; and Taiwan was up 43% and 23%, respectively, compared to the same prior-year periods. Hong Kong benefited from sales of our new ageLOC products, as most of the sales in the region during the limited-time offer were recorded in Hong Kong in connection with our Greater China regional convention. China reported a 130% and 55% increase in the number of sales representatives and preferred customers, respectively, compared to the prior-year period. Executive distributors in Taiwan were up 80% and actives increased 9%, compared to the prior year. Executives and actives in Hong Kong were up 98% and 14%, respectively, compared to the prior year.

South Asia/Pacific. The following table sets forth revenue for the three- and six-month periods ended June 30, 2012 and 2011 for the South Asia/Pacific region (U.S. dollars in millions):

	Three Months Ended June 30,			Six Months Ended June 30,		
	2012	2011	Change	2012	2011	Change
South Asia/Pacific	$ 98.3	$ 59.2	66%	$ 175.7	$ 109.2	61%

Foreign currency exchange rate fluctuations in South Asia/Pacific negatively impacted revenue 5% and 3% in the three- and six-month periods ended June 30, 2012, compared to the same prior-year period. Significant revenue growth was driven by successful limited-time offers of our *ageLOC R*^{2} and *ageLOC Galvanic Body Spa* and related products in connection with a series of regional events. These limited-time offers generated approximately $40 million in revenue during the second quarter. Executive distributors in the region increased 97% over the prior year, driven by limited-time offer related qualification requirements, while actives increased 8%. We currently plan to open Vietnam for company authorized business activity in the third quarter of 2012.

Americas. The following table sets forth revenue for the three- and six-month periods ended June 30, 2012 and 2011 for the Americas region (U.S. dollars in millions):

	Three Months Ended June 30,			Six Months Ended June 30,		
	2012	2011	Change	2012	2011	Change
Americas	$ 71.8	$ 59.8	20%	$ 138.1	$ 115.7	19%

Revenue in the Americas region for the three- and six-month periods ended June 30, 2012 increased by 20% and 19%, compared to the prior-year period, reflecting continued executive distributor growth and strong interest in our product portfolio, including our age*LOC*, *LifePak* and weight management products. We currently plan to introduce our new *ageLOC Tru Face Essence Ultra* in the Americas through a limited-time offering in the fourth quarter. Our executive and active counts in this region increased 16% and 3%, respectively, compared to the prior year.

The United States Food and Drug Administration (the "FDA") recently refused admission of shipments of our *Galvanic Spa* facial units because the FDA believes it may require clearance as a medical device. We disagree with the FDA's position, and will explore different approaches for resolving the matter, which may include seeking FDA clearance. Sales of our *Galvanic Spa* facial units in the United States accounted for approximately 4% of our revenue in the Americas region and 1% of our revenue globally during the second quarter of 2012. For more information regarding this matter, see "Note Regarding Forward-Looking Statements" below.

Europe. The following table sets forth revenue for the three- and six-month periods ended June 30, 2012 and 2011 for the Europe region (U.S. dollars in millions):

	Three Months Ended June 30,			Six Months Ended June 30,		
	2012	2011	Change	2012	2011	Change
Europe	$ 45.7	$ 42.9	7%	$ 89.2	$ 84.9	5%

Foreign currency exchange rate fluctuations in the Europe region negatively impacted revenue approximately 13% and 9% for the three- and six-month periods ended June 30, 2012. Growth in this region was driven by strong sales force growth, with executives and actives in the region up 18% and 9%, respectively, compared to the prior year. We currently plan to introduce our *ageLOC R*^{2} in the majority of our markets in the region through a limited-time offering in the fourth quarter of 2012, with the product becoming generally available in the second quarter of 2013.

Gross profit

Gross profit as a percentage of revenue was 83.9% for the second quarter of 2012, compared to 83.2% for the same prior-year period. Gross profit as a percentage of revenue was 83.8% for the first half of 2012, compared to 79.1% for the same prior-year period. Excluding a $32.8 million first quarter 2011 non-cash charge related to a Japan customs ruling, gross profit as a percentage of revenue for the first half of 2011 was 83.0%. Gross profit excluding Japan customs expense is a non-GAAP financial measure. See "Non-GAAP Financial Measures" below. The improvement in gross profit reflects continued supply chain improvements.

Selling expenses

Selling expenses as a percentage of revenue increased to 45.1% and 44.5% for the three- and six-month periods ended June 30, 2012 from 43.2% and 43.0% for the same periods in 2011. This increase is due primarily to incentives related to significant limited-time offers during the second quarter of 2012.

General and administrative expenses

As a percentage of revenue, general and administrative expenses decreased to 22.3% and 23.2% for the three- and six-month periods ended June 30, 2012 from 24.4% and 25.0% for the same periods in 2011. This decrease is due primarily to our significant revenue growth increasing at a faster rate than our general and administrative expenses. For the second quarter of 2012, general and administrative expenses included approximately $10.0 million for conventions in Greater China and South Korea.

Other income (expense), net

Other income (expense), net for the three- and six-month periods ended June 30, 2012 was $3.4 million of expense and $0.3 million of income compared to $0.1 million and $0.5 million of expense for the same periods in 2011. This increase was primarily due to foreign currency losses caused by the translation of our intercompany balances into U.S. dollars at the end of the quarter.

Provision for income taxes

Provision for income taxes for the three- and six-month periods ended June 30, 2012 was $34.1 million and $61.6 million compared to $24.2 million and $33.4 million for the same periods in 2011. The effective tax rate was 36.1% and 36.3% of pre-tax income during the three- and six-month periods ended June 30, 2012, compared to 36.7% and 36.9% in the same prior-year periods.

Net income

As a result of the foregoing factors, net income for the second quarter of 2012 was $60.4 million compared to $41.7 million for the same period in 2011. Net income for the first half of 2012 was $108.2 million compared to $57.0 million, or $77.7 million excluding $32.8 million ($20.7 million, net of tax) in Japan customs expense, for the same period in 2011. Net income excluding Japan customs expense is a non-GAAP financial measure. See "Non-GAAP Financial Measures" below.

Liquidity and Capital Resources

Historically, our principal uses of cash have included operating expenses, particularly selling expenses, and working capital (principally inventory purchases), as well as capital expenditures, stock repurchases, dividends, debt repayment and the development of operations in new markets. We have generally relied on cash flow from operations to fund operating activities, and we have at times incurred long-term debt in order to fund strategic transactions and stock repurchases.

We typically generate positive cash flow from operations due to favorable gross margins and the variable nature of selling expenses, which constitute a significant percentage of operating expenses. We generated $168.4 million in cash from operations during the first half of 2012, compared to $80.8 million during the same period in 2011. This increase is attributed to significant revenue growth from the Greater China and South Asia limited-time offers in the second quarter of 2012 and an increase in accrued expenses due to the deferred revenue and accrued commissions associated with these limited-time offers.

As of June 30, 2012, working capital was $345.8 million, compared to $288.9 million as of December 31, 2011. Cash and cash equivalents, including current investments at June 30, 2012 and December 31, 2011 were $385.4 million and $290.7 million, respectively. The increase in working capital was primarily due to strong cash flows from operations offset by payments for property, plant and equipment, dividends and net transactions related to our stock.

Capital expenditures in the first six months of 2012 totaled $30.1 million, and we anticipate additional capital expenditures of approximately $70 million for the remainder of 2012. These capital expenditures are primarily related to:

- planning and construction of a new innovation center on our Provo campus and a new Greater China regional headquarters in Shanghai, China, and related real estate acquisitions;
- the build-out and upgrade of leasehold improvements in our various markets, including retail stores in China; and
- purchases of computer systems and software, including equipment and development costs.

We currently have debt pursuant to various credit facilities and other borrowings. Our book value for both the individual and consolidated debt included in the table below approximates fair value. The estimated fair value of our debt is based on interest rates available for debt with similar terms and remaining maturities. We have classified these instruments as Level 2 in the fair value hierarchy. The following table summarizes our long-term debt arrangements:

Facility or Arrangement[1]	Original Principal Amount	Balance as of June 30, 2012[2]	Interest Rate	Repayment terms
Multi-currency uncommitted shelf facility:				
U.S. dollar denominated:	$40.0 million	$28.6 million	6.2%	Notes due July 2016 with annual principal payments that began in July 2010.
	$20.0 million	$14.3 million	6.2%	Notes due January 2017 with annual principal payments that began in January 2011.
Japanese yen denominated:	3.1 billion yen	0.9 billion yen ($11.2 million as of June 30, 2012)	1.7%	Notes due April 2014 with annual principal payments that began in April 2008.
	2.3 billion yen	1.9 billion yen ($24.3 million as of June 30, 2012)	2.6%	Notes due September 2017 with annual principal payments that began in September 2011.
	2.2 billion yen	1.5 billion yen ($19.4 million as of June 30, 2012)	3.3%	Notes due January 2017 with annual principal payments that began in January 2011.
	8.0 billion yen[3]	8.0 billion yen ($100.0 million as of June 30, 2012)	1.7%	Notes due May 2022 with annual principal payments that begin in May 2016.
Committed loan:				
U.S. dollar denominated:	$30.0 million	$21.0 million	Variable 30 day: 1.24%	Amortizes at $1.5 million per quarter.
Revolving credit facility	N/A	None	N/A	

[1] On May 25, 2012, we (a) entered into an amendment and restatement of our multi-currency uncommitted shelf facility to extend the termination date to May 25, 2015 and provide for the issuance of up to $150 million in additional senior promissory notes; (b) entered into an amendment and restatement of our revolving credit facility to extend the termination date to May 9, 2014; and (c) terminated pledges and guarantees of our subsidiaries as security for the multi-currency uncommitted shelf facility, committed loan and revolving credit facility. The committed loan continues to be secured by deeds of trust with respect to our corporate headquarters and distribution center in Provo, Utah.

[2] The current portion of our long-term debt (i.e. becoming due in the next 12 months) includes $13.5 million of the balance of our Japanese yen-denominated debt under the multi-currency uncommitted shelf facility, $8.6 million of the balance on our U.S. dollar denominated debt under the multi-currency uncommitted shelf facility and $6.0 million of our 2010 committed loan.

[3] On May 31, 2012, we issued a series of yen denominated senior promissory notes under the multi-currency uncommitted shelf facility with an aggregate principal amount of 8.0 billion yen.

Our board of directors has approved a stock repurchase program authorizing us to repurchase our outstanding shares of Class A common stock on the open market or in private transactions. The repurchases are used primarily to offset dilution from our equity incentive plans and for strategic initiatives. On May 1, 2012, our board of directors authorized a $250 million extension of our ongoing share repurchase authorization. During the first half of 2012, we repurchased 2.5 million shares of Class A common stock under this program for $113.3 million. At June 30, 2012, $219.9 million was available for repurchases under the stock repurchase program.

In January 2012 and May 2012, our board of directors declared a quarterly cash dividend of $0.20 per share. This quarterly cash dividend totaling $12.5 million and $12.3 million was paid on March 14, 2012 and June 13, 2012, to stockholders of record on February 24, 2012 and May 25, 2012, respectively. In July 2012, our board of directors declared a quarterly cash dividend of $0.20 per share to be paid September 12, 2012 to stockholders of record on August 24, 2012. Currently, we anticipate that our board of directors will continue to declare quarterly cash dividends and that the cash flows from operations will be sufficient to fund our future dividend payments. However, the continued declaration of dividends is subject to the discretion of our board of directors and will depend upon various factors, including our net earnings, financial condition, cash requirements, future prospects and other factors deemed relevant by our board of directors.

We believe we have sufficient liquidity to be able to meet our obligations on both a short- and long-term basis. We currently believe that existing cash balances of $371.8 million (approximately $100.9 million in accounts based in the United States), future cash flows from operations and existing lines of credit will be adequate to fund our cash needs on both a short- and long-term basis. The majority of our historical expenses have been variable in nature and as such, a potential reduction in the level of revenue would reduce our cash flow needs. In the event that our current cash balances, future cash flow from operations and current lines of credit are not sufficient to meet our obligations or strategic needs, we would consider raising additional funds in the debt or equity markets or restructuring our current debt obligations. Additionally, we would consider realigning our strategic plans, including a reduction in capital spending, stock repurchases or dividend payments.

Contingent Liabilities

We are currently involved in a dispute with customs authorities in Japan with respect to duty assessments on several of our Pharmanex nutritional products, which is separate and distinct from the dispute referred to above under Gross Profit. The dispute relates to additional customs assessments made by Yokohama Customs for the period of October 2006 through September 2009 in connection with post-importation audits, as well as the disputed portion of our import duties from October 2009 to the present, which we have or will hold in bond or pay under protest. The aggregate amount of these assessments and disputed duties was approximately 4.2 billion Japanese yen as of June 30, 2012 (approximately $53.5 million), net of any recovery of consumption taxes. Additional assessments related to any prior period would be barred by applicable statutes of limitations. The issue in this case is whether a United States entity utilizing a commissionaire agent in Japan to import its products can use the manufacturer's invoice or must use another valuation method, and, if an alternative method must be used, what the allowable deductions would be in determining the proper valuation. Following our review of the assessments and after consulting with our legal and customs advisors, we believe that the additional assessments are improper and are not supported by applicable customs laws. We filed letters of protest with Yokohama Customs, which were rejected. We then appealed the matter to the Ministry of Finance in Japan. In May 2011, we received notice that, as we had anticipated, the Ministry of Finance in Japan denied our administrative appeal. We disagree with the Ministry of Finance's administrative decision. We are now pursuing the matter in Tokyo District Court, which we believe will provide a more independent determination of the matter. In addition, we are currently being required to post a bond or make a deposit equal to the difference between our declared duties and the amount the customs authorities have determined we should be paying on all current imports. Because we believe that the assessment of higher duties by the customs authorities is an improper application of the regulations, we are currently expensing the portion of the duties we believe is supported under applicable customs law, and recording the additional deposit or payment as a receivable within long-term assets on our consolidated financial statements. To the extent that we are unsuccessful in recovering the amounts assessed and paid or held in bond, we will likely record a non-cash expense for the full amount of the disputed assessments. We anticipate that additional disputed duties will be reduced going forward as we now purchase a majority of the affected products in Japan from a Japanese company that purchases and imports the products from the manufacturer.

Critical Accounting Policies

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

Revenue. We recognize revenue when products are shipped, which is when title and risk of loss pass to our independent distributors and preferred customers who are our customers. With some exceptions in various countries, we offer a return policy whereby distributors can return unopened and unused product for up to 12 months subject to a 10% restocking fee. Reported revenue is net of returns, which have historically been less than 5% of annual revenue. A reserve for product returns is accrued based on historical experience. We classify selling discounts as a reduction of revenue. Our selling expenses are computed pursuant to our global compensation plan for our distributors, which is focused on remunerating distributors based primarily upon the selling efforts of the distributors and the volume of products purchased by their downlines, and not their personal purchases.

Income Taxes. We account for income taxes in accordance with the Income Taxes Topic of the Financial Accounting Standards Codification. These standards establish financial accounting and reporting standards for the effects of income taxes that result from an enterprise's activities during the current and preceding years. We take an asset and liability approach for financial accounting and reporting of income taxes. We pay income taxes in many foreign jurisdictions based on the profits realized in those jurisdictions, which can be significantly impacted by terms of intercompany transactions among our affiliates around the world. Deferred tax assets and liabilities are created in this process. As of June 30, 2012, we had net deferred tax assets of $49.2 million. These net deferred tax assets assume sufficient future earnings will exist for their realization, as well as the continued application of current tax rates. In certain foreign jurisdictions valuation allowances have been recorded against the deferred tax assets specifically related to use of net operating losses. When we determine that there is sufficient taxable income to utilize the net operating losses, the valuation allowances will be released. In the event we were to determine that we would not be able to realize all or part of our net deferred tax assets in the future, an adjustment to the deferred tax assets would be charged to earnings in the period such determination was made.

We file income tax returns in the U.S. federal jurisdiction, and in various state and foreign jurisdictions. In 2009, we entered into a voluntary program with the IRS called Compliance Assurance Process ("CAP"). The objective of CAP is to contemporaneously work with the IRS to achieve federal tax compliance and resolve all or most of the issues prior to filing of the tax return. We have elected to participate in the CAP program for 2012 and may elect to continue participating in CAP for future tax years; we may withdraw from the program at any time. During the third quarter of 2011, we entered into a closing agreement with the United States Internal Revenue Service (the "IRS") for all adjustments for the 2005 through 2008 tax years. Due to our participation in the IRS CAP program, we are no longer subject to US federal income tax examinations for the years before 2009. With a few exceptions, we are no longer subject to state and local income tax examination by tax authorities for years before 2005. In major foreign jurisdictions, we are no longer subject to income tax examinations for years before 2005. Along with the IRS examination, we are currently under examination in certain foreign jurisdictions; however, the outcomes of those reviews are not yet determinable.

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

Intangible Assets. Acquired intangible assets may represent indefinite-lived assets, determinable-lived intangibles, or goodwill. Of these, only the costs of determinable-lived intangibles are amortized to expense over their estimated life. The value of indefinite-lived intangible assets and residual goodwill is not amortized, but is tested at least annually for impairment. Our impairment testing for goodwill is performed separately from our impairment testing of indefinite-lived intangibles. We test goodwill for impairment, at least annually, by reviewing the book value compared to the fair value at the reportable unit level. We test individual indefinite-lived intangibles at least annually by reviewing the individual book values compared to the fair value. Considerable management judgment is necessary to measure fair value. We did not recognize any impairment charges for goodwill or intangible assets during the periods presented.

Stock-Based Compensation. All share-based payments to employees are recognized in the financial statements based on their fair values using an option-pricing model at the date of grant. We use a Black-Scholes-Merton option-pricing model to calculate the fair value of options. Stock based compensation expense is recognized net of any estimated forfeitures on a straight-line basis over the requisite service period of the award.

Seasonality and Cyclicality

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

We have experienced rapid revenue growth in certain new markets following commencement of operations. This initial rapid growth has often been followed by a short period of stable or declining revenue, followed by renewed growth fueled by product introductions and an increase in the size and productivity of our customer base and sales force. The contraction following initial rapid growth has been more pronounced in certain new markets, due to other factors such as business or economic conditions or distributor distractions outside the market.

Distributor Information

The following table provides information concerning the number of actives and executive distributors in each of our regions as of the dates indicated. "Actives" include our independent distributors and preferred and retail customers who have purchased products directly from us for resale or personal consumption during the previous three months ended as of the date indicated. "Executives" include our independent distributors, who have completed and maintain certain qualification requirements, and our qualified sales employees and contractual sales promoters in China.

Region:	As of June 30, 2012		As of June 30, 2011	
	Active	Executive	Active	Executive
North Asia	337,000	14,370	331,000	15,127
Greater China	170,000	20,182	130,000	9,580
South Asia/Pacific	99,000	8,856	91,000	4,499
Americas	170,000	5,994	165,000	5,185
Europe	119,000	4,626	110,000	3,917
Total	895,000	54,028	827,000	38,308

Currency Risk and Exchange Rate Information

A majority of our revenue and many of our expenses are recognized outside of the United States, except for inventory purchases, which are primarily transacted in U.S. dollars from vendors in the United States. The local currency of each of our subsidiaries' primary markets is considered the functional currency. All revenue and expenses are translated at weighted-average exchange rates for the periods reported. Therefore, our reported revenue and earnings will be positively impacted by a weakening of the U.S. dollar and will be negatively impacted by a strengthening of the U.S. dollar. Given the large portion of our business derived from Japan, South Korea and China, any weakening of these currencies negatively impacts reported revenue and profits, whereas a strengthening of these currencies positively impacts our reported revenue and profits. Given the uncertainty of exchange rate fluctuations, it is difficult to predict the effect of these fluctuations on our future business, product pricing and results of operation or financial condition. However, based on current exchange rate levels, we currently anticipate that foreign currency fluctuations will have a modest negative impact on reported revenue in 2012.

We may seek to reduce our exposure to fluctuations in foreign currency exchange rates through the use of foreign currency exchange contracts, through intercompany loans of foreign currency and through our Japanese yen-denominated debt. We do not use derivative financial instruments for trading or speculative purposes. We regularly monitor our foreign currency risks and periodically take measures to reduce the impact of foreign exchange fluctuations on our operating results. At June 30, 2012 and 2011, we held forward contracts designated as foreign currency cash flow hedges with notional amounts totaling approximately 3.7 billion Japanese yen ($46.3 million as of June 30, 2012) and approximately 5.3 billion Japanese yen ($65.8 million as of June 30, 2011), respectively. In addition, we held forward foreign exchange contracts in the amounts of 7.9 million Canadian dollars ($7.8 million as of June 30, 2012), 25.3 million Thailand baht ($0.8 million as of June 30, 2012) and 42.2 million South African rand ($5.2 million as of June 30, 2012) as fair value hedges and not designated for hedge accounting to hedge risks associated with foreign-currency-denominated intercompany transactions. Because of our foreign exchange contracts at June 30, 2012, the impact of a 10% appreciation or 10% depreciation of the U.S. dollar against the Japanese yen would not represent a material potential gain or loss in fair value, earnings or cash flows against these contracts.

Note Regarding Forward-Looking Statements

This report contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical fact are "forward-looking statements" for purposes of federal and state securities laws, including any projections of earnings, revenue or other financial items; any statements of the plans, strategies and objectives of management for future operations; any statements regarding future economic conditions or performance; any plans regarding dividend payments, product introductions or capital expenditures, any statements of belief; and any statements of assumptions underlying any of the foregoing. Forward-looking statements may include the words "may," "will," "estimate," "intend," "plan," "continue," "believe," "expect" or "anticipate" and any other similar words.

We wish to caution readers that although we believe that the expectations reflected in our forward-looking statements are reasonable, actual results could differ materially from those projected or assumed in our forward-looking statements. We also wish to advise readers not to place any undue reliance on the forward-looking statements contained in this report, which reflect our beliefs and expectations only as of the date of this report. We assume no obligation to update or revise these forward-looking statements to reflect new events or circumstances or any changes in our beliefs or expectations, except as required by law. Our future financial condition and results of operations, as well as any forward-looking statements, are subject to change and to inherent risks and uncertainties, such as those disclosed or incorporated by reference in our filings with the Securities and Exchange Commission. Some of the risks and uncertainties that could cause our actual results, performance and achievements, or industry results to differ materially from estimates or projections contained in our forward-looking statements include, among others, the following:

(a) Global economic conditions continue to be challenging. It is not possible for us to predict the extent and timing of any improvement in global economic conditions. Even with continued growth in many of our markets during this period, the economic downturn could adversely impact our business in the future by causing a decline in demand for our products, particularly if the economic conditions are prolonged or worsen. In addition, such economic conditions may adversely impact access to capital for us and our suppliers, may decrease our distributors' ability to obtain or maintain credit cards, and may otherwise adversely impact our operations and overall financial condition.

(b) Due to the international nature of our business, we are exposed to the fluctuations of numerous currencies. We purchase inventory primarily in the United States in U.S. dollars. In preparing our financial statements, we translate revenue and expenses in our markets outside the United States from their local currencies into U.S. dollars using weighted average exchange rates. Our results could be negatively impacted if the U.S. dollar strengthens relative to these currencies. In addition, our business may be negatively impacted by inflation, currency exchange restrictions, pricing controls and currency devaluation, especially in countries such as Venezuela.

(c) Our ability to retain key and executive level distributors or to sponsor new executive distributors is critical to our success. Because our products are distributed exclusively through our distributors and we compete with other direct selling companies in attracting distributors, our operating results could be adversely affected if our existing and new business opportunities and incentives, products, business tools and other initiatives do not generate sufficient enthusiasm and economic incentive to retain our existing distributors or to sponsor new distributors on a sustained basis. In addition, in our more mature markets, one of the challenges we face is keeping distributor leaders with established businesses and high income levels motivated and actively engaged in business building activities and in developing new distributor leaders. There can be no assurance that our initiatives will continue to generate excitement among our distributors in the long-term or that planned initiatives will be successful in maintaining distributor activity and productivity or in motivating distributor leaders to remain engaged in business building and developing new distributor leaders. If our initiatives do not drive growth in our distributor numbers, particularly in Japan where our distributor numbers have been down, our operating results could be harmed.

(d) We have experienced revenue declines in Japan over the last several years and continue to face challenges in this market. If we are unable to stabilize revenue or renew growth in this market, our results could be harmed. Factors that could impact our results in the market include:

- continued or increased levels of regulatory and media scrutiny and any regulatory actions taken by regulators, or any adoption of more restrictive regulations, in response to such scrutiny;
- significant weakening of the Japanese yen;
- increased regulatory constraints with respect to the claims we can make regarding the efficacy of products and tools, which could limit our ability to effectively market them;
- risks that the initiatives we have implemented in Japan, which are patterned after successful initiatives implemented in other markets, will not have the same level of success in Japan, may not generate renewed growth or increased productivity among our distributors, and may cost more or require more time to implement than we have anticipated;
- inappropriate activities by our distributors and any resulting regulatory actions;
- improper practices of other direct selling companies or their distributors that increase regulatory and media scrutiny of our industry;
- increased weakness in the economy or consumer confidence; and
- increased competitive pressures from other direct selling companies and their distributors who actively seek to solicit our distributors to join their businesses.

(e) Distributor activities that violate applicable laws or regulations could result in government or third party actions against us. We continue to experience general inquiries and complaints regarding distributor activities to consumer centers in Japan. Over the last few years, we have received warnings from consumer centers in certain prefectures raising concerns about the number of general inquiries and complaints regarding our Company. Although we are implementing additional steps to reinforce our distributor compliance, education and training efforts in Japan, we cannot be sure that such efforts will be successful. If the current level of inquiries or complaints does not improve, there is an increased likelihood that the government could take action against us, including sanctions and or suspensions, or we could receive negative media attention, all of which could harm our business.

(f) If direct selling regulations in China are modified, interpreted or enforced in a manner that results in negative changes to our business model or the imposition of a range of potential penalties, our business could be harmed. The nature of the political, regulatory and legal systems in China gives regulatory agencies at both the local and central levels of government broad discretion to interpret and enforce regulations in a fashion that promotes social order. If our business practices are found to be in violation of applicable regulations as they may be interpreted or enforced in the future, in particular our use of the sales productivity of a sales leader and the contractual sales promoters and sales employees he/she leads and supervises in setting his/her quarterly compensation level, then we could be forced to change our business model and/or sanctioned, either of which could significantly harm our business.

(g) Our operations in China are subject to significant government scrutiny, and we could be subject to fines or other penalties if our sales employees, contractual sales promoters or direct sellers engage in activities that violate applicable laws and regulations. The legal system in China provides governmental authorities with broad latitude to conduct investigations. We anticipate that our business will continue to attract significant governmental scrutiny, particularly as our business grows and the number of sales employees and contractual sales promoters continues to increase. While we have been able to resolve past investigations and have only been required to pay fines in a limited number of instances, all between 2002 and 2007, we face a risk that future investigations may result in fines or other more significant sanctions. In addition, if we are unable to obtain additional necessary national and local government approvals in China our ability to expand our business could be negatively impacted.

(h) There have been a series of third party actions and governmental actions involving some of our competitors in the direct selling industry. These actions have generated negative publicity for the industry and likely have resulted in increased regulatory scrutiny of other companies in the industry. Adverse rulings in any of these cases could harm our business if they create adverse publicity or interpret laws in a manner inconsistent with our current business practices.

(i) The network marketing, nutritional supplement and personal care industries are subject to various laws and regulations throughout our markets, many of which involve a high level of subjectivity and are inherently fact-based and subject to interpretation. Negative publicity concerning supplements with controversial ingredients has spurred efforts to change existing regulations or adopt new regulations in order to impose further restrictions and regulatory control over the nutritional supplement industry. If our existing business practices or products, or any new initiatives or products, are challenged or found to contravene any of these laws by any governmental agency or other third party, or if there are any new regulations applicable to our business that limit our ability to market such products or impose additional requirements on us, our revenue and profitability may be harmed.

(j) While we have not been required to register our *Galvanic Spa System* and *Pharmanex BioPhotonic Scanner* as medical devices in most of our markets, we were required to register our *Galvanic Spa System* as a medical device in Indonesia, Thailand and Colombia. We are also currently in the process of registering our *Galvanic Spa System* as a medical device in Taiwan. The United States Food and Drug Administration (the "FDA") recently refused admission of shipments of our *Galvanic Spa* facial units, because the FDA believes it may require clearnace as a medical device. We disagree with the FDA's position, and will explore different approaches for resolving the matter, which may include seeking FDA clearance. Until the facial spa units obtain FDA clearance, or until we resolve the issue with the FDA, we likely will not be able to import additional units into the United States. If we face delays or challenges in getting clearance or resolving the matter with the FDA, or if we cease selling existing inventory while we work through these issues with the FDA, our results in the United States could be negatively impacted.

(k) Production difficulties and quality control problems could harm our business, in particular our reliance on third party suppliers to deliver quality products in a timely manner. Occasionally, we have experienced production difficulties with respect to our products, including the delivery of products that do not meet our quality control standards. These quality problems have resulted in the past, and could result in the future, in stock outages or shortages in our markets with respect to such products, harming our sales and creating inventory write-offs for unusable products. In addition, if we are not able to accurately forecast sales levels on a market by market basis, or are unable to produce a sufficient supply to meet such demand globally, we could have stockouts which could negatively impact enthusiasm of our distributors.

(l) Historically, most of our products have been imported from the United States into the countries in which they are ultimately sold. These countries impose various legal restrictions on imports and typically impose duties on our products. We may be subject to prospective or retrospective increases in duties on our products imported into our markets outside of the United States, which could adversely impact our results. As discussed above under the heading "Contingent Liabilities," we are currently appealing certain assessments of duties in Japan. In addition, we are currently required to post a bond or make a deposit for duties in excess of what we believe are supported by applicable customs law, and we record the additional deposit or payment as a receivable within long-term assets on our consolidated financial statements. If we are unsuccessful in recovering the amounts assessed and paid or held in bond, we will likely record a non-cash expense for the full amount of the disputed assessments.

Non-GAAP Financial Measures

Regulation G, Conditions for Use of Non-GAAP Financial Measures, and other SEC regulations define and prescribe the conditions for use of certain non-GAAP financial information. Our measures of earnings per share, gross profit and net income, each excluding the Japan customs expense, meet the definition of non-GAAP financial measures. Earnings per share, gross profit and net income, each excluding the Japan customs expense, are used in addition to and in conjunction with results presented in accordance with GAAP and should not be relied upon to the exclusion of GAAP financial measures.

Management believes these non-GAAP financial measures assist management and investors in evaluating, and comparing from period to period, results from ongoing operations in a more meaningful and consistent manner while also highlighting more meaningful trends in the results of operations.

The following is a reconciliation of gross profit, as reported, to gross profit, excluding Japan customs expenses, for the six months ended June 30, 2012 and 2011 (in thousands):

	Six Months Ended June 30,	
	2012	2011
Revenue	$ 1,055,237	$ 820,271
Gross profit, as reported	883,897	648,449
Japan customs expense	–	32,754
Gross profit, excluding Japan customs expense	883,897	681,203
Gross profit, excluding Japan customs expense, as a % of revenue	83.8%	83.0%
Gross profit, as reported, as a % of revenue	83.8%	79.1%

The following is a reconciliation of net income and diluted earnings per share, as reported, to net income and diluted earnings per share excluding Japan customs expenses for the six months ended June 30, 2012 and 2011 (in thousands, except per share amounts):

	Six Months Ended June 30,	
	2012	2011
Net income, as reported	$ 108,236	$ 57,009
Japan customs expense	–	32,754
Tax effect of Japan customs expense	–	(12,099)
Net income, excluding Japan customs expense	$ 108,236	$ 77,664
Diluted earnings per share, excluding Japan customs expense	$ 1.67	$ 1.21
Diluted earnings per share, as reported	$ 1.67	$ 0.89

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The information required by Item 3 of Part I of Form 10-Q is incorporated herein by reference from the section entitled "Currency Risk and Exchange Rate Information" in "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operation" of Part I and also in Note 4 to the Financial Statements contained in Item 1 of Part I of this Quarterly Report on Form 10-Q.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures.

As of the end of the period covered by this report, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (the "Exchange Act")). Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of June 30, 2012.

Changes in Internal Controls Over Financial Reporting.

There have been no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) during the most recent fiscal quarter covered by this report, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

No updates to report. Please refer to our recent SEC filings, including our Annual Report on Form 10-K for the 2011 fiscal year, for information regarding the status of certain legal proceedings that have been previously disclosed.

ITEM 1A. RISK FACTORS

The information presented below supplements and should be read in conjunction with the detailed discussion of risks associated with our business in our recent SEC filings, including our Annual Report on Form 10-K for the 2011 fiscal year.

If our *Pharmanex BioPhotonic Scanner or Galvanic Spa Systems*, including our recently launched *Galvanic Body Spa* are determined to be a medical device in a particular geographic market or if our distributors use these tools for medical purposes or make improper medical claims, our ability to continue to market and distribute such tools could be harmed.

One of our strategies is to market unique and innovative products and tools that allow our distributors to distinguish our products, including the *Galvanic Spa System* and the *Pharmanex BioPhotonic Scanner*. Any determination by regulatory authorities in our markets that these products must be registered as medical devices could restrict our ability to import or sell the product in such market until registration is obtained. While we have not been required to register these products as medical devices in most of our markets, we were required to register our *Galvanic Spa System* as a medical device in Indonesia, Thailand and Colombia. We are also currently in the process of registering our *Galvanic Spa System* as a medical device in Taiwan. There have been legislative proposals in Singapore and Malaysia relating to the regulation of medical devices that could affect the way we market the *Galvanic Spa System* and the *Pharmanex BioPhotonic Scanner* in these countries. The United States Food and Drug Administration (the "FDA") recently refused admission of shipments of our *Galvanic Spa* facial units, because the FDA believes it may require clearance as a medical device. We disagree with the FDA's position, and will explore different approaches for resolving the matter, which may include seeking FDA clearance.

Until the facial spa units obtain FDA clearance, or until we resolve the matter with the FDA, we likely will not be able to import additional units into the United States. If we face delays or challenges in getting clearance or resolving the matter with the FDA, or if we cease selling existing inventory while we work through these issues with the FDA, our results in the United States could be negatively impacted. In addition, if our distributors are making medical claims regarding our products or are using our products to perform medical diagnoses or other activities limited to licensed professionals or approved medical devices, it could negatively impact our ability to market or sell such products.

Where necessary, obtaining medical device registrations and clearances could require us to provide documentation concerning product manufacturing and clinical utility, to make design, specification and manufacturing process modifications to meet standards imposed on medical device companies, and to modify our marketing claims regarding the registered product. While we have successfully registered the *Galvanic Spa* facial unit as a medical device in Indonesia, Thailand and Colombia, because medical device regulations vary widely from country to country, there can be no assurance we will not face challenges or delays in seeking clearance in other markets or that we will be able to make any required modifications promptly or in a manner that is satisfactory to regulatory authorities. If we obtain such medical device clearance in order to sell a product in one market, such clearance may be used as precedent for requiring similar approval in another market. Such additional requirements could negatively impact the cost associated with manufacturing the *Galvanic Spa System* and sale of the *Galvanic Spa System* as a non-medical device in those markets.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Issuer Purchases of Equity Securities

Period	(a) Total Number of Shares Purchased		(b) Average Price Paid per Share	(c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Dollar Value May Yet Be Pu the Plans o
April 1 012	161,351		$ 57.09	161,300	$
May 1 012	1,200,000		$ 43.32	1,200,000	$
June 1 012	1,076,700		$ 43.36	1,076,700	$
Total	2,438,051	(2)		2,438,000	

(1) In August 1998, our board of directors approved a plan to repurchase $10.0 million of our Class A common stock on the open market or in private transactions. Our board has from time to time increased the amount authorized under the plan and a total amount of approximately $735.0 million was authorized as of June 30, 2012. As of June 30, 2012, we had repurchased approximately $511.6 million of shares under the plan. On May 1, 2012, our board of directors authorized a $250.0 million extension of our ongoing share repurchase authorization which is included in the total authorized. There has been no termination or expiration of the plan since the initial date of approval.

(2) We have authorized the repurchase of shares acquired by our employees and distributors in certain foreign markets because of regulatory and other issues that make it difficult or costly for these persons to sell such shares in the open market. Of the shares listed in this column, 51 shares in April at an average price per share of $60.91 relate to repurchases from such employees and distributors.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not Applicable.

ITEM 5. OTHER INFORMATION

The following is intended to satisfy our disclosure obligations pursuant to paragraph (e) of Item 5.02 "Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers" of Form 8-K:

At the direction of the Compensation Committee of our Board of Directors, we entered into employment agreements effective as of August 1, 2012, with the following executive officers: M. Truman Hunt, President and Chief Executive Officer; Ritch N. Wood, Chief Financial Officer; and Daniel R. Chard, President - Global Sales & Operations. Among other things, the employment agreements include the following terms and conditions:

- Employment Period: The executive officers' employment periods under the employment agreements will be August 1, 2012 to December 31, 2015, unless terminated earlier;
- Compensation: The executive officers will receive base salaries, cash incentives, equity awards and other compensation, as determined by the Compensation Committee of our Board of Directors;
- Vesting upon a Change in Control: Time-based equity awards granted to the executive officers will fully vest upon certain terminations of employment within six months prior to and in connection with, or within two years following, a change in control;
- Termination Payments: The executive officers will receive various termination payments in specified circumstances without excise tax protection; and
- Covenants: The executive officers will be bound by certain covenants, including non-solicitation, non-competition and non-endorsement, that are in addition to, or supersede, previous key employee covenants.

These employment agreements supersede all previous employment letters, agreements and arrangements for these executive officers, including Mr. Hunt's 2003 employment letter and Mr. Chard's 2006 employment agreement, as subsequently modified. Mr. Hunt's 2003 employment letter provided for (a) the accelerated vesting of all Mr. Hunt's equity awards immediately prior to the announcement of a change in control; (b) a more generous change in control related termination payment; (c) certain excise tax protections related to termination payments; and (d) a one-year post-termination period to exercise all vested stock options. Mr. Chard's 2006 employment agreement provided for (a) the accelerated vesting of all Mr. Chard's equity awards immediately prior to certain terminations of employment within two years following, a change in control; and (b) more generous termination payments in certain circumstances.

The foregoing descriptions of the employment agreements are not intended to be complete and are qualified in their entirety by reference to the full text of these agreements filed as Exhibits 10.4 and 10.5 hereto and incorporated herein by reference.

ITEM 6. EXHIBITS

Exhibits Regulation S-K Number	**Description**
10.1	Amended and Restated Credit Agreement, dated as of May 25, 2012, among the Company, various financial institutions, and JPMorgan Chase Bank, N.A. as administrative agent.
10.2	Amended and Restated Note Purchase and Private Shelf Agreement (Multi-Currency), dated as of May 25, 2012, among the Company, Prudential Investment Management, Inc. and certain other purchasers.
10.3	Series G Senior Notes Nos. G-1, G-2 and G-3, issued May 31, 2012, by the Company to The Prudential Insurance Company of America, Pruco Life Insurance Company and Prudential Retirement Insurance and Annuity Company.
10.4	Employment Agreement, effective as of August 1, 2012, between the Company and M. Truman Hunt.
10.5	Form of Employment Agreement, with schedule of material differences, effective as of August 1, 2012, between the Company and Ritch N. Wood, Daniel R. Chard, D. Matthew Dorny and Scott E. Schwerdt.

31.1	Certification by M. Truman Hunt, President and Chief Executive Officer, pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification by Ritch N. Wood, Chief Financial Officer, pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification by M. Truman Hunt, President and Chief Executive Officer, pursuant to Section 1350, Chapter 63 of Title 18, United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification by Ritch N. Wood, Chief Financial Officer, pursuant to Section 1350, Chapter 63 of Title 18, United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

August 6, 2012

NU SKIN ENTERPRISES, INC.

By: /s/ Ritch N. Wood
Ritch N. Wood
Its: Chief Financial Officer
(Duly Authorized Officer and Principal Financial and Accounting Officer)

AMENDED AND RESTATED CREDIT AGREEMENT

dated as of May 25, 2012

among

NU SKIN ENTERPRISES, INC.,

VARIOUS FINANCIAL INSTITUTIONS,

and

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent

AMENDED AND RESTATED CREDIT AGREEMENT

This AMENDED AND RESTATED CREDIT AGREEMENT dated as of May 25, 2012 (this "Agreement") is among NU SKIN ENTERPRISES, INC., a Delaware corporation (the "Company"), the various financial institutions that are or may from time to time become parties hereto (together with their respective successors and assigns, the "Lenders"), and JPMORGAN CHASE BANK, N.A. (in its individual capacity, "JPMCB"), as administrative agent for the Lenders.

WHEREAS, the parties hereto have entered into a Credit Agreement dated as of May 10, 2001 (as amended prior to the date hereof, the "Existing Credit Agreement");

WHEREAS, the parties hereto have agreed to amend and restate the Existing Credit Agreement pursuant to this Agreement; and

WHEREAS, the parties hereto intend that this Agreement and the documents executed in connection herewith not effect a novation of the obligations of the Company under the Existing Credit Agreement, but merely a restatement of and, where applicable, an amendment to the terms governing such obligations;

NOW, THEREFORE, in consideration of the mutual agreements, provisions and covenants contained herein, the parties hereto agree as follows:

SECTION 1 DEFINITIONS.

1.1 Definitions. When used herein the following terms shall have the following meanings:
Administrative Agent means JPMCB in its capacity as administrative agent for the Lenders hereunder and any successor thereto in such capacity.

Affected Lender means any Lender (a) that is a Defaulting Lender or (b) that has given notice to the Company (which has not been rescinded) of (i) any obligation by the Company to pay any amount pursuant to Section 7.6 or 8.1 or (ii) the occurrence of any circumstance of the nature described in Section 8.2 or 8.3.

Affiliate means, at any time, (a) with respect to any Person, any other Person that at such time directly or indirectly through one or more intermediaries Controls, or is Controlled by, or is under common Control with, such first Person, and (b) with respect to the Company and its Subsidiaries, any Person beneficially owning or holding, directly or indirectly, 5% or more of any class of voting or equity interests of the Company or any of its Subsidiaries or any corporation of which the Company and its Subsidiaries beneficially own or hold, in the aggregate, directly or indirectly, 5% or more of any class of voting or equity interests. Unless the context otherwise clearly requires, any reference to an "Affiliate" is a reference to an Affiliate of the Company.

Agent-Related Persons means the Administrative Agent and any successor administrative agent arising under Section 13.9, together with their respective Affiliates, and the officers, directors, employees, agents and attorneys-in-fact of such Persons and Affiliates.

Agreement - see the Preamble.

Applicable Margin - see Schedule 1.1. The Applicable Margin for any Incremental Loan shall be as set forth in the applicable Incremental Facility Amendment.

Approved Fund means any Fund that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

Assignee - see Section 14.9.1.

Assignment Agreement - see Section 14.9.1.

Bankruptcy Event means, with respect to any Person, such Person becomes the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee, administrator, custodian, assignee for the benefit of creditors or similar Person charged with the reorganization or liquidation of its business appointed for it, or, in the good faith determination of the Administrative Agent, has taken any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any such proceeding or appointment, provided that a Bankruptcy Event shall not result solely by virtue of any ownership interest, or the acquisition of any ownership interest, in such Person by a Governmental Authority or instrumentality thereof, provided, further, that such ownership interest does not result in or provide such Person with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Person (or such Governmental Authority or instrumentality) to reject, repudiate, disavow or disaffirm any contracts or agreements made by such Person.

Base Rate means, for any day, a rate per annum equal to the greatest of (a) the Prime Rate in effect on such day, (b) the Federal Funds Effective Rate in effect on such day plus ½ of 1% and (c) the Eurodollar Rate (Reserve Adjusted) for a one-month Interest Period on such day (or if such day is not a Business Day, the immediately preceding Business Day) plus 1%, provided that, for the avoidance of doubt, the Eurodollar Rate (Reserve Adjusted) for any day shall be based on the rate appearing on the Reuters Screen LIBOR01 Page (or on any successor or substitute page) at approximately 11:00 a.m. London time on such day (without any rounding). Any change in the Base Rate due to a change in the Prime Rate, the Federal Funds Effective Rate or the Eurodollar Rate (Reserve Adjusted) shall be effective from and including the effective date of such change in the Prime Rate, the Federal Funds Effective Rate or the Eurodollar Rate (Reserve Adjusted), respectively.

Blocked Person - see Section 9.10.

Business Day means any day other than a Saturday, a Sunday or a day on which commercial banks in Salt Lake City, Utah and New York, New York are required or authorized to be closed and (a) with respect to any borrowing, payment or rate determination of Yen LIBOR Loans, any day other than a Saturday, a Sunday or a day on which commercial banks in Tokyo, Japan and London, England are required or authorized to be closed and (b) with respect to any borrowing, payment or rate determination of Eurodollar Loans, any day other than a Saturday, a Sunday or day on which commercial banks in London, England are required or authorized to be closed.

Capital Lease means, at any time, a lease with respect to which the lessee is required concurrently to recognize the acquisition of an asset and the incurrence of a liability in accordance with GAAP.

Change of Control means an event or series of events by which:

(a) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934) becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Securities Exchange Act of 1934, except that a person shall be deemed to have "beneficial ownership" of all securities that such person has the right to acquire, whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of 30% or more of the equity interests of the Company; or

(b) during any period of 12 consecutive months, a majority of the members of the Board of Directors or other equivalent governing body of the Company cease to be composed of individuals (i) who were members of that board or equivalent governing body on the first day of such period, (ii) whose election or nomination to that board or equivalent governing body was approved by individuals referred to in clause (i) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body or (iii) whose election or nomination to that board or other equivalent governing body was approved by individuals referred to in clauses (i) and (ii) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body.

Change in Law means the occurrence, after the date of this Agreement or, with respect to any Lender, such later date on which such Lender becomes a party to this Agreement), of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) compliance by any Lender (or, for purposes of Section 8.1(b), by any lending office of such Lender or by any Person controlling such Lender, if any) with any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law", regardless of the date enacted, adopted or issued.

Code means the Internal Revenue Code of 1986.

Commitment means, as to any Lender, such Lender's commitment to make Loans (other than Incremental Term Loans (as defined in Section 6.2)), and to issue or participate in Letters of Credit, under this Agreement. "Commitment" shall include any Incremental Revolving Commitment.

Commitment Amount means $25,000,000, changed from time to time pursuant to Section 6.1 or 6.2.

Commitment Fee Rate - see Schedule 1.1.

Company - see the Preamble.

Consolidated Income Available for Fixed Charges means, with respect to any period, Consolidated Net Income for such period plus all amounts deducted in the computation thereof on account of (a) Fixed Charges, and (b) taxes imposed on or measured by income or excess profits of the Company and the Restricted Subsidiaries.

Consolidated Net Income means, with respect to any period, the net income (or loss) of the Company and the Restricted Subsidiaries for such period (taken as a cumulative whole), as determined in accordance with GAAP, after eliminating all offsetting debits and credits between the Company and the Restricted Subsidiaries and all other items required to be eliminated in the course of the preparation of consolidated financial statements of the Company and the Restricted Subsidiaries in accordance with GAAP.

Consolidated Net Worth means, at any time, (a) the consolidated stockholders' equity of the Company and the Restricted Subsidiaries, as defined according to GAAP, less (b) the sum of (i) to the extent included in clause (a), all amounts attributable to minority interests, if any, in the securities of Restricted Subsidiaries, and (ii) the amount by which Restricted Investments exceed 20% of the amount determined in clause (a).

Consolidated Total Assets means, at any date of determination, on a consolidated basis for the Company and the Restricted Subsidiaries, total assets, determined in accordance with GAAP.

Control means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise. "Controlling" and "Controlled" have meanings correlative thereto.

Credit Facility means any credit facility providing for the borrowing of money or the issuance of letters of credit (a) for the Company or (b) for any Restricted Subsidiary, if its obligations under such credit facility are guaranteed by the Company.

Credit Party means the Administrative Agent, any Issuing Lender or any other Lender.

Defaulting Lender means any Lender that (a) has failed, within two Business Days of the date required to be funded or paid, to (i) fund any portion of its Loans, (ii) fund any portion of its participations in Letters of Credit or (iii) pay over to any Credit Party any other amount required to be paid by it hereunder, unless, in the case of clause (i) above, such Lender notifies the Administrative Agent in writing that such failure is the result of such Lender's good faith determination that a condition precedent to funding (specifically identified and including the particular default, if any) has not been satisfied, (b) has notified the Company or any Credit Party in writing, or has made a public statement to the effect, that it does not intend or expect to comply with any of its funding obligations under this Agreement (unless such writing or public statement indicates that such position is based on such Lender's good faith determination that a condition precedent (specifically identified and including the particular default, if any) to funding a Loan cannot be satisfied) or generally under other agreements in which it commits to extend credit, (c) has failed, within three Business Days after request by a Credit Party, acting in good faith, to provide a certification in writing from an authorized officer of such Lender that it will comply with its obligations (and is financially able to meet such obligations) to fund prospective Loans and participations in then outstanding Letters of Credit; provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon such Credit Party's receipt of such certification in form and substance satisfactory to it and the Administrative Agent, or (d) has become the subject of a Bankruptcy Event.

Dollar and the sign "$" mean the lawful money of the United States of America.

Dollar Equivalent means, with respect to a specified amount of any currency, the amount of Dollars into which such amount of such currency would be converted, based on the applicable Spot Rate of Exchange.

Domestic Subsidiary means, at any time, each Subsidiary of the Company (a) which is created, organized or domesticated in the United States or under the laws of the United States or any state or territory thereof, (b) which was included as a member of the Company's affiliated group in the Company's most recent consolidated United States federal income tax return, or (c) the earnings of which were includable in the taxable income of the Company or any other Domestic Subsidiary (to the extent of the Company's and/or such other Domestic Subsidiary's ownership interest of such Subsidiary) in the Company's most recent consolidated United States federal income tax return.

EBITDA means, with respect to any period, the sum of (i) Consolidated Net Income for such period without giving effect to extraordinary gains and losses, gains and losses resulting from changes in GAAP and one time non-recurring income and expenses resulting from acquisitions and similar events, plus (ii) to the extent deducted in the calculation of Consolidated Net Income, the amount of all interest expense, depreciation expense, amortization expense, and income tax expense; provided that EBITDA will include or exclude, as applicable, acquisitions and divestitures of Restricted Subsidiaries or other business units on a pro forma basis as if such acquisitions or divestitures occurred on the first day of the applicable period.

Effective Date - see Section 11.1.

Environmental Laws means any and all federal, state, local, and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or governmental restrictions relating to pollution and the protection of the environment or the release of any materials into the environment, including but not limited to those related to Hazardous Materials, air emissions and discharges to waste or public systems.

Equity Securities of any Person means (a) all common stock, Preferred Stock, participations, shares, partnership interests, membership interests or other equity interests in and of such Person (regardless of how designated and whether or not voting or non-voting), and (b) all warrants, options and other rights to acquire any of the foregoing.

ERISA means the Employee Retirement Income Security Act of 1974, and the rules and regulations promulgated thereunder from time to time in effect.

ERISA Affiliate means any trade or business (whether or not incorporated) that, together with the Company, is treated as a single employer under Section 414(b) or (c) of the Code or, solely for purposes of Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414 of the Code.

Eurodollar Loan means any Loan denominated in US Dollars which bears interest at a rate determined by reference to the Eurodollar Rate (Reserve Adjusted).

Eurodollar Office means with respect to any Lender the office or offices of such Lender which shall be making or maintaining the Eurodollar Loans of such Lender hereunder or, if applicable, such other office or offices through which such Lender determines the Eurodollar Rate. A Eurodollar Office of any Lender may be, at the option of such Lender, either a domestic or foreign office.

Eurodollar Rate means, with respect to any Eurodollar Loan for any Interest Period, the rate appearing on Reuters Screen LIBOR01 Page (or on any successor or substitute page of such Service, or any successor to or substitute for such Service, providing rate quotations comparable to those currently provided on such page of such Service, as determined by the Administrative Agent from time to time for purposes of providing quotations of interest rates applicable to dollar deposits in the London interbank market) at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period, as the rate for dollar deposits with a maturity comparable to such Interest Period. In the event that such rate is not available at such time for any reason, then the "Eurodollar Rate" with respect to such Eurodollar Loan for such Interest Period shall be the rate at which dollar deposits of $5,000,000 and for a maturity comparable to such Interest Period are offered by the principal London office of the Administrative Agent in immediately available funds in the London interbank market at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period. Notwithstanding the above, to the extent that the "Eurodollar Rate" as a component of the "Eurodollar Rate (Reserve Adjusted)" is used in connection with a Floating Rate Loan, such rate shall be determined as modified by the definition of Base Rate.

Eurodollar Rate (Reserve Adjusted) means, with respect to any Eurodollar Loan for any Interest Period, a rate per annum (rounded upwards, if necessary, to the next 1/16 of 1%) equal to (a) the Eurodollar Rate for such Interest Period multiplied by (b) the Statutory Reserve Rate.

Event of Default means any of the events described in Section 12.1.

Exchange Act means the Securities Exchange Act of 1934.

Excluded Taxes means any of the following Taxes imposed on or with respect to a Credit Party or required to be withheld or deducted from a payment to a Credit Party, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Credit Party being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan or Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Loan or Commitment (other than pursuant to an assignment request by the Company under Section 8.7) or (ii) such Lender changes its lending office, except in each case to the extent that, pursuant to Section 7.6, amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its lending office, (c) Taxes attributable to such Credit Party's failure to comply with Section 7.6(i) and (d) any U.S. federal withholding Taxes imposed under FATCA.

Existing Letters of Credit means the letters of credit described by date of issuance, letter of credit number, undrawn amount, name of beneficiary and the date of expiry on Schedule 1 hereto.

FATCA means Sections 1471 through 1474 of the Code as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), and any current or future regulations or official interpretations thereof.

Federal Funds Effective Rate means, for any day, the weighted average (rounded upwards, if necessary, to the next 1/100 of 1%) of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average (rounded upwards, if necessary, to the next 1/100 of 1%) of the quotations for such day for such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by it.

Fixed Charges means, with respect to any period, the sum of (i) Interest Expense for such period, and (ii) Lease Rentals for such period.

Floating Rate Loan means any Loan which bears interest at or by reference to the Base Rate.

Foreign Lender means a Lender that is not a U.S. Person.

Foreign Subsidiary means, at any time, each Subsidiary of the Company that is not a Domestic Subsidiary.

FRB means the Board of Governors of the Federal Reserve System of the United States of America.

Fund means any Person (other than a natural Person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its activities.

GAAP means generally accepted accounting principles as in effect from time to time in the United States of America.

Group - see Section 2.2.1.

Governmental Authority means (a) the government of (i) the United States of America or any state or other political subdivision thereof, or (ii) Japan or any political subdivision thereof, or (iii) any jurisdiction in which the Company or any Subsidiary conducts all or any part of its business, or which asserts jurisdiction over any properties of the Company or any Subsidiary, or (b) any entity exercising executive, legislative, judicial, regulatory or administrative functions of, or pertaining to, any such government.

Guaranty means, with respect to any Person, any obligation (except the endorsement in the ordinary course of business of negotiable instruments for deposit or collection) of such Person guaranteeing or in effect guaranteeing any indebtedness, dividend or other obligation of any other Person in any manner, whether directly or indirectly, including (without limitation) obligations incurred through an agreement, contingent or otherwise, by such Person (a) to purchase such indebtedness or obligation or any property constituting security therefor, (b) to advance or supply funds (i) for the purchase or payment of such indebtedness or obligation, or (ii) to maintain any working capital or other balance sheet condition or any income statement condition of any other Person or otherwise to advance or make available funds for the purchase or payment of such indebtedness or obligation, (c) to lease properties or to purchase properties or services primarily for the purpose of assuring the owner of such indebtedness or obligation of the ability of any other Person to make payment of the indebtedness or obligation, or (d) otherwise to assure the owner of such indebtedness or obligation against loss in respect thereof. In any computation of the indebtedness or other liabilities of the obligor under any Guaranty, the indebtedness or other obligations that are the subject of such Guaranty shall be assumed to be direct obligations of such obligor.

Hazardous Materials means any and all pollutants, toxic or hazardous wastes or any other substances that might pose a hazard to health or safety, the removal of which may be required or the generation, manufacture, refining, production, processing, treatment, storage, handling, transportation, transfer, use, disposal, release, discharge, spillage, seepage, or filtration of which is or shall be restricted, prohibited or penalized by any applicable law (including asbestos, urea formaldehyde foam insulation and polychlorinated biphenyls).

Indebtedness with respect to any Person means, at any time, without duplication, (a) its liabilities for borrowed money and its redemption obligations in respect of mandatorily redeemable Preferred Stock, (b) its liabilities for the deferred purchase price of property acquired by such Person (excluding accounts payable arising in the ordinary course of business but including all liabilities created or arising under any conditional sale or other title retention agreement with respect to any such property), (c) all liabilities appearing on its balance sheet in accordance with GAAP in respect of Capital Leases, (d) all liabilities for borrowed money secured by any Lien with respect to any property owned by such Person (whether or not it has assumed or otherwise become liable for such liabilities), (e) Securitization Debt and (f) any Guaranty of such Person with respect to liabilities of a type described in any of clauses (a) through (e) hereof. Indebtedness of any Person shall include all obligations of such Person of the character described in clauses (a) through (f) to the extent such Person remains legally liable in respect thereof notwithstanding that any such obligation is deemed to be extinguished under GAAP.

Incremental Facility - see Section 6.2(a).

Incremental Facility Amendment - see Section 6.2(d).

Incremental Loan - see Section 6.2(a).

Indemnified Taxes means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of the Company under any Loan Document and (b) to the extent not otherwise described in the foregoing clause (a), Other Taxes.

IRS means the United States Internal Revenue Service.

Instruction means any inquiry, communication or instruction (whether oral, telephonic, written, telegraphic, facsimile, electronic or other) regarding a Letter of Credit or an L/C Application. The term "L/C Application" is subsumed within the term "Instruction."

Interest Expense means, with respect to the Company and the Restricted Subsidiaries for any period, the sum, determined on a consolidated basis in accordance with GAAP, of (a) all interest paid, accrued or scheduled for payment on the Indebtedness of the Company and the Restricted Subsidiaries during such period (including interest attributable to Capital Leases), plus (b) all fees in respect of outstanding letters of credit paid, accrued or scheduled for payment by the Company and the Restricted Subsidiaries during such period.

Interest Period means, as to any Yen LIBOR Loan or Eurodollar Loan, the period commencing on the date such Loan is borrowed or continued as a Yen LIBOR Loan or Eurodollar Loan or converted into a Eurodollar Loan and ending on the date one, two, three or six months thereafter, as selected by the Company pursuant to Section 2.2.3; provided that:

(c) if any Interest Period would otherwise end on a day that is not a Business Day, such Interest Period shall be extended to the following Business Day unless the result of such extension would be to carry such Interest Period into another calendar month, in which event such Interest Period shall end on the preceding Business Day;

(d) any Interest Period for a Yen LIBOR Loan or Eurodollar Loan that begins on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period shall end on the last Business Day of the calendar month at the end of such Interest Period; and

(e) the Company may not select any Interest Period for any Loan which would extend beyond the scheduled Termination Date.

Investment means any investment, made in cash or by delivery of property, by the Company or any Restricted Subsidiary (a) in any Person, whether by acquisition of stock, Indebtedness or other obligation or Security, or by loan, Guaranty, advance, capital contribution or otherwise; or (b) in any property.

Issuing Lender means JPMCB in its capacity as an issuer of Letters of Credit hereunder and any other Lender which, with the written consent of the Company and the Administrative Agent, is the issuer of one or more Letters of Credit hereunder.

JPMCB - see the Preamble.

L/C Application means, with respect to any request for the issuance of a Letter of Credit, a letter of credit application in the form being used by the applicable Issuing Lender at the time of such request for the type of letter of credit requested and any continuing agreement for a letter of credit entered into as a condition to the issuance of a Letter of Credit.

L/C Exposure means, at any time, the sum of (a) the maximum aggregate undrawn Dollar Equivalent amount of all outstanding Letters of Credit at such time plus (b) the aggregate Dollar Equivalent amount of all drawings under Letters of Credit that have not yet been reimbursed by or on behalf of the Company at such time. The L/C Exposure of any Lender at any time shall be its Percentage of the total L/C Exposure at such time.

Lease Rentals means, with respect to any period, the sum of the rental and other obligations required to be paid during such period by the Company or any Restricted Subsidiary as lessee under all leases of real or personal property (other than Capital Leases) as determined on a consolidated basis for the Company and the Restricted Subsidiaries in accordance with GAAP.

Lender - see the Preamble. References to the "Lenders" shall include each Issuing Lender; for purposes of clarification only, to the extent that JPMCB (or any successor or additional Issuing Lender) may have any rights or obligations in addition to those of the other Lenders due to its status as an Issuing Lender, its status as such will be specifically referenced.

Lender Party - see Section 14.13.

Letter of Credit - see Section 2.1.2.

Leverage Ratio means, as of any date, the ratio of Total Indebtedness as of such date to EBITDA for the most recently ended period of four consecutive fiscal quarters.

Lien means, with respect to any Person, any mortgage, lien, pledge, charge, security interest or other encumbrance, or any interest or title of any vendor, lessor, lender or other secured party to or of such Person under any conditional sale or other title retention agreement or Capital Lease, upon or with respect to any property or asset of such Person (including in the case of stock, stockholder agreements, voting trust agreements and all similar arrangements).

Loan Documents means this Agreement (including the Incremental Facility Amendment), the Notes, the L/C Applications and all other related agreements, documents, certificates and instruments from time to time executed and delivered by or on behalf of the Company.

Loans - see Section 2.1.1. For the avoidance of doubt, "Loan" shall include any Incremental Loan.

Material or Materially means material or materially, as the case may be, in relation to the business, operations, affairs, financial condition, assets, properties or prospects of the Company and the Restricted Subsidiaries taken as a whole.

Material Adverse Effect means a material adverse effect on (a) the business, operations, affairs, financial condition, assets or properties of the Company and the Restricted Subsidiaries taken as a whole, or (b) the ability of the Company to perform its obligations under this Agreement or any other Loan Document, or (c) the validity or enforceability of this Agreement or any other Loan Document.

Material Credit Facility means (a) the Senior Note Purchase Agreement, (b) any debt securities of the Company or of any Restricted Subsidiary (if such Restricted Subsidiary's obligations there under are guaranteed by the Company) that are publicly or privately offered or placed in the United States if the aggregate amount available to be borrowed and/or outstanding under such debt securities exceeds $25,000,000 at any time and (c) any Credit Facility entered into by the Company or any Restricted Subsidiary organized under the laws of any state or territory of the United States if the aggregate amount available to be borrowed and/or outstanding under such credit facility exceeds $25,000,000 at any time.

Material Domestic Subsidiary means each Domestic Subsidiary of the Company that also is a Material Subsidiary.

Material Subsidiaries means, at any time, each Subsidiary of the Company which (i) had revenues during the four most recently ended fiscal quarters equal to or greater than 5.0% of the consolidated total revenues of the Company and its Subsidiaries during such period or (ii) is an obligor under any Guaranty with respect to the Indebtedness of the Company under any Material Credit Facility.

Multiemployer Plan means any Plan that is a "multiemployer plan" (as such term is defined in Section 4001(a)(3) of ERISA).

Note - see Section 3.1.

OFAC Listed Person - see Section 9.10.

Other Connection Taxes means, with respect to any Credit Party, Taxes imposed as a result of a present or former connection between such Credit Party and the jurisdiction imposing such Tax (other than connections arising from such Credit Party having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan or Loan Document).

Other Taxes means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 8.7).

PBGC means the Pension Benefit Guaranty Corporation referred to and defined in ERISA or any successor thereto.

Percentage means, with respect to any Lender at any time, a percentage equal to such Lender's share of the outstanding Loans, interest in Letters of Credit and unused Commitments at such time.

Permitted Liens - see Section 10.12.

Permitted Securitization Program means any transaction or series of transactions that may be entered into by the Company or any Restricted Subsidiary pursuant to which the Company or any Restricted Subsidiary may sell, convey or otherwise transfer to (a) a Securitization Entity (in the case of a transfer by the Company or any Restricted Subsidiary) and (b) any other Person (in the case of a transfer by a Securitization Entity), or may grant a security interest in, any receivables (whether now existing or arising or acquired in the future) of the Company or any Restricted Subsidiary, and any assets related thereto including (i) all collateral securing such receivables, (ii) all contracts and contract rights and all guarantees or other obligations in respect of such receivables, (iii) proceeds of such receivables, and (iv) other assets (including contract rights) that are customarily transferred or in respect of which security interests are customarily granted in connection with asset securitization transactions involving receivables; provided that the resultant Securitization Debt, together with all other Priority Indebtedness then outstanding, shall not exceed the amount of Priority Indebtedness permitted by Section 10.11(ii).

Person means an individual, partnership, corporation, limited liability company, association, trust, unincorporated organization or government (or an agency or political subdivision thereof).

Plan means an "employee benefit plan" (as defined in Section 3(3) of ERISA) subject to Title I of ERISA that is or, within the preceding five years, has been established or maintained, or to which contributions are or, within the preceding five years, have been made or required to be made, by the Company or any ERISA Affiliate or with respect to which the Company or any ERISA Affiliate may have any liability.

Preferred Stock means any class of capital stock of a corporation that is preferred over any other class of capital stock of such corporation as to the payment of dividends or the payment of any amount upon liquidation or dissolution of such corporation.

Prime Rate means the rate of interest per annum publicly announced from time to time by Chase as its prime rate at its offices at 270 Park Avenue in New York City; each change in the Prime Rate shall be effective from and including the date such change is publicly announced as being effective.

Priority Indebtedness means (without duplication) the sum of (a) unsecured Indebtedness of the Restricted Subsidiaries other than Indebtedness owed to the Company or any other Restricted Subsidiary, (b) Indebtedness of the Company and its Restricted Subsidiaries secured by a Lien not permitted by clauses (a) through (m) of Section 10.12 and (c) Securitization Debt.

Required Lenders means Lenders having Percentages aggregating 51% or more; provided that in accordance with Section 2.6(b) so long as any Lender shall be a Defaulting Lender, such Defaulting Lender's Percentage shall be disregarded.

Responsible Officer means any Senior Financial Officer and any other officer of the Company or its Subsidiaries with responsibility for the administration of the relevant portion of this Agreement or any Loan Document.

Restricted Investments means all Investments except any of the following: (a) property to be used in the ordinary course of business; (b) assets arising from the sale of goods and services in the ordinary course of business; (c) Investments in one or more Restricted Subsidiaries or any Person that immediately becomes a Restricted Subsidiary; (d) Investments existing on the Effective Date; (e) Investments in obligations, maturing within one year, issued by or guaranteed by the United States of America, or an agency thereof, or Canada, or any province thereof; (f) Investments in tax-exempt obligations, maturing within one year, which are rated in one of the top two rating classifications by at least one national rating agency; (g) Investments in certificates of deposit or banker's acceptances maturing within one year issued by JPMCB or other commercial banks which are rated in one of the top two rating classifications by at least one national rating agency; (h) Investments in commercial paper, maturing within 270 days, rated in one of the top two rating classifications by at least one national rating agency; (i) Investments in repurchase agreements; (j) treasury stock; (k) Investments in money market instrument programs which are classified as current assets in accordance with GAAP; (l) Investments in foreign currency risk hedging contracts used in the ordinary course of business; and (m) Investments in Securitization Entities.

Restricted Subsidiary means any Subsidiary (a) at least a majority of the voting securities of which are owned by the Company and/or one or more Wholly-Owned Restricted Subsidiaries, and (b) which the Company has not designated as an Unrestricted Subsidiary in accordance with Section 10.18; provided that upon any Unrestricted Subsidiary becoming a Material Subsidiary, it shall immediately be deemed to be a Restricted Subsidiary (and shall remain a Restricted Subsidiary so long as it is a Material Subsidiary).

Securities Act means the Securities Act of 1933.

Security has the meaning set forth in Section 2(l) of the Securities Act.

Securitization Debt for the Company and the Restricted Subsidiaries shall mean, in connection with any Permitted Securitization Program, (a) any amount as to which any Securitization Entity or other Person has recourse to the Company or any Restricted Subsidiary with respect to such Permitted Securitization Program by way of a Guaranty and (b) the amount of any reserve account or similar account or asset shown as an asset of the Company or a Restricted Subsidiary under GAAP that has been pledged to any Securitization Entity or any other Person in connection with such Permitted Securitization Program.

Securitization Entity means a wholly-owned Subsidiary (other than a Restricted Subsidiary) of the Company (or another Person in which the Company or any of its Subsidiaries makes an investment and to which the Company or any of its Subsidiaries transfers receivables and related assets) that engages in no activities other than in connection with the financing of receivables and that is designated by the Board of Directors of the Company (as provided below) as a Securitization Entity (a) no portion of the Indebtedness or any other obligations (contingent or otherwise) of which (i) is guaranteed by the Company or any of its Subsidiaries (excluding guarantees of obligations (other than the principal of, and interest on, Indebtedness) pursuant to Standard Securitization Undertakings), (ii) is recourse to or obligates the Company or any of its Subsidiaries in any way other than pursuant to Standard Securitization Undertakings, or (iii) subjects any property or asset of the Company or any other Subsidiary of the Company, directly or indirectly, continently or otherwise, to the satisfaction thereof, other than pursuant to Standard Securitization Undertakings, (b) with which neither the Company nor any of its Subsidiaries has any material contract, agreement, arrangement or understanding other than on terms no less favorable to the Company or such Subsidiary than those that might be obtained at the time from Persons that are not Affiliates of the Company, other than fees payable in the ordinary course of business in connection with servicing receivables of such entity, and (c) to which neither the Company nor any of its Subsidiaries has any obligation to maintain or preserve such entity's financial condition or cause such entity to achieve certain levels of operating results.

Senior Financial Officer means the chief financial officer, principal accounting officer, treasurer or comptroller of the Company.

Senior Note Purchase Agreement means the Amended and Restated Note Purchase and Private Shelf Agreement (Multi-Currency) dated as of May 25, 2012 among the Company, various purchasers and Prudential Investment Management, Inc.

Spot Rate of Exchange means, as of any date for any amount denominated in any currency other than Dollars, the applicable quoted spot rate as reported on the appropriate page of the Reuters Screen at 11:00 a.m., London time, two Business Days preceding the day such determination is requested to be made.

Standard Securitization Undertakings means representations, warranties, covenants and indemnities entered into by the Company or any of its Subsidiaries that are reasonably customary in a receivables securitization transaction.

Statutory Reserve Rate means a fraction (expressed as a decimal), the numerator of which is the number one and the denominator of which is the number one minus the aggregate of the maximum reserve percentages (including any marginal, special, emergency or supplemental reserves) expressed as a decimal established by the FRB to which the Administrative Agent is subject with respect to the Eurodollar Rate (Reserve Adjusted), for eurocurrency funding (currently referred to as "Eurocurrency liabilities" in Regulation D of such FRB). Such reserve percentages shall include those imposed pursuant to such Regulation D. Eurodollar Loans shall be deemed to constitute eurocurrency funding and to be subject to such reserve requirements without benefit of or credit for proration, exemptions or offsets that may be available from time to time to any Lender under such Regulation D or any comparable regulation. The Statutory Reserve Rate shall be adjusted automatically on and as of the effective date of any change in any reserve percentage.

Subsidiary means, as to any Person, (a) any corporation of which more than 50% of the issued and outstanding Equity Securities having ordinary voting power to elect a majority of the Board of Directors of such corporation (irrespective of whether at the time capital stock of any other class or classes of such corporation shall or might have voting power upon the occurrence of any contingency) is at the time directly or indirectly owned or controlled by such Person, by such Person and one or more of its Subsidiaries or by one or more of such Person's other Subsidiaries, (b) any partnership, joint venture, limited liability company or other association of which more than 50% of the equity interest having the power to vote, direct or control the management of such partnership, joint venture, limited liability company or other association is at the time owned and controlled by such Person, by such Person and one or more of its Subsidiaries or by one or more of such Person's other Subsidiaries, or (c) any other Person included in the financial statements of such Person on a consolidated basis. Unless the context otherwise clearly requires, any reference to a "Subsidiary" is a reference to a Subsidiary of the Company.

Swap Agreement means (a) any and all rate swap transactions, basis swaps, forward rate transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing); provided that any such transaction is governed by or subject to a Master Agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., or any other master agreement published by any successor organization thereto (any such master agreement, together with any related schedules, as amended, restated, extended, supplemented or otherwise modified in writing from time to time, a "Master Agreement"), including any such obligations or liabilities under any Master Agreement.

Taxes means any and all present or future taxes, levies, imposts, duties, deductions, charges or withholdings, assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

Termination Date means the earlier to occur of (a) May 9, 2014 or (b) such other date on which the Commitments shall terminate pursuant to Section 6 or 12.

Total Indebtedness means, at any date of determination, the total of all Indebtedness of the Company and the Restricted Subsidiaries outstanding on such date, after eliminating all offsetting debits and credits between the Company and the Restricted Subsidiaries and all other items required to be eliminated in the course of the preparation of consolidated financial statements of the Company and the Restricted Subsidiaries in accordance with GAAP.

Total Outstandings means at any time the sum of (a) the aggregate Dollar Equivalent principal amount of all outstanding Loans plus (b) the L/C Exposure.

Type - see Section 2.2.1.

Unmatured Event of Default means an event or condition the occurrence or existence of which would, with the lapse of time or the giving of notice or both, become an Event of Default.

Unrestricted Subsidiary means any Subsidiary which is designated as an Unrestricted Subsidiary on Schedule 9.7 or is designated as such in writing by the Company to each Lender pursuant to Section 10.18; provided that no Material Subsidiary shall be an Unrestricted Subsidiary.

U.S. Person means any Person that is a "United States Person" as defined in Section 7701(a)(30) of the Code.

Wholly-Owned Restricted Subsidiary means, at any time, (a) with respect to Domestic Subsidiaries, any Restricted Subsidiary one hundred percent (100%) of all of the equity interests (except directors' qualifying shares) and voting interests of which are owned by any one or more of the Company and the Company's other wholly-owned Restricted Subsidiaries at such time, and (b) with respect to Foreign Subsidiaries, any Restricted Subsidiary ninety-five percent (95%) or more of all of the equity interests (except directors' qualifying shares) and voting interests of which are owned by any one or more of the Company and the Company's other Wholly-Owned Restricted Subsidiaries at such time.

Withholding Agent means the Company or the Administrative Agent, as applicable.

Yen and ¥ mean the lawful currency of Japan.

Yen LIBOR means, for any Yen Loan for any Interest Period, the per annum rate (reserve adjusted as provided below) of interest at which Yen deposits in immediately available funds are offered in the interbank eurodollar market as presented on Reuters Screen LIBOR01 (formerly known as page 3750 of the Moneyline Telerate Service) as of 11:00 a.m., London time, two Business Days prior to the beginning of such Interest Period, for delivery on the first day of such Interest Period for a period approximately equal to such Interest Period and in an amount equal or comparable to the Yen Loan of JPMCB to which such Interest Period relates. The foregoing rate of interest shall be reserve adjusted by dividing Yen LIBOR by one minus the Yen LIBOR Reserve Percentage. All references in this Agreement or other Loan Documents to Yen LIBOR shall mean and include the aforesaid reserve adjustment. "Reuters Screen LIBOR01" means the display designated on page LIBOR01 on Reuters Page or such other service as may be nominated by the British Bankers' Association as the information vendor for the purpose of displaying British Bankers' Association interest settlement rates for Yen deposits or, in the absence of such availability, by reference to the average of the rates at which three major banks designated by the Administrative Agent are offered Yen deposits at or about 11:00 a.m., London time, two Business Days prior to the beginning of such Interest Period in the interbank eurodollar market.

Yen LIBOR Loan means a Loan bearing interest, at all times during an Interest Period applicable to such Loan, at a fixed rate of interest determined by reference to Yen LIBOR.

Yen LIBOR Office means, with respect to any Lender, the office or offices of such Lender which shall be making or maintaining the Yen LIBOR Loans of such Lender hereunder. A Yen LIBOR Office of any Lender may be, at the option of such Lender, either a domestic or foreign office.

Yen LIBOR Reserve Percentage means, relative to any Interest Period, the maximum reserve percentage in effect on the date Yen LIBOR for such Interest Period is determined under regulations issued from time to time by the FRB, the Japanese Ministry of Finance or the Bank of Japan (or any successor regulatory body) for determining the maximum reserve requirement (including any emergency, supplemental or other marginal reserve requirement) with respect to Eurocurrency funding (currently referred to as "Eurocurrency liabilities" in Regulation D of such FRB) having a term comparable to such Interest Period.

1.2 Other Interpretive Provisions. (a) The meanings of defined terms are equally applicable to the singular and plural forms of the defined terms.

(b) Section, clause, Schedule and Exhibit references are to this Agreement unless otherwise specified.

(c) (i) The term "including" is not limiting and means "including without limitation."

(ii) In the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including"; the words "to" and "until" each mean "to but excluding", and the word "through" means "to and including."

(d) Unless otherwise expressly provided herein, (i) references to agreements (including this Agreement) and other contractual instruments shall be deemed to include all subsequent amendments and other modifications thereto, but only to the extent such amendments and other modifications are not prohibited by the terms of any Loan Document, and (ii) references to any statute or regulation are to be construed as including all statutory and regulatory provisions consolidating, amending, replacing, supplementing or interpreting such statute or regulation.

(e) This Agreement and the other Loan Documents may use several different limitations, tests or measurements to regulate the same or similar matters. All such limitations, tests and measurements are cumulative and shall each be performed in accordance with their terms.

(f) This Agreement and the other Loan Documents are the result of negotiations among and have been reviewed by counsel to the Administrative Agent, the Company, the Lenders and the other parties thereto and are the products of all parties. Accordingly, they shall not be construed against the Administrative Agent or the Lenders merely because of the Administrative Agent's or Lenders' involvement in their preparation.

1.3 Currency Fluctuations. For purposes of calculating usage under Section 5 and the Total Outstandings as of any date (except as set forth in Section 6.3(b)), (a) the Dollar Equivalent amount of each Yen LIBOR Loan shall be calculated (i) during the first year following the Effective Date, using the Spot Rate of Exchange as in effect on the Effective Date, and (ii) during each year thereafter, using the Spot Rate of Exchange as in effect on the most-recent annual anniversary of the Effective Date (or if such day is not a Business Day, on the next succeeding Business Day), and (b) the L/C Exposure with respect to Letters of Credit denominated in a currency other than Dollars shall be calculated (i) on the date of the issuance thereof, (ii) on each date on which the face amount of such Letter of Credit is changed, (iii) on each date on which the Commitment Amount is reduced pursuant to Section 6.1 or increased pursuant to Section 6.2, or (iv) on any other date requested by the applicable Issuing Lender, in each case based upon the Spot Rate of Exchange for such date.

SECTION 2 COMMITMENTS OF THE LENDERS; BORROWING, CONVERSION AND LETTER OF CREDIT PROCEDURES.

2.1 Commitments. On and subject to the terms and conditions of this Agreement, each of the Lenders, severally and for itself alone, agrees to make loans to, and to issue or participate in the issuance of letters of credit for the account of, the Company as follows:

2.1.1 Loans. Each Lender will make loans on a revolving basis ("Loans") from time to time before the Termination Date in such Lender's Percentage of such aggregate amounts as the Company may from time to time request from all Lenders; provided that the Total Outstandings will not at any time exceed the Commitment Amount.

2.1.2 L/C Commitment. (a) The Issuing Lenders will issue letters of credit, in each case containing such terms and conditions as are permitted by this Agreement and are reasonably satisfactory to the applicable Issuing Lender and the Company (together with the Existing Letters of Credit, each a "Letter of Credit"), at the request of and for the account of the Company or any Subsidiary from time to time before the Termination Date and (b) as more fully set forth in Section 2.3.5, each Lender agrees to purchase a participation in each such Letter of Credit; provided that the L/C Exposure shall not at any time exceed the lesser of (i) $2,500,000 and (ii) the excess, if any, of the Commitment Amount over the aggregate Dollar Equivalent principal amount of all outstanding Loans.

2.2 Loan Procedures.

2.2.1 Various Types of Loans. Each Loan shall be either a Floating Rate Loan, a Yen LIBOR Loan or a Eurodollar Loan (each a "Type"), as the Company shall specify in the related notice of borrowing or conversion pursuant to Section 2.2.2 or 2.2.3. Yen LIBOR Loans or Eurodollar Loans having the same Interest Period are sometimes called a "Group" or collectively "Groups". Floating Rate Loans, Yen LIBOR Loans and Eurodollar Loans may be outstanding at the same time; provided that (i) not more than five different Groups of Yen LIBOR Loans shall be outstanding at any one time, (ii) the aggregate principal amount of each Group of Yen LIBOR Loans shall at all times be at least ¥100,000,000 and an integral multiple of ¥100,000,000, (iii) not more than five different Groups of Eurodollar Loans shall be outstanding at any one time and (iv) the aggregate principal amount of each Group of Eurodollar Loans shall at all times be at least $1,000,000 and an integral multiple of $1,000,000. All borrowings, conversions and repayments of Loans shall be effected so that each Lender will have a pro rata share (according to its Percentage) of all Types and Groups of Loans.

2.2.2 Borrowing Procedures. The Company shall give written or telephonic (followed promptly by written confirmation thereof) notice substantially in the form of Exhibit C to the Administrative Agent of each proposed borrowing not later than (a) in the case of a Floating Rate borrowing, noon, Salt Lake City time, on the proposed date of such borrowing, (b) in the case of a Yen LIBOR borrowing, 10:00 a.m., Salt Lake City time, at least three Business Days prior to the proposed date of such borrowing, and (c) in the case of a Eurodollar borrowing, 10:00 a.m., Salt Lake City time, at least three Business Days prior to the proposed date of such borrowing. Each such notice shall be effective upon receipt by the Administrative Agent, shall be irrevocable, and shall specify the date, amount and Type of Loans comprising the requested borrowing and, in the case of a Yen LIBOR or Eurodollar borrowing, the initial Interest Period therefor. Promptly upon receipt of such notice, the Administrative Agent shall advise each Lender thereof. Not later than 2:00 p.m., Salt Lake City time, on the date of a proposed borrowing, each Lender shall provide the Administrative Agent at the office specified by the Administrative Agent with (a) in the case of a Yen LIBOR borrowing, Yen in immediately available funds, or (b) in the case of a Floating Rate borrowing or a Eurodollar borrowing, Dollars in immediately available funds, in each case covering such Lender's Percentage of such borrowing and, so long as the Administrative Agent has not received written notice that the conditions precedent set forth in Section 11 with respect to such borrowing have not been satisfied, the Administrative Agent shall pay over the requested amount to the Company on the requested borrowing date. Each borrowing shall be on a Business Day. Each Floating Rate borrowing shall be in an aggregate amount of $1,000,000 or an integral multiple thereof. Each other borrowing shall be in the applicable amount required for a Group pursuant to Section 2.2.1. Each written borrowing notice shall be in the form of Exhibit C with appropriate insertions.

2.2.3 Conversion and Continuation Procedures. (a) Subject to the provisions of Section 2.2.1, the Company may, upon irrevocable written notice substantially in the form of Exhibit C to the Administrative Agent in accordance with clause (b) below:

(i) elect, as of any Business Day, to convert any outstanding Floating Rate Loan into a Eurodollar Loan or any outstanding Eurodollar Loan to a Floating Rate Loan; or

(ii) elect, as of the last day of the applicable Interest Period, to continue any Group of Yen LIBOR Loans or Eurodollar Loans having an Interest Period expiring on such day (or any part thereof in the applicable amount required for a Group pursuant to Section 2.2.1) for a new Interest Period.

(b) The Company shall give written or telephonic (followed promptly by written confirmation thereof) notice to the Administrative Agent of each proposed conversion or continuation not later than (i) in the case of conversion of Eurodollar Loans into Floating Rate Loans, 11:00 a.m., Salt Lake City time, on the proposed date of such conversion, (ii) in the case of continuation of Yen LIBOR Loans, 11:00 a.m., Salt Lake City time, at least three Business Days prior to the proposed date of such continuation, and (iii) in the case of a conversion of Floating Rate Loans into or continuation of Eurodollar Loans, 11:00 a.m., Salt Lake City time, at least three Business Days prior to the proposed date of such conversion or continuation, specifying in each case:

(1) the proposed date of conversion or continuation;

(2) the aggregate amount and currency of the Loans to be converted or continued;

(3) the Type of Loans resulting from the proposed conversion or continuation; and

(4) in the case of continuation of Yen LIBOR Loans or conversion into, or continuation of, Eurodollar Loans, the duration of the requested Interest Period therefor.

(c) If upon expiration of any Interest Period applicable to Yen LIBOR Loans, the Company has failed to select timely a new Interest Period to be applicable to such Yen LIBOR Loans, the Company shall be deemed to have elected to continue such Yen LIBOR Loans for a one-month Interest Period.

(d) If upon expiration of any Interest Period applicable to Eurodollar Loans, the Company has failed to select timely a new Interest Period to be applicable to such Eurodollar Loans, the Company shall be deemed to have elected to convert such Eurodollar Loans into Floating Rate Loans effective on the last day of such Interest Period.

(e) The Administrative Agent will promptly notify each Lender of its receipt of a notice of conversion or continuation pursuant to this Section 2.2.3 or, if no timely notice is provided by the Company, of the details of any automatic continuation or conversion.

(f) Unless the Required Lenders otherwise consent, during the existence of any Event of Default or Unmatured Event of Default, the Company may not elect to have a Floating Rate Loan converted into or continued as a Eurodollar Loan.

2.3 Letter of Credit Procedures.

2.3.1 L/C Applications. The Company shall give notice to the Administrative Agent and the applicable Issuing Lender of the proposed issuance of each Letter of Credit on a Business Day which is at least three Business Days (or such lesser number of days as the Administrative Agent and such Issuing Lender shall agree in any particular instance) prior to the proposed date of issuance of such Letter of Credit. Each such notice shall be accompanied by an L/C Application, duly executed by the Company (together with any Subsidiary for the account of which the related Letter of Credit is to be issued) and in all respects satisfactory to the Administrative Agent and the applicable Issuing Lender, together with such other documentation as the Administrative Agent or such Issuing Lender may reasonably request in support thereof, it being understood that each L/C Application shall specify, among other things, the date on which the proposed Letter of Credit is to be issued, the amount (which shall be denominated in Dollars or any other foreign currency (i) as to which a Dollar Equivalent may be readily calculated, (ii) which is readily available, freely transferable and convertible into Dollars and (iii) has been agreed to by the applicable Issuing Lender), whether such Letter of Credit is to be transferable in whole or in part and the expiration date of such Letter of Credit (which shall not be later than five Business Days prior to the Termination Date). So long as the applicable Issuing Lender has not received written notice that the conditions precedent set forth in Section 11 with respect to the issuance of such Letter of Credit have not been satisfied, such Issuing Lender shall issue such Letter of Credit on the requested issuance date. Each Issuing Lender shall promptly advise the Administrative Agent of the issuance of each Letter of Credit by such Issuing Lender and of any amendment thereto, extension thereof or event or circumstance changing the amount available for drawing thereunder. In the event of any inconsistency between the terms and conditions of this Agreement and the terms and conditions of any L/C Application, the terms and conditions of this Agreement shall control.

2.3.2 Participations in Letters of Credit. Concurrently with the issuance of each Letter of Credit, the applicable Issuing Lender shall be deemed to have sold and transferred to each other Lender, and each other Lender shall be deemed irrevocably and unconditionally to have purchased and received from such Issuing Lender, without recourse or warranty, an undivided interest and participation, to the extent of such other Lender's Percentage, in such Letter of Credit and the Company's reimbursement obligations with respect thereto. For the purposes of this Agreement, the unparticipated portion of each Letter of Credit shall be deemed to be the applicable Issuing Lender's "participation" therein. Each Issuing Lender hereby agrees, upon request of the Administrative Agent or any Lender, to deliver to such Lender a list of all outstanding Letters of Credit issued by such Issuing Lender, together with such information related thereto as such Lender may reasonably request.

2.3.3 Reimbursement Obligations. The Company hereby unconditionally and irrevocably agrees to reimburse the applicable Issuing Lender for each payment or disbursement made by such Issuing Lender under any Letter of Credit honoring any demand for payment made by the beneficiary thereunder, in each case on the date that such payment or disbursement is made. Any amount not reimbursed on the date of such payment or disbursement shall bear interest from the date of such payment or disbursement to the date that such Issuing Lender is reimbursed by the Company therefor, payable on demand, at a rate per annum equal to the Base Rate from time to time in effect plus the Applicable Margin for Floating Rate Loans from time to time in effect plus, beginning on the third Business Day after receipt of notice from such Issuing Lender of such payment or disbursement, 2%. The applicable Issuing Lender shall notify the Company and the Administrative Agent whenever any demand for payment is made under any Letter of Credit by the beneficiary thereunder; provided, that the failure of such Issuing Lender to so notify the Company shall not affect the rights of such Issuing Lender or the Lenders in any manner whatsoever.

2.3.4 Obligations Absolute. The Company's obligation to reimburse any payment or disbursement in respect of a Letter of Credit as provided in Section 2.3.3 shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement under any and all circumstances whatsoever and irrespective of (i) any lack of validity or enforceability of any Letter of Credit or this Agreement, or any term or provision therein, (ii) any draft or other document presented under a Letter of Credit proving to be forged, fraudulent or invalid in any respect or any statement therein being untrue or inaccurate in any respect, (iii) payment by the applicable Issuing Lender under a Letter of Credit against presentation of a draft or other document that does not comply with the terms of such Letter of Credit or (iv) any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section, constitute a legal or equitable discharge of, or provide a right of setoff against, the Company's obligations hereunder. None of the Administrative Agent, the Lenders, the Issuing Lenders or any other Lender Party shall have any liability or responsibility by reason of or in connection with the issuance or transfer of any Letter of Credit or any payment or failure to make any payment thereunder (irrespective of any of the circumstances referred to in the preceding sentence), or any error, omission, interruption, loss or delay in transmission or delivery of any draft, notice or other communication under or relating to any Letter of Credit (including any document required to make a drawing thereunder), any error in interpretation of technical terms or any consequence arising from causes beyond the control of the applicable Issuing Lender; provided that the foregoing shall not be construed to excuse an Issuing Lender from liability to the Company to the extent of any direct damages (as opposed to consequential damages, claims in respect of which are hereby waived by the Company to the extent permitted by applicable law) suffered by the Company that are caused by such Issuing Lender's failure to exercise care when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof. The parties hereto expressly agree that, in the absence of gross negligence or willful misconduct on the part of an Issuing Lender (as finally determined by a court of competent jurisdiction), such Issuing Lender shall be deemed to have exercised care in each such determination. In furtherance of the foregoing and without limiting the generality thereof, the parties agree that, with respect to documents presented which appear on their face to be in substantial compliance with the terms of a Letter of Credit, the applicable Issuing Lender may, in its sole discretion, either accept and make payment upon such documents without responsibility for further investigation, regardless of any notice or information to the contrary, or refuse to accept and make payment upon such documents if such documents are not in strict compliance with the terms of such Letter of Credit.

2.3.5 Funding by Lenders to Issuing Lenders. If an Issuing Lender makes any payment or disbursement under any Letter of Credit and the Company has not reimbursed such Issuing Lender in full for such payment or disbursement by noon, Salt Lake City time, on the date of such payment or disbursement, or if any reimbursement received by such Issuing Lender from the Company is or must be returned or rescinded upon or during any bankruptcy or reorganization of the Company or otherwise, each other Lender shall be obligated to pay to the Administrative Agent for the account of such Issuing Lender, in full or partial payment of the purchase price of its participation in such Letter of Credit, its pro rata share (according to its Percentage) of such payment or disbursement (but no such payment shall diminish the obligations of the Company under Section 2.3.3), and upon notice from the applicable Issuing Lender, the Administrative Agent shall promptly notify each other Lender thereof. Each other Lender irrevocably and unconditionally agrees to so pay to the Administrative Agent in immediately available funds for the applicable Issuing Lender's account the amount of such other Lender's Percentage of such payment or disbursement. If and to the extent any Lender shall not have made such amount available to the Administrative Agent by 2:00 P.M., Salt Lake City time, on the Business Day on which such Lender receives notice from the Administrative Agent of such payment or disbursement (it being understood that any such notice received after 1:00 P.M., Salt Lake City time, on any Business Day shall be deemed to have been received on the next following Business Day), such Lender agrees to pay interest on such amount to the Administrative Agent for the applicable Issuing Lender's account forthwith on demand for each day from the date such amount was to have been delivered to the Administrative Agent to the date such amount is paid, at a rate per annum equal to (a) for the first three days after demand, the Federal Funds Effective Rate from time to time in effect and (b) thereafter, the Base Rate from time to time in effect. Any Lender's failure to make available to the Administrative Agent its Percentage of any such payment or disbursement shall not relieve any other Lender of its obligation hereunder to make available to the Administrative Agent such other Lender's Percentage of such payment, but no Lender shall be responsible for the failure of any other Lender to make available to the Administrative Agent such other Lender's Percentage of any such payment or disbursement.

2.3.6 Cash Collateral. All cash collateral delivered to the Administrative Agent pursuant to this Agreement shall be held by the Administrative Agent in a non-interest bearing account as collateral for the payment and performance by the Company of its obligations under this Agreement and the other Loan Documents. The Administrative Agent shall have exclusive dominion and control, including the exclusive right of withdrawal, over such account and the Company hereby grants the Administrative Agent a security interest in the account into which such cash collateral is deposited. Moneys in such account shall be applied by the Administrative Agent to reimburse the applicable Issuing Lender for unreimbursed drawings under Letters of Credit issued by such Issuing Lender and, to the extent not so applied, shall be held for the satisfaction of the reimbursement obligations of the Company for the L/C Exposure at such time or, if the maturity of the Loans has been accelerated, be applied to satisfy other obligations of the Company under this Agreement and the other Loan Documents.

2.4 Commitments Several. The failure of any Lender to make a requested Loan on any date shall not relieve any other Lender of its obligation (if any) to make a Loan on such date, but no Lender shall be responsible for the failure of any other Lender to make any Loan to be made by such other Lender.

2.5 Certain Conditions. Notwithstanding any other provision of this Agreement, no Lender shall have an obligation to make any Loan, to permit the continuation of any Yen LIBOR Loan or to permit the continuation of or any conversion into any Eurodollar Loan, and no Issuing Lender shall have any obligation to issue any Letter of Credit, if an Event of Default or Unmatured Event of Default exists.

2.6 Defaulting Lenders Notwithstanding any provision of this Agreement to the contrary, if any Lender becomes a Defaulting Lender, then the following provisions shall apply for so long as such Lender is a Defaulting Lender:

(a) fees shall cease to accrue on the unused Commitment of such Defaulting Lender pursuant to Section 5.1;

(b) the Commitment and Loans of such Defaulting Lender shall not be included in determining whether the Required Lenders have taken or may take any action hereunder (including any consent to any amendment, waiver or other modification pursuant to Section 14.1); provided that this clause (b) shall not apply to the vote of a Defaulting Lender in the case of an amendment, waiver or other modification requiring the consent of such Lender or each Lender directly affected thereby;

(c) if any L/C Exposure exists at the time such Lender becomes a Defaulting Lender then:

(i) all or any part of the L/C Exposure of such Defaulting Lender shall be reallocated among the non-Defaulting Lenders in accordance with their respective Percentages but only to the extent that (x) the sum of all non-Defaulting Lenders' outstanding Loans and L/C Exposures plus such Defaulting Lender's L/C Exposure does not exceed the total of all non-Defaulting Lenders' Commitments and (y) the conditions set forth in Section 11.2 are satisfied at such time;

(ii) if the reallocation described in clause (i) above cannot, or can only partially, be effected, the Company shall within one Business Day following notice by the Administrative Agent deliver cash collateral to the Administrative Agent for the benefit of the Issuing Lenders with respect only to the Company's obligations corresponding to such Defaulting Lender's L/C Exposure (after giving effect to any partial reallocation pursuant to clause (i) above), to be held for so long as such L/C Exposure is outstanding;

(iii) if the Company cash collateralizes any portion of such Defaulting Lender's L/C Exposure pursuant to clause (ii) above, the Company shall not be required to pay any fees to such Defaulting Lender pursuant to Section 5.3 with respect to such Defaulting Lender's L/C Exposure during the period such Defaulting Lender's L/C Exposure is cash collateralized;

(iv) if the L/C Exposure of the non-Defaulting Lenders is reallocated pursuant to clause (i) above, then the fees payable to the Lenders pursuant to Section 5.1 and 5.3 shall be adjusted in accordance with such non-Defaulting Lenders' Percentages; and

(v) if all or any portion of such Defaulting Lender's L/C Exposure is neither reallocated nor cash collateralized pursuant to clause (i) or (ii) above, then, without prejudice to any rights or remedies of any Issuing Lender or any other Lender hereunder, all commitment fees that otherwise would have been payable to such Defaulting Lender under Section 5.1 (solely with respect to the portion of such Defaulting Lender's Commitment that was utilized by such L/C Exposure) and letter of credit fees payable under Section 5.3 with respect to such Defaulting Lender's L/C Exposure shall be payable to the applicable Issuing Lender until and to the extent that such L/C Exposure is reallocated and/or cash collateralized; and

(d) so long as such Lender is a Defaulting Lender, no Issuing Lender shall be required to issue, amend or increase any Letter of Credit, unless it is satisfied that the related exposure and the Defaulting Lender's then outstanding L/C Exposure will be 100% covered by the Commitments of the non-Defaulting Lenders and/or cash collateral will be provided by the Company in accordance with Section 2.6(c), and participating interests in any newly issued or increased Letter of Credit shall be allocated among non-Defaulting Lenders in a manner consistent with Section 2.6(c)(i) (and such Defaulting Lender shall not participate therein).

If (i) a Bankruptcy Event with respect to a parent company of any Lender shall occur following the date hereof and for so long as such event shall continue or (ii) any Issuing Lender has a good faith belief that any Lender has defaulted in fulfilling its obligations under one or more other agreements in which such Lender commits to extend credit, no Issuing Lender shall be required to issue, amend or increase any Letter of Credit, unless such Issuing Lender shall have entered into arrangements with the Company or such Lender, satisfactory to such Issuing Lender, to defease any risk to it in respect of such Lender hereunder.

In the event that the Administrative Agent, the Company and each Issuing Lender agree that a Defaulting Lender has adequately remedied all matters that caused such Lender to be a Defaulting Lender, then the L/C Exposure of the Lenders shall be readjusted to reflect the inclusion of such Lender's Commitment and on such date such Lender shall purchase at par such of the Loans of the other Lenders as the Administrative Agent shall determine may be necessary in order for such Lender to hold such Loans in accordance with its Percentage.

SECTION 3 NOTES EVIDENCING LOANS.

3.1 Notes. The Loans of each Lender shall be evidenced by a promissory note (each a "Note") payable to the order of such Lender substantially in the form set forth in Exhibit A.

3.2 Recordkeeping. Each Lender shall record in its records, or at its option on the schedule attached to its Note, the date and amount of each Loan made by such Lender, each repayment or conversion thereof and, in the case of each Yen LIBOR Loan or Eurodollar Loan, the dates on which each Interest Period for such Loan shall begin and end. The aggregate unpaid principal amount so recorded shall be *prima facie* evidence of the principal amount owing and unpaid on such Note. The failure to so record any such amount or any error in so recording any such amount shall not, however, limit or otherwise affect the obligations of the Company hereunder or under any Note to repay the principal amount of the Loans evidenced by such Note together with all interest accruing thereon.

SECTION 4 INTEREST.

4.1 Interest Rates. The Company promises to pay interest on the unpaid principal amount of each Loan for the period commencing on the date of such Loan until such Loan is paid in full as follows:

(a) in the case of a Loan in Dollars, (i) at all times while such Loan is a Floating Rate Loan, at a rate per annum equal to the sum of the Base Rate from time to time in effect plus the Applicable Margin for Floating Rate Loans from time to time in effect; and (ii) at all times while such Loan is a Eurodollar Loan, at a rate per annum equal to the sum of the Eurodollar Rate (Reserve Adjusted) applicable to each Interest Period for such Loan plus the Applicable Margin for Eurodollar Loans from time to time in effect; and

(b) in the case of a Yen LIBOR Loan, at a rate per annum equal to the sum of the Yen LIBOR applicable to each Interest Period for such Loan plus the Applicable Margin for Yen LIBOR Loans in effect; provided that upon request of the Required Lenders at any time an Event of Default exists, the interest rate applicable to each Loan shall be increased by 2%.

4.2 Interest Payment Dates. Accrued interest on each Floating Rate Loan shall be payable in arrears on the last Business Day of each calendar quarter and at maturity. Accrued interest on each Yen LIBOR Loan and Eurodollar Loan shall be payable on the last day of each Interest Period relating to such Loan (and, in the case of a Yen LIBOR Loan or Eurodollar Loan with a six-month Interest Period, on the three-month anniversary of the first day of such Interest Period) and at maturity. After maturity, accrued interest on all Loans shall be payable on demand.

4.3 Setting and Notice of Rates. (a) The applicable Yen LIBOR for each Interest Period shall be determined by the Administrative Agent, and notice thereof shall be given by the Administrative Agent promptly to the Company and each Lender.

(b) The applicable Eurodollar Rate for each Interest Period shall be determined by the Administrative Agent, and notice thereof shall be given by the Administrative Agent promptly to the Company and each Lender.

(c) Each determination of the applicable Yen LIBOR or Eurodollar Rate by the Administrative Agent shall be conclusive and binding upon the parties hereto, in the absence of demonstrable error. The Administrative Agent shall, upon written request of the Company or any Lender, deliver to the Company or such Lender a statement showing the computations used by the Administrative Agent in determining any applicable Yen LIBOR or Eurodollar Rate hereunder.

4.4 Computation of Interest. All computations of interest for Floating Rate Loans when the Base Rate is determined by the Prime Rate shall be made on the basis of a year of 365 or 366 days, as the case may be, and for the actual number of days elapsed. All other computations of interest shall be made on the basis of a year of 360 days and for the actual number of days elapsed. The applicable interest rate for each Floating Rate Loan shall change simultaneously with each change in the Base Rate.

SECTION 5 FEES.

5.1 Commitment Fee. The Company agrees to pay to the Administrative Agent for the account of each Lender a commitment fee, for the period from the Effective Date to the Termination Date, at a rate per annum equal to the Commitment Fee Rate in effect from time to time of the actual amount of the unused Dollar Equivalent amount of such Lender's Percentage of the Commitment Amount as of the end of each day in such period. For purposes of calculating usage under this Section, the Commitment Amount shall be deemed used to the extent of the Total Outstandings. Such commitment fee shall be payable in arrears on the last Business Day of each calendar quarter and on the Termination Date for any period then ending for which such commitment fee shall not have theretofore been paid. The commitment fee shall be computed for the actual number of days elapsed on the basis of a year of 360 days.

5.2 [RESERVED]

5.3 Letter of Credit Fees. (a) The Company agrees to pay to the Administrative Agent for the account of the Lenders pro rata according to their respective Percentages a letter of credit fee for each standby Letter of Credit in an amount equal to the rate per annum in effect from time to time pursuant to Schedule 1.1 of the Dollar Equivalent undrawn amount of such standby Letter of Credit (computed for the actual number of days elapsed on the basis of a year of 360 days); provided that upon request of the Required Lenders at any time an Event of Default exists, the rate applicable to each standby Letter of Credit shall be increased by 2%. Such letter of credit fee shall be payable in arrears on the last Business Day of each calendar quarter and on the Termination Date for the period from the date of the issuance of each standby Letter of Credit to the date such payment is due or, if earlier, the date on which such standby Letter of Credit expired or was terminated. After the Termination Date, such letter of credit fee shall be payable on demand.

(b) The Company agrees to pay to the Administrative Agent for the account of the Lenders pro rata according to their respective Percentages a letter of credit fee for each commercial Letter of Credit in an amount equal to the greater of 0.125% of the Dollar Equivalent face amount of such Letter of Credit and $100. Such letter of credit fee shall be payable for each commercial Letter of Credit on the earlier of the last Business Day of the calendar quarter in which such Letter of Credit is issued and the Termination Date.

(c) The Company agrees to pay each Issuing Lender a fronting fee for each Letter of Credit issued by such Issuing Lender in an amount separately agreed to between the Company and such Issuing Lender.

(d) In addition, with respect to each Letter of Credit, the Company agrees to pay to the applicable Issuing Lender, for its own account, such fees and expenses as such Issuing Lender customarily requires in connection with the issuance, negotiation, processing and/or administration of letters of credit in similar situations.

5.4 Administrative Agent's Fees. The Company agrees to pay to the Administrative Agent such administrative agent's fees as are mutually agreed to from time to time by the Company and the Administrative Agent.

SECTION 6 REDUCTION IN THE COMMITMENT AMOUNT; INCREMENTAL FACILITIES; PREPAYMENTS.

6.1 Voluntary Reductions in the Commitment Amount. The Company may from time to time on at least five Business Days' prior written notice received by the Administrative Agent (which shall promptly advise each Lender thereof) permanently reduce the Commitment Amount to an amount not less than the Total Outstandings. Any such reduction shall be in an amount not less than $5,000,000 or a higher integral multiple of $1,000,000. The Company may at any time on like notice terminate the Commitments upon payment in full of all Loans and all other obligations of the Company hereunder and cash collateralization in full, pursuant to documentation in form and substance reasonably satisfactory to the Administrative Agent, of all obligations arising with respect to Letters of Credit. All reductions of the Commitment Amount shall reduce the amounts of the Commitments of the Lenders pro rata according to their respective Percentages.

6.2 Incremental Facilities.

(a) Subject to the terms and conditions set forth herein (including Section 11.2) the Lenders agree that the Company may, on one occasion prior to the Termination Date, deliver a written notice to the Administrative Agent (an "Incremental Request") requesting the making of term loans (the "Incremental Term Loans"; and the credit facility for making any Incremental Term Loans is the "Incremental Term Facility") and/or the increase of the Commitment Amount (the increased Commitments, the "Incremental Commitments"; and revolving loans made thereunder the "Incremental Revolving Loans"; and the credit facility for making any Incremental Revolving Loans is the "Incremental Revolving Facility"; together with the Incremental Term Facility, the "Incremental Facility"; the Incremental Revolving Loans together with the Incremental Term Loans, the "Incremental Loans") in an aggregate principal amount mutually agreed by the Company, the Administrative Agent and each Lender providing all or a portion of the Incremental Facility; provided that immediately prior to and after giving effect to the Incremental Facility Amendment (as defined below) and the making of any Incremental Loans pursuant thereto), (x) no Event of Default or Unmatured Event of Default has occurred and is continuing or would result therefrom and (y) the Company is in compliance with the covenants set forth in Section 10.10 and 10.11 calculated on a pro forma basis as of the most recently ended period of 12 consecutive months for which financial statements are available and after giving pro forma effect to such Incremental Loans.

(b) The existing Lenders may, but shall not be obligated to, participate in the Incremental Facility. The Company make seek one or more new Persons (each of which must be consented to by the Administrative Agent and each Issuing Lender, unless such Person is an Affiliate of a Lender or an Approved Fund) to be added as Lenders for purposes of participating in such remaining portion (with allocations among the applicable Lenders to be determined by agreement of the Administrative Agent and the Company).

(c) The proceeds of the Incremental Loans shall be used to consummate one or more acquisitions permitted hereunder and approved by the Administrative Agent, for working capital purposes and for other general corporate purposes of the Company. The maturity date of any Incremental Loans shall be no earlier than the Termination Date. Each Incremental Loan shall be *pari passu* with all Loans. The interest rates for the Incremental Loans and amortization schedule applicable to the Incremental Term Loans shall be determined mutually and reasonably by the Company, the Administrative Agent and the Lenders providing the applicable Incremental Loans. The Incremental Facility shall be on terms and pursuant to documentation applicable to the Commitments and Loans that are then outstanding (except to the extent permitted above with respect to the maturity date, amortization and interest rate) or otherwise reasonably satisfactory to the Administrative Agent. Any Lender providing a portion of the Incremental Facility may receive a market-based upfront fee in connection therewith as mutually agreed by the Company, the Administrative Agent and such Lender.

(d) The Incremental Facility shall be evidenced by an amendment (the "Incremental Facility Amendment") to this Agreement, giving effect to the modifications permitted by this Section 6.2 (and subject to the limitations set forth in the immediately preceding paragraph), executed by the Company, the Administrative Agent and each Lender (including any new Lender, if any) providing a portion of the Incremental Facility, which such amendment, when so executed, shall amend this Agreement as provided therein. The Incremental Facility shall also require such amendments to the other Loan Documents, and such other new Loan Documents, as the Administrative Agent reasonably deems necessary or appropriate to effect the modifications permitted by this Section 6.2. Neither the Incremental Facility Amendment, nor any such amendments to the other Loan Documents or such other new Loan Documents, shall be required to be executed or approved by any Lender, other than any Lender providing a portion of the Incremental Facility and the Administrative Agent, in order to be effective. The effectiveness of the Incremental Facility Amendment shall be subject to, among other things, the satisfaction on the date thereof (the "Incremental Facility Closing Date") of each of the conditions set forth in Section 11.2, and, except as otherwise specified in the Incremental Facility Amendment, the Administrative Agent shall have received customary legal opinions as to matters reasonably requested, board resolutions and other customary closing documents and certificates reasonably requested by the Administrative Agent in connection therewith. Notwithstanding anything to the contrary in this Section 6.2, no existing Lender shall be obligated to provide any Incremental Loan or Incremental Revolving Commitment (unless such Lender, in its sole and absolute discretion, agrees to provide such Incremental Loan or Incremental Revolving Commitment).

(e) For the avoidance of doubt, only Lenders with a Commitment shall have any rights or obligations with respect to the Loans (other than Incremental Term Loans) or participations in Letters of Credit, and the term "Percentage" and pro rata share as used with respect to the Letters of Credit and Loans (other than Incremental Term Loans), including for purposes of Section 2.6, 5.1 and 5.3, shall be calculated without reference to the Incremental Term Loans.

6.3 Prepayments.

(a) Voluntary Prepayments. The Company may from time to time prepay the Loans in whole or in part; provided that the Company shall give the Administrative Agent (which shall promptly advise each Lender) notice thereof not later than 11:00 a.m., Salt Lake City time, (i) in the case of Floating Rate Loans, on the day of such prepayment, and (ii) in the case of Yen LIBOR Loans and Eurodollar Loans, at least three Business Days prior to the date of such prepayment, in each case specifying the Loans to be prepaid and the date (which shall be a Business Day) and amount of prepayment. Each partial prepayment of Floating Rate Loans and Eurodollar Loans shall be in an aggregate principal amount of $1,000,000 or an integral multiple thereof and each partial prepayment of Yen LIBOR Loans shall be in an aggregate principal amount of ¥100,000,000 or an integral multiple thereof. After giving effect to any partial prepayment, each borrowing of Yen LIBOR Loans and Eurodollar Loans shall be in the applicable amount required for a Group pursuant to Section 2.2.1.

(b) Mandatory Prepayments Resulting from Currency Fluctuations. If, as of the last Business Day of any month, the Total Outstandings (calculated (i) with respect to Yen LIBOR Loans, using the Spot Rate of Exchange for such day and (ii) with respect to Letters of Credit, as provided in Section 1.3(b)) exceed 110% of the Commitment Amount, (x) the Administrative Agent shall promptly notify the Company and (y) the Company shall, within seven Business Days following the receipt of such notice, prepay Loans by the amount of such excess (rounded upward, if necessary, to an integral multiple of (A) in the case of Floating Rate Loans and Eurodollar Loans, $1,000,000 and (B) in the case of Yen LIBOR Loans, ¥100,000,000).

(c) All Prepayments. All prepayments shall be applied to prepay the Loans of the Lenders pro rata according to their respective Percentages. Any prepayment of a Yen LIBOR Loan or Eurodollar Loan on a day other than the last day of an Interest Period therefor shall include interest on the principal amount being repaid and shall be subject to Section 8.4.

SECTION 7 MAKING AND PRORATION OF PAYMENTS; SETOFF; TAXES.

7.1 Making of Payments. All payments of principal of or interest on the Loans, and of all fees, shall be made by the Company to the Administrative Agent in immediately available funds at the office specified by the Administrative Agent not later than 1:00 P.M., Salt Lake City time, on the date due; and funds received after that hour shall be deemed to have been received by the Administrative Agent on the next following Business Day. The Administrative Agent shall promptly remit to each Lender its share of all such payments received in collected funds by the Administrative Agent for the account of such Lender.

All payments under Section 8.1 shall be made by the Company directly to the Lender entitled thereto.

7.2 Application of Certain Payments. Each payment of principal shall be applied to such Loans as the Company shall direct by notice to be received by the Administrative Agent on or before the date of such payment or, in the absence of such notice, as the Administrative Agent shall determine in its discretion. Concurrently with each remittance to any Lender of its share of any such payment, the Administrative Agent shall advise such Lender as to the application of such payment.

7.3 Due Date Extension. If any payment of principal or interest with respect to any of the Loans, or of any fees, falls due on a day which is not a Business Day, then such due date shall be extended to the immediately following Business Day (unless, in the case of a Yen LIBOR Loan or Eurodollar Loan, such immediately following Business Day is the first Business Day of a calendar month, in which case such date shall be the immediately preceding Business Day) and, in the case of principal, additional interest shall accrue and be payable for the period of any such extension.

7.4 Setoff. The Company agrees that the Administrative Agent and each Lender have all rights of set-off and bankers' lien provided by applicable law, and in addition thereto, the Company agrees that at any time any Event of Default exists, the Administrative Agent and each Lender may apply to the payment of any obligations of the Company hereunder, whether or not then due, any and all balances, credits, deposits, accounts or moneys of the Company then or thereafter with the Administrative Agent or such Lender.

7.5 Proration of Payments. If any Lender shall obtain any payment or other recovery (whether voluntary, involuntary, by application of offset or otherwise, but excluding any payment pursuant to Section 8.7 or 14.9) on account of principal of or interest on any Loan (or on account of its participation in any Letter of Credit) in excess of its pro rata share of payments and other recoveries obtained by all Lenders on account of principal of and interest on Loans (or such participation) then held by them, such Lender shall purchase from the other Lenders such participation in the Loans (or sub-participation in Letters of Credit) held by them as shall be necessary to cause such purchasing Lender to share the excess payment or other recovery ratably with each of them; provided that if all or any portion of the excess payment or other recovery is thereafter recovered from such purchasing Lender, the purchase shall be rescinded and the purchase price restored to the extent of such recovery.

7.6 Taxes.

(a)Issuing Bank. For purposes of this Section 7.6, the term "Lender" includes any Issuing Lender

(b)Payments Free of Taxes. Any and all payments by or on account of any obligation of the Company under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by applicable law. If any applicable law (as determined in the good faith discretion of an applicable Withholding Agent) requires the deduction or withholding of any Tax from any such payment by a Withholding Agent, then the applicable Withholding Agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law and, if such Tax is an Indemnified Tax, then the sum payable by the Company shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section) the applicable Credit Party receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(c)Payment of Other Taxes by the Company. The Company shall timely pay to the relevant Governmental Authority in accordance with applicable law, or at the option of the Administrative Agent timely reimburse it for the payment of, any Other Taxes.

(d)Indemnification by the Company. The Company shall indemnify each Credit Party, within 10 days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) payable or paid by such Credit Party or required to be withheld or deducted from a payment to such Credit Party and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Company by a Credit Party (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Credit Party, shall be conclusive absent manifest error.

(e)Indemnification by the Lenders. Each Lender shall severally indemnify the Administrative Agent, within 10 days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that the Company has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of The Company to do so), (ii) Taxes attributable to such Lender's failure to comply with the provisions of Section 14.9.2 relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Administrative Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by the Administrative Agent to the Lender from any other source against any amount due to the Administrative Agent under this clause (e).

(f)Evidence of Payments. As soon as practicable after any payment of Taxes by the Company to a Governmental Authority pursuant to this Section 7.6, the Company shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(g)Status of Lenders.

(i)Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to the Company and the Administrative Agent, at the time or times reasonably requested by the Company or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Company or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Company or the Administrative Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Company or the Administrative Agent as will enable the Company or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in clauses (ii)(A), (ii)(B) and (ii)(D) below) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing:

(A) each Lender that is a U.S. Person (1) represents and warrants to the Company and the Administrative Agent that, as of the date of this Agreement (or, in the case of an Assignee, the date it becomes a party hereto), it is entitled to receive payments hereunder without any deduction or withholding for or on account of any Taxes imposed by the United States of America or any political subdivision or taxing authority thereof and (2) shall deliver to the Company and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Company or the Administrative Agent), executed originals of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Company and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Company or the Administrative Agent), whichever of the following is applicable:

(1) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, executed originals of IRS Form W-8BEN establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(2) executed originals of IRS Form W-8ECI;

(3) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit D-1 to the effect that such Foreign Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, a "10 percent shareholder" of the Company within the meaning of Section 881(c)(3)(B) of the Code, or a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code (a "U.S. Tax Compliance Certificate") and (y) executed originals of IRS Form W-8BEN; or

(4) to the extent a Foreign Lender is not the beneficial owner, executed originals of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN, a U.S. Tax Compliance Certificate substantially in the form of Exhibit D-2 or Exhibit D-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit D-4 on behalf of each such direct and indirect partner;

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Company and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Company or the Administrative Agent), executed originals of any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable law to permit the Company or the Administrative Agent to determine the withholding or deduction required to be made; and

(D) if a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Company and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Company or the Administrative Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Company or the Administrative Agent as may be necessary for the Company and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (D), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Company and the Administrative Agent in writing of its legal inability to do so.

(h) Treatment of Certain Refunds. If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 7.6 (including by the payment of additional amounts pursuant to this Section 7.6), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this clause (h) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (h), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this clause (h) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the indemnification payments or additional amounts giving rise to such refund had never been paid. This paragraph shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(i) Survival. Each party's obligations under this Section 7.6 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under any Loan Document.

(j) Limitations on Lender Claims. Notwithstanding the foregoing provisions of this Section 7.6 if any Lender fails to notify the Company of any event or circumstance which will entitle such Lender to compensation pursuant to this Section 7.6 within 180 days after such Lender obtains knowledge of such event or circumstance, then such Lender shall not be entitled to compensation from the Company for any amount arising prior to the date which is 180 days before the date on which such Lender notifies the Company of such event or circumstance.

SECTION 8 INCREASED COSTS; SPECIAL PROVISIONS FOR YEN LIBOR LOANS AND EURODOLLAR LOANS.

8.1 Increased Costs. (a) If, after the date hereof, any Change in Law or compliance by any Lender (or any Yen LIBOR Office or Eurodollar Office of such Lender) with any request or directive (whether or not having the force of law) of any Governmental Authority, central bank or comparable agency:

(i) shall subject any Lender (or any Yen LIBOR Office or Eurodollar Office of such Lender) to any tax, duty or other charge with respect to its Yen LIBOR Loans or Eurodollar Loans, its Note or its obligation to make Yen LIBOR Loans or Eurodollar Loans, or shall change the basis of taxation of payments to any Lender of the principal of or interest on its Yen LIBOR Loans or Eurodollar Loans or any other amounts due under this Agreement in respect of its Yen LIBOR Loans or Eurodollar Loans or its obligation to make Yen LIBOR Loans or Eurodollar Loans (except for changes in the rate of tax on the overall net income of such Lender or its Yen LIBOR Office or Eurodollar Office imposed by the jurisdiction in which such Lender's principal executive office, Yen LIBOR Office or Eurodollar Office is located); or

(ii) shall impose, modify or deem applicable any reserve (including any reserve imposed by the FRB, but excluding any reserve included in the determination of interest rates pursuant to Section 4), special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by any Lender (or any Yen LIBOR Office or Eurodollar Office of such Lender); or

(iii) shall impose on any Lender (or its Yen LIBOR Office or Eurodollar Office) any other condition affecting its Yen LIBOR Loans or Eurodollar Loans, its Note or its obligation to make Yen LIBOR Loans or Eurodollar Loans;

and the result of any of the foregoing is to increase the cost to (or in the case of Regulation D of the FRB, to impose a cost on) such Lender (or any Yen LIBOR Office or Eurodollar Office of such Lender) of making or maintaining any Yen LIBOR Loan or Eurodollar Loan, or to reduce the amount of any sum received or receivable by such Lender (or its Yen LIBOR Office or Eurodollar Office) under this Agreement or under its Note with respect thereto, then within 10 days after demand by such Lender (which demand shall be accompanied by a statement setting forth the basis for such demand and a calculation of the amount thereof in reasonable detail, a copy of which shall be furnished to the Administrative Agent), the Company shall pay directly to such Lender such additional amount as will compensate such Lender for such increased cost or such reduction.

(b) If any Lender shall reasonably determine that any Change in Law or compliance by any Lender or any Person controlling such Lender with any request or directive regarding capital adequacy (whether or not having the force of laws) of any Governmental Authority, central bank or comparable agency, has or would have the effect of reducing the rate of return on such Lender's or such controlling Person's capital as a consequence of such Lender's obligations hereunder or under any Letter of Credit to a level below that which such Lender or such controlling Person could have achieved but for such adoption, change or compliance (taking into consideration such Lender's or such controlling Person's policies with respect to capital adequacy) by an amount deemed by such Lender or such controlling Person to be material, then from time to time, within 10 days after demand by such Lender (which demand shall be accompanied by a statement setting forth the basis for such demand and a calculation of the amount thereof in reasonable detail, a copy of which shall be furnished to the Administrative Agent), the Company shall pay to such Lender such additional amount or amounts as will compensate such Lender or such controlling Person for such reduction.

(c) Notwithstanding the foregoing provisions of this Section 8.1, if any Lender fails to notify the Company of any event or circumstance which will entitle such Lender to compensation pursuant to this Section 8.1 within 180 days after such Lender obtains knowledge of such event or circumstance, then such Lender shall not be entitled to compensation from the Company for any amount arising prior to the date which is 180 days before the date on which such Lender notifies the Company of such event or circumstance.

8.2 Basis for Determining Interest Rate Inadequate or Unfair. If with respect to the relevant Loan for any Interest Period:

(a) deposits in Yen or Dollars, as applicable, in the relevant amounts are not being offered to the Administrative Agent in the interbank eurodollar market for such Interest Period, or the Administrative Agent otherwise reasonably determines (which determination shall be binding and conclusive on the Company) that by reason of circumstances affecting the interbank eurodollar market adequate and reasonable means do not exist for ascertaining the applicable Yen LIBOR or Eurodollar Rate; or

(b) Lenders having an aggregate Percentage of 40% or more advise the Administrative Agent that Yen LIBOR or the Eurodollar Rate (Reserve Adjusted) as determined by the Administrative Agent will not adequately and fairly reflect the cost to such Lenders of maintaining or funding Yen LIBOR Loans or Eurodollar Loans, as the case may be, for such Interest Period (taking into account any amount to which such Lenders may be entitled under Section 8.1) or that the making or funding of Yen LIBOR Loans or Eurodollar Loans has become impracticable as a result of an event occurring after the date of this Agreement which in the opinion of such Lenders materially affects such Loans;

then the Administrative Agent shall promptly notify the other parties thereof and, so long as such circumstances shall continue, (x) no Lender shall be under any obligation to make or convert into Eurodollar Loans or Yen LIBOR Loans, as applicable, (y) on the last day of the current Interest Period for each Yen LIBOR Loan, such Loan shall be repaid in full, and (z) on the last day of the current Interest Period for each Eurodollar Loan, such Loan shall (unless then repaid) automatically convert to a Floating Rate Loan.

8.3 Changes in Law Rendering Loans Unlawful. If any change in (including the adoption of any new) applicable laws or regulations, or any change in the interpretation of applicable laws or regulations by any governmental or other regulatory body charged with the administration thereof, should make it (or in the good faith judgment of any Lender cause a substantial question as to whether it is) unlawful for any Lender to make, maintain or fund Eurodollar Loans or Yen LIBOR Loans, then such Lender shall promptly notify the Company and the Administrative Agent and, so long as such circumstances shall continue:

(a) In the case of Eurodollar Loans, (i) such Lender shall have no obligation to make or convert into Eurodollar Loans (but shall make Floating Rate Loans concurrently with the making of or conversion into Eurodollar Loans by the Lenders which are not so affected, in each case in an amount equal to such Lender's pro rata share of all Eurodollar Loans which would be made or converted into at such time in the absence of such circumstances) and (ii) on the last day of the current Interest Period for each Eurodollar Loan of such Lender (or, in any event, on such earlier date as may be required by the relevant law, regulation or interpretation), such Eurodollar Loan shall, unless then repaid in full, automatically convert to a Floating Rate Loan. Each Floating Rate Loan made by a Lender which, but for the circumstances described in the foregoing sentence, would be a Eurodollar Loan (an "Affected Loan") shall remain outstanding for the same period as the Group of Eurodollar Loans of which such Affected Loan would be a part absent such circumstances.

(b) In the case of Yen LIBOR Loans, (i) no Lender shall have any obligation to make or continue any Yen LIBOR Loans and (ii) on the last day of the current Interest Period for each borrowing of Yen LIBOR Loans, such Yen LIBOR Loans shall be paid in full.

8.4 Funding Losses. The Company hereby agrees that upon demand by any Lender (which demand shall be accompanied by a statement setting forth the basis for the amount being claimed, a copy of which shall be furnished to the Administrative Agent), the Company will indemnify such Lender against any net loss or expense which such Lender may sustain or incur (including any net loss or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by such Lender to fund or maintain any Yen LIBOR Loan or Eurodollar Loan), as reasonably determined by such Lender, as a result of (a) any payment, prepayment or conversion of any Yen LIBOR Loan or Eurodollar Loan of such Lender on a date other than the last day of an Interest Period for such Loan (including any prepayment or conversion pursuant to Section 8.3) or (b) any failure of the Company to borrow, continue or convert any Loan on a date specified therefor in a notice of borrowing or conversion pursuant to this Agreement. For this purpose, all notices to the Administrative Agent pursuant to this Agreement shall be deemed to be irrevocable.

8.5 Right of Lenders to Fund through Other Offices. Each Lender may, if it so elects, fulfill its commitment as to any Yen LIBOR Loan or Eurodollar Loan by causing a foreign branch or affiliate of such Lender to make such Loan; provided that in such event for the purposes of this Agreement such Loan shall be deemed to have been made by such Lender and the obligation of the Company to repay such Loan shall nevertheless be to such Lender and shall be deemed held by it, to the extent of such Loan, for the account of such branch or affiliate.

8.6 Discretion of Lenders as to Manner of Funding. Notwithstanding any provision of this Agreement to the contrary, each Lender shall be entitled to fund and maintain its funding of all or any part of its Loans in any manner it sees fit, it being understood, however, that for the purposes of this Agreement all determinations hereunder shall be made as if such Lender had actually funded and maintained each Yen LIBOR Loan and Eurodollar Loan during each Interest Period for such Loan through the purchase of deposits having a maturity corresponding to such Interest Period and bearing an interest rate equal to the Yen LIBOR (prior to adjustment for reserves) or the Eurodollar Rate for such Interest Period, as the case may be.

8.7 Mitigation of Circumstances; Replacement of Affected Lender. (a) Each Lender shall promptly notify the Company and the Administrative Agent of any event of which it has knowledge which will result in, and will use reasonable commercial efforts available to it (and not, in such Lender's good faith judgment, otherwise disadvantageous to such Lender) to mitigate or avoid, (i) any obligation by the Company to pay any amount pursuant to Section 7.6 or 8.1 or (ii) the occurrence of any circumstance of the nature described in Section 8.2 or 8.3 (and, if any Lender has given notice of any such event described in clause (i) or (ii) above and thereafter such event ceases to exist, such Lender shall promptly so notify the Company and the Administrative Agent). Without limiting the foregoing, each Lender will designate a different funding office if such designation will avoid (or reduce the cost to the Company of) any event described in clause (i) or (ii) of the preceding sentence and such designation will not, in such Lender's sole good faith judgment, be otherwise disadvantageous to such Lender.

(b) At any time any Lender is an Affected Lender, the Company may replace such Affected Lender as a party to this Agreement with one or more other banks or financial institutions reasonably satisfactory to the Administrative Agent (and upon notice from the Company such Affected Lender shall assign pursuant to an Assignment Agreement (subject to the requirements of Section 14.9.1), and without recourse or warranty, its Commitment, its Loans, its Note, its participation in Letters of Credit, and all of its other rights and obligations hereunder to such replacement bank(s) or other financial institution(s) for a purchase price equal to the sum of the principal amount of the Loans so assigned, all accrued and unpaid interest thereon, its ratable share of all accrued and unpaid fees, any amounts payable under Section 8.4 as a result of such Lender receiving payment of any Yen LIBOR Loan or Eurodollar Loan prior to the end of an Interest Period therefor and all other obligations owed to such Affected Lender hereunder); provided that, in the case of any such assignment resulting from a claim for compensation under Section 8.1 or payments required to be made pursuant to Section 7.6, such assignment will result in a reduction in such compensation or payments. A Lender shall not be required to make any such assignment and delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Company to require such assignment and delegation cease to apply.

8.8 Conclusiveness of Statements; Survival of Provisions. Determinations and statements of any Lender pursuant to Section 8.1, 8.2, 8.3 or 8.4 shall be conclusive absent demonstrable error. Lenders may use reasonable averaging and attribution methods in determining compensation under Sections 8.1 and 8.4, and the provisions of such Sections shall survive repayment of the Loans, cancellation of the Notes, cancellation or expiration of the Letters of Credit and any termination of this Agreement.

SECTION 9 WARRANTIES.

To induce the Administrative Agent and the Lenders to enter into this Agreement and to induce the Lenders to make Loans and issue or purchase participations in Letters of Credit hereunder, the Company warrants to the Administrative Agent and the Lenders that:

9.1 Organization, etc. The Company is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation, and is duly qualified as a foreign corporation and is in good standing in each jurisdiction in which such qualification is required by law, other than those jurisdictions as to which the failure to be so qualified or in good standing could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. The Company has the corporate power and authority to own or hold under lease the properties it purports to own or hold under lease, to transact the business it transacts and proposes to transact, to execute and deliver this Agreement and each other Loan Document to which it is a party, and to perform the provisions hereof and thereof.

9.2 Authorization; No Conflict. This Agreement and each other Loan Document to which the Company is a party have been duly authorized by all necessary corporate action on the part of the Company, and this Agreement and each other Loan Document to which it is a party constitutes, or will upon execution thereof constitute, a legal, valid and binding obligation of the Company enforceable against the Company in accordance with its terms, except as such enforceability may be limited by (a) applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally, and (b) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law). The execution, delivery and performance by the Company of this Agreement, the Notes and each other Loan Document to which it is a party will not (i) contravene, result in any breach of, or constitute a default under, or result in the creation of any Lien in respect of any property of the Company or any Subsidiary under, any indenture, mortgage, deed of trust, loan, note purchase or credit agreement, corporate charter or bylaws, or any other Material agreement, lease or instrument to which the Company or any Subsidiary is bound or by which the Company or any Subsidiary or any of their respective properties may be bound or affected, (ii) conflict with or result in a breach of any of the terms, conditions or provisions of any order, judgment, decree or ruling of any court, arbitrator or Governmental Authority applicable to the Company or any Subsidiary, or (iii) violate any provision of any statute or other rule or regulation of any Governmental Authority applicable to the Company or any Subsidiary.

9.3 Financial Condition. The audited consolidated financial statements of the Company and its Restricted Subsidiaries for the three most recently completed fiscal years prior to the date as of which this representation is made or repeated to Lenders (other than fiscal years completed within 120 days prior to such date for which audited financial statements have not been released) and the audited consolidated and consolidating financial statements of the Company and its Subsidiaries for the most recently completed fiscal year, copies of which in each case have been furnished to each Lender which is a party hereto (including in each case the related schedules and notes) fairly present the consolidated financial position of the Company and the Restricted Subsidiaries as of the respective dates specified in such financial statements and the consolidated results of their operations and cash flows for the respective periods so specified and have been prepared in accordance with GAAP consistently applied throughout the periods involved except as set forth in the notes thereto (subject, in the case of any interim financial statements, to normal year-end adjustments).

9.4 No Material Adverse Change. Since the end of the most recent fiscal year for which financial statements have been provided, except as disclosed in publicly available SEC filings prior to the date hereof, there has been no Material adverse change in the financial condition, operations, assets, business, properties or prospects of the Company and its Subsidiaries taken as a whole.

9.5 Governmental Authorizations; etc. No consent, approval or authorization of, or registration, filing or declaration with, any Governmental Authority is required in connection with the execution, delivery or performance by the Company or any of its Restricted Subsidiaries of this Agreement or the other Loan Documents.

9.6 Title to Property; Leases. The Company and the Restricted Subsidiaries have good and sufficient title to their respective properties that individually or in the aggregate are Material, including all such properties reflected in the most recent audited balance sheet referred to in Section 9.3 or purported to have been acquired by the Company or any Restricted Subsidiary after said date (except as sold or otherwise disposed of in the ordinary course of business), in each case free and clear of Liens prohibited by this Agreement. All leases that individually or in the aggregate are Material are valid and subsisting and are in full force and effect in all material respects.

9.7 Subsidiaries. (a) Schedule 9.7 contains as of the date of effectiveness of this Agreement (except as noted therein or as disclosed after such date (i) in the Company's report on Form 8-K, 10-Q or 10-K filed with the Securities and Exchange Commission or (ii) by written notice from the Company to the Administrative Agent) complete and correct lists (x) of the Company's Subsidiaries, showing, as to each Subsidiary, the correct name thereof, the jurisdiction of its organization, the percentage of shares of each class of its capital stock or similar equity interests outstanding owned by the Company and each other Subsidiary and whether such Subsidiary is a Restricted Subsidiary or an Unrestricted Subsidiary, and whether such Subsidiary is a Material Subsidiary, (y) of the Company's Affiliates, other than Subsidiaries, and (z) of the Company's directors and senior officers.

(b) All of the outstanding shares of capital stock or similar equity interests of each Subsidiary shown in Schedule 9.7 as being owned by the Company and its Subsidiaries have been validly issued, are fully paid and nonassessable and are owned by the Company or another Subsidiary free and clear of any Lien (except for Permitted Liens, directors' qualifying shares, shares required to be owned by Persons pursuant to applicable foreign laws regarding foreign ownership, or as otherwise disclosed in Schedule 9.7).

(c) Each Subsidiary identified in Schedule 9.7 is a corporation or other legal entity duly organized, validly existing and in good standing under the laws of its jurisdiction of organization, and is duly qualified as a foreign corporation or other legal entity and is in good standing in each jurisdiction in which such qualification is required by law, other than those jurisdictions as to which the failure to be so qualified or in good standing could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Each such Subsidiary has the corporate or other power and authority to own or hold under lease the properties it purports to own or hold under lease and to transact the business it transacts and proposes to transact.

(d) No Material Subsidiary is a party to, or otherwise subject to any legal restriction or any agreement (other than this Agreement, the agreements listed on Schedule 9.7 and customary limitations imposed by corporate law statutes) restricting the ability of such Material Subsidiary to pay dividends out of profits or make any other similar distributions of profits to the Company or any of its Subsidiaries that owns outstanding shares of capital stock or similar equity interests of such Material Subsidiary.

9.8 Compliance with ERISA. (a) The Company and each ERISA Affiliate have operated and administered each Plan in compliance with all applicable laws except for such instances of noncompliance as have not resulted in and could not reasonably be expected to result in a Material Adverse Effect. Neither the Company nor any ERISA Affiliate has incurred any liability pursuant to Title I or IV of ERISA or the penalty or excise tax provisions of the Code relating to employee benefit plans (as defined in Section 3 of ERISA), and no event, transaction or condition has occurred or exists that could reasonably be expected to result in the incurrence of any such liability by the Company or any ERISA Affiliate, or in the imposition of any Lien on any of the rights, properties or assets of the Company or any ERISA Affiliate, in either case pursuant to Title I or IV of ERISA or to such penalty or excise tax provisions or to Section 430 or 436 of the Code or Section 4068 of ERISA, other than such liabilities or Liens as would not be individually or in the aggregate Material.

(b) The present value of the aggregate benefit liabilities under each of the Plans (other than Multiemployer Plans), determined as of the end of such Plan's most recently ended plan year on the basis of the actuarial assumptions specified for funding purposes in such Plan's most recent actuarial valuation report, did not exceed the aggregate current value of the assets of such Plan allocable to such benefit liabilities. The term "benefit liabilities" has the meaning specified in Section 4001 of ERISA and the terms "current value" and "present value" have the meaning specified in Section 3 of ERISA.

(c) The Company and its ERISA Affiliates have not incurred withdrawal liabilities (and are not subject to contingent withdrawal liabilities) under Section 4201 or 4204 of ERISA in respect of Multiemployer Plans other than such liabilities that individually or in the aggregate are not material.

(d) The expected postretirement benefit obligation (determined as of the last day of the Company's most recently ended fiscal year in accordance with Accounting Standards Codification 715-60 (formerly known as Financial Account Standards Board Statement No. 106), without regard to liabilities attributable to continuation coverage mandated by Section 4980B of the Code) of the Company and its Subsidiaries is not Material or has otherwise been disclosed in the most recent consolidated financial statements of the Company and its Subsidiaries referenced in Section 9.3.

(e) The execution and delivery of this Agreement and the other Loan Documents and the making of Loans and issuance of Letters of Credit hereunder will not involve any transaction that is subject to the prohibitions of Section 406 of ERISA or in connection with which a tax could be imposed pursuant to Section 4975(c)(1)(A)-(D) of the Code.

9.9 Litigation; Observance of Agreements, Statutes and Orders. (a) There are no actions, suits or proceedings pending or, to the knowledge of the Company, threatened against or affecting the Company or any Subsidiary or any property of the Company or any Subsidiary in any court or before any arbitrator of any kind or before or by any Governmental Authority that, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

(a) Neither the Company nor any Restricted Subsidiary is in default under any term of any agreement or instrument to which it is a party or by which it is bound, or any order, judgment, decree or ruling of any court, arbitrator or Governmental Authority or is in violation of any applicable law, ordinance, rule or regulation (including Environmental Laws) of any Governmental Authority, which default or violation, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

9.10 Foreign Assets Control Regulations, etc.

(a) Neither the Company nor any of its Affiliates is (i) a Person whose name appears on the list of Specially Designated National and Blocked Persons published by the Office of Foreign Assets Control, U.S. Department of Treasury ("OFAC") (an "OFAC Listed Person") or (ii) a department, agency or instrumentality of, or is otherwise controlled by or acting on behalf of, directly or indirectly, (x) any OFAC Listed Person or (y) any Person, entity, organization, foreign country or regime that is subject to any sanctions program administered by OFAC (each OFAC Listed Person and each other Person, entity, organization and government of a country described in clause (ii), a "Blocked Person").

(b) No part of the proceeds of the Loans constitutes or will constitute funds obtained on behalf of any Blocked Person or will otherwise be used, directly by the Company or indirectly through any of its Affiliates, in connection with any investment in, or any transactions or dealings with, any Blocked Person.

(c) To the Company's actual knowledge after making due inquiry, neither the Company nor any of its Affiliates (i) is under investigation by any Governmental Authority for, or has been charged with, or convicted of, money laundering, drug trafficking, terrorist-related activities or other money laundering predicate crimes under any applicable law (collectively, "Anti-Money Laundering Laws"), (ii) has been assessed civil penalties under any Anti-Money Laundering Laws or (iii) has had any of its funds seized or forfeited in an action under any Anti-Money Laundering Laws. The Company has taken reasonable measures appropriate to the circumstances (in any event as required by applicable law) to ensure that the Company and each of its Affiliates are and will continue to be in compliance with all applicable current and future Anti-Money Laundering Laws.

(d) No part of the proceeds from the Loans will be used, directly or indirectly, for any improper payments to any governmental official or employee, political party, official of a political party, candidate for political office, official of any public international organization or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage. The Company has taken reasonable measures appropriate to the circumstances (in any event as required by applicable law) to ensure that the Company and each of its Affiliates are and will continue to be in compliance with all applicable current and future anti-corruption laws and regulations.

9.11 Other Statutes. Neither the Company nor any Restricted Subsidiary is subject to regulation under the Investment Company Act of 1940, the Public Utility Holding Company Act of 2005, the ICC Termination Act of 1995, or the Federal Power Act.

9.12 Licenses, Permits, etc. (a) The Company and the Restricted Subsidiaries own or possess all licenses, permits, franchises, authorizations, patents, copyrights, service marks, trademarks and trade names, or rights thereto, that individually or in the aggregate are Material, without (except to the extent disclosed after the date hereof in the Company's report on Form 8-K, 10-Q or 10-K filed with the Securities and Exchange Commission) any known Material conflict with the rights of others, (b) to the best knowledge of the Company, except to the extent disclosed after the date hereof in the Company's report on Form 8-K, 10-Q or 10-K filed with the Securities and Exchange Commission, no product of the Company infringes in any Material respect any license, permit, franchise, authorization, patent, copyright, service mark, trademark, trade name or other right owned by any other Person; and (c) to the best knowledge of the Company, except to the extent disclosed after the date hereof in the Company's report on Form 8-K, 10-Q or 10-K filed with the Securities and Exchange Commission, there is no Material violation by any Person of any right of the Company or any Restricted Subsidiary with respect to any patent, copyright, service mark, trademark, trade name or other right owned or used by the Company or any Restricted Subsidiary.

9.13 Use of Proceeds; Margin Regulations. The Company will apply the proceeds of the Loans for general corporate purposes (including repurchases of stock of the Company); provided that no part of the proceeds from the making of Loans or issuance of Letters of Credit hereunder will be used, directly or indirectly, so as to involve the Company or any Lender in a violation of Regulation U of the FRB (12 CFR 221) or Regulation X of the FRB (12 CFR 224), or to involve any broker or dealer in a violation of Regulation T of the FRB (12 CFR 220). Margin stock does not constitute more than 5% of the value of the consolidated assets of the Company and its Subsidiaries and the Company does not have any present intention that margin stock will constitute more than 5% of the value of such assets. As used in this Section, the term "margin stock" shall have the meaning assigned to it in said Regulation U.

9.14 Taxes. The Company and its Subsidiaries have filed all tax returns that are required to have been filed in any jurisdiction (other than those tax returns which individually or collectively are not Material), and have paid all taxes shown to be due and payable on such returns and all other taxes and assessments levied upon them or their properties, assets, income or franchises, to the extent such taxes and assessments have become due and payable and before they have become delinquent, except for any taxes and assessments (i) the amount of which is not individually or in the aggregate Material, or (ii) the amount, applicability or validity of which is currently being contested in good faith by appropriate proceedings and with respect to which the Company or a Subsidiary, as the case may be, has established adequate reserves in accordance with GAAP. The Company knows of no basis for any other tax or assessment that could reasonably be expected to have a Material Adverse Effect. The charges, accruals and reserves on the books of the Company and its Subsidiaries in respect of federal, state or other taxes for all fiscal periods are adequate in accordance with GAAP. The federal income tax liabilities of the Company and its Subsidiaries have been resolved with the Internal Revenue Service and paid for all fiscal years up to and including the fiscal year ending on December 31, 1996.

9.15 Existing Indebtedness; Future Liens. (a) Except as described therein, Schedule 9.15 sets forth a complete and correct list of all outstanding Indebtedness, separately listed for each such item of Indebtedness of $2,000,000 or more, of the Company and the Restricted Subsidiaries as of the Effective Date.

(b) (i) Neither the Company nor any Restricted Subsidiary is in default in the payment of any principal or interest on any Indebtedness of the Company or such Restricted Subsidiary, and (ii) no event or condition exists with respect to any Indebtedness of the Company or any Restricted Subsidiary that would permit (or that with notice or the lapse of time, or both, would permit) one or more Persons to cause such Indebtedness to become due and payable before its stated maturity or before its regularly scheduled dates of payment, except for Indebtedness described in clauses (i) and (ii) which, in aggregate principal amount, does not exceed $5,000,000.

(c) Neither the Company nor any Restricted Subsidiary has agreed or consented to cause or permit in the future (upon the happening of a contingency or otherwise) any of its property, whether now owned or hereafter acquired, to be subject to a Lien not permitted by Section 10.12.

9.16 Environmental Matters. Neither the Company nor any of its Subsidiaries has knowledge of any claim or has received any notice of any claim, and no proceeding has been instituted raising any claim against the Company or any of its Subsidiaries or any of their respective real properties now or formerly owned, leased or operated by any of them or other assets, alleging any damage to the environment or violation of any Environmental Laws, except, in each case, such as could not reasonably be expected to result in a Material Adverse Effect. Except as otherwise disclosed to the Lenders in writing,

(a) neither the Company nor any of its Subsidiaries has knowledge of any facts which would give rise to any claim, public or private, of violation of Environmental Laws or damage to the environment emanating from, occurring on or in any way related to real properties now or formerly owned, leased or operated by any of them or to other assets or their use, except, in each case, such as could not reasonably be expected to result in a Material Adverse Effect;

(b) neither the Company nor any of its Subsidiaries has stored any Hazardous Materials on real properties now or formerly owned, leased or operated by any of them in a manner contrary to any Environmental Laws and has not disposed of any Hazardous Materials in a manner contrary to any Environmental Laws, in each case in any manner that could reasonably be expected to result in a Material Adverse Effect; and

(c) all buildings on all real properties now owned, leased or operated by the Company or any of its Subsidiaries are in compliance with all applicable Environmental Laws, except where failure to comply could not reasonably be expected to result in a Material Adverse Effect.

9.17 Information. As of the Effective Date and each other date on which the representation and warranty in this Section 9.17 is made, all information previously or contemporaneously furnished in writing by the Company or any Subsidiary to any Lender for purposes of or in connection with this Agreement and the transactions contemplated hereby is, taken as a whole, true and accurate in every material respect on the date as of which such information is dated or certified, and none of such information is incomplete by omitting to state any material fact necessary to make such information not misleading in light of the circumstances under which made (it being recognized by the Administrative Agent and the Lenders that (a) any projections and forecasts provided by the Company are based on good faith estimates and assumptions believed by the Company to be reasonable as of the date of the applicable projections or assumptions and that actual results during the period or periods covered by any such projections and forecasts will likely differ from projected or forecasted results and (b) any information provided by the Company or any Subsidiary with respect to any Person or assets acquired or to be acquired by the Company or any Subsidiary shall, for all periods prior to the date of such acquisition, be limited to the knowledge of the Company or the acquiring Subsidiary after reasonable inquiry).

SECTION 10 COVENANTS.

Until the expiration or termination of the Commitments and thereafter until all obligations of the Company hereunder and under the other Loan Documents are paid in full and all Letters of Credit have been terminated, the Company agrees that, unless at any time the Required Lenders shall otherwise expressly consent in writing, it will:

10.1 Reports, Certificates and Other Information. Furnish to the Administrative Agent (with sufficient copies to provide one to each Lender):

10.1.1 Audit Report. Promptly when available and in any event within 120 days (or if sooner, on the date consolidated statements are required to be delivered to any other creditor of the Company) after the end of each fiscal year of the Company, duplicate copies of, a consolidated and a consolidating balance sheet of the Company and its Subsidiaries, as at the end of such year, and consolidated and consolidating statements of income, changes in shareholders' equity and cash flows of the Company and its Subsidiaries, for such year, setting forth in each case in comparative form the figures for the previous fiscal year, all in reasonable detail, prepared in accordance with GAAP, which consolidated financial statements shall be accompanied by an opinion thereon of independent certified public accountants of recognized national standing, which opinion shall state that such consolidated financial statements present fairly, in all material respects, the financial position of the companies being reported upon and their results of operations and cash flows and have been prepared in conformity with GAAP, and that the examination of such accountants in connection with such consolidated financial statements has been made in accordance with generally accepted auditing standards, and that such audit provides a reasonable basis for such opinion in the circumstances, and which consolidating financial statements shall be certified by a Senior Financial Officer as fairly presenting, in all material respects, the financial position of the companies being reported on and their results of operations and cash flows, subject to changes resulting from year-end adjustments; provided that the delivery within the time period specified above of the Company's Annual Report on Form 10-K for such fiscal year (together with the Company's annual report to shareholders, if any, prepared pursuant to Rule 14a-3 under the Exchange Act) prepared in accordance with the requirements therefor and filed with the Securities and Exchange Commission shall be deemed to satisfy the requirements of this Section 10.1.1 to provide consolidated financial statements so long as such Annual Report on Form 10-K includes the consolidated financial statements identified above in this Section 10.1.1; provided further that such consolidating financial statements shall show the elimination of all Unrestricted Subsidiaries and the resultant consolidated financial statements of the Company and its Restricted Subsidiaries.

10.1.2 Quarterly Reports. Promptly when available and in any event within 60 days (or if sooner, on the date consolidated statements are required to be delivered to any other creditor of the Company) after the end of each quarterly fiscal period in each fiscal year of the Company (other than the last quarterly fiscal period of each such fiscal year), duplicate copies of a consolidated and a consolidating balance sheet of the Company and its Subsidiaries as at the end of such quarter, and consolidated and consolidating statements of income, changes in shareholders' equity and cash flows of the Company and its Subsidiaries, for such quarter and (in the case of the second and third quarters) for the portion of the fiscal year ending with such quarter, setting forth in each case in comparative form the figures for the corresponding periods in the previous fiscal year, all in reasonable detail, prepared in accordance with GAAP applicable to quarterly financial statements generally, and certified by a Senior Financial Officer as fairly presenting, in all material respects, the financial position of the companies being reported on and their results of operations and cash flows, subject to changes resulting from year-end adjustments; provided that delivery within the time period specified above of copies of the Company's Quarterly Report on Form 10-Q prepared in compliance with the requirements therefor and filed with the Securities and Exchange Commission shall be deemed to satisfy the requirements of this Section 10.1.2 to provide consolidated financial statements so long as such Quarterly Report on Form 10-Q includes the consolidated financial statements identified above in this Section 10.1.2; provided further, that such consolidating financial statements shall show the elimination of all Unrestricted Subsidiaries and the resultant consolidated financial statements of the Company and its Restricted Subsidiaries.

10.1.3 Compliance Certificates. Together with each set of financial statements delivered to a Lender pursuant to Sections 10.1.1 and 10.1.2, a certificate of a Senior Financial Officer setting forth (a) the information (including detailed calculations) required in order to establish whether the Company was in compliance with the requirements of Sections 10.10 and 10.11 during the quarterly or annual period covered by the statements then being furnished (including with respect to each such Section, where applicable, the calculations of the maximum or minimum amount, ratio or percentage, as the case may be, permissible under the terms of such Sections, and the calculation of the amount, ratio or percentage then in existence) and (b) a statement that such officer has reviewed the relevant terms hereof and has made, or caused to be made, under his or her supervision, a review of the transactions and conditions of the Company and its Subsidiaries from the beginning of the quarterly or annual period covered by the statements then being furnished to the date of the certificate and that such review shall not have disclosed the existence during such period of any condition or event that constitutes an Event of Default or an Unmatured Event of Default or, if any such condition or event existed or exists (including any such event or condition resulting from the failure of the Company or any Subsidiary to comply with any Environmental Law), specifying the nature and period of existence thereof and what action the Company shall have taken or proposes to take with respect thereto.

10.1.4 SEC and Other Reports. Promptly upon their becoming available, one copy of (i) each financial statement, report, notice or proxy statement sent by the Company or any Subsidiary to public securities holders generally, and (ii) each regular or periodic report, each registration statement (without exhibits except as expressly requested by such Lender), and each prospectus and all amendments thereto filed by the Company or any Subsidiary with the Securities and Exchange Commission and of all press releases and other statements made available generally by the Company or any Material Domestic Subsidiary to the public concerning developments that are Material.

10.1.5 Notice of Default. Promptly, and in any event within five days, after a Responsible Officer becoming aware of the existence of any Event of Default or Unmatured Event of Default or that any Person has given any notice or taken any action with respect to a claimed default hereunder or that any Person has given any notice or taken any action with respect to a claimed default of the type referred to in Section 12.1.5, a written notice specifying the nature and period of existence thereof and what action the Company is taking or proposes to take with respect thereto.

10.1.6 Notice of ERISA Matters. Promptly, and in any event within fifteen days after a Responsible Officer becoming aware of any of the following, a written notice setting forth the nature thereof and the action, if any, that the Company or an ERISA Affiliate proposes to take with respect thereto, with respect to any Plan, (i) any reportable event, as defined in Section 4043(b) of ERISA and the regulations thereunder, for which notice thereof has not been waived pursuant to such regulations as in effect on the date hereof, which could reasonably be expected to have a Material Adverse Effect, (ii) the taking by the PBGC of steps to institute, or the threatening by the PBGC of the institution of, proceedings under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Plan, or the receipt by the Company or any ERISA Affiliate of a notice from a Multiemployer Plan that such action has been taken by the PBGC with respect to such Multiemployer Plan, which could reasonably be expected to have a Material Adverse Effect, or (iii) any event, transaction or condition that could result in the incurrence of any liability by the Company or any ERISA Affiliate pursuant to Title I or IV of ERISA or the penalty or excise tax provisions of the Code relating to employee benefit plans, or in the imposition of any Lien on any of the rights, properties or assets of the Company or any ERISA Affiliate pursuant to Title I or IV of ERISA or such penalty or excise tax provisions, if such liability or Lien, taken together with any other such liabilities or Liens then existing, could reasonably be expected to have a Material Adverse Effect.

10.1.7 Notices from Governmental Authority. Promptly, and in any event within 30 days of receipt thereof, copies of any notice to the Company or any Subsidiary from any federal or state Governmental Authority relating to any order, ruling, statute or other law or regulation that could reasonably be expected to have a Material Adverse Effect.

10.1.8 Management Reports. With reasonable promptness, such other data and information relating to the business, operations, affairs, financial condition, assets or properties of the Company or any of its Subsidiaries or relating to the ability of the Company to perform its obligations hereunder and under the other Loan Documents as from time to time may be reasonably requested by any Lender.

10.2 Inspections. Permit the representatives of each Lender to (a) if no Event of Default or Unmatured Event of Default then exists, at the expense of such Lender and upon reasonable prior notice to the Company, to visit the principal executive office of the Company, to discuss the affairs, finances and accounts of the Company and its Subsidiaries with the Company's officers, and (with the consent of the Company, which consent will not be unreasonably withheld) its independent public accountants, and (with the consent of the Company, which consent will not be unreasonably withheld) to visit the other offices and properties of the Company and each Restricted Subsidiary, all at such reasonable times during business hours and as often as may be reasonably requested in writing and (b) if an Event of Default or Unmatured Event of Default then exists, at the expense of the Company to visit and inspect any of the offices or properties of the Company or any Subsidiary, to examine all their respective books of account, records, reports and other papers, to make copies and extracts therefrom, and to discuss their respective affairs, finances and accounts with their respective officers and independent public accountants (and by this provision the Company authorizes said accountants to discuss the affairs, finances and accounts of the Company and its Subsidiaries), all at such reasonable times and as often as may be requested.

10.3 Insurance. Maintain, and will cause each of the Restricted Subsidiaries to maintain, with financially sound and reputable insurers, insurance with respect to their respective properties and businesses against such casualties and contingencies, of such types, on such terms and in such amounts (including deductibles, co-insurance and self-insurance, if adequate reserves are maintained with respect thereto) as is customary in the case of entities of established reputations engaged in the same or a similar business and similarly situated.

10.4 Compliance with Laws. Comply, and cause each of its Subsidiaries to comply with all laws, ordinances or governmental rules or regulations to which each of them is subject, including Environmental Laws, and will obtain and maintain in effect all licenses, certificates, permits, franchises and other governmental authorizations necessary to the ownership of their respective properties or to the conduct of their respective businesses, in each case to the extent necessary to ensure that non-compliance with such laws, ordinances or governmental rules or regulations or failures to obtain or maintain in effect such licenses, certificates, permits, franchises and other governmental authorizations could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

10.5 Maintenance of Existence, etc. Preserve and keep in full force and effect its corporate existence. Subject to Section 10.13, the Company will at all times preserve and keep in full force and effect the corporate existence of each Restricted Subsidiary (unless merged into the Company or a Restricted Subsidiary) and all rights and franchises of the Company and the Restricted Subsidiaries unless, in the good faith judgment of the Company, the termination of or failure to preserve and keep in full force and effect such corporate existence, right or franchise could not, individually or in the aggregate, have a Material Adverse Effect.

10.6 Maintenance of Properties. Maintain and keep, and cause each of the Restricted Subsidiaries to maintain and keep, or cause to be maintained and kept, their respective properties in good repair, working order and condition (other than ordinary wear and tear), so that the business carried on in connection therewith may be properly conducted at all times; provided that this Section shall not prevent the Company or any Restricted Subsidiary from discontinuing the operation and the maintenance of any of its properties if such discontinuance is desirable in the conduct of its business and the Company has concluded that such discontinuance could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

10.7 Payment of Taxes and Claims. File, and cause each of its Subsidiaries to file all tax returns required to be filed in any jurisdiction and to pay and discharge all taxes shown to be due and payable on such returns and all other taxes, assessments, governmental charges, or levies imposed on them or any of their properties, assets, income or franchises, to the extent such taxes and assessments have become due and payable and before they have become delinquent and all claims for which sums have become due and payable that have or might become a Lien on properties or assets of the Company or any Subsidiary; provided that neither the Company nor any Subsidiary need pay any such tax or assessment or claims if (i) the amount, applicability or validity thereof is contested by the Company or such Subsidiary on a timely basis in good faith and in appropriate proceedings, and the Company or such Subsidiary has established adequate reserves therefor in accordance with GAAP on the books of the Company or such Subsidiary, or (ii) the nonpayment of all such taxes and assessments and claims in the aggregate could not reasonably be expected to have a Material Adverse Effect.

10.8 [RESERVED]

10.9 Nature of the Business. Not, and not permit any Restricted Subsidiary, to engage in any business if, as a result, the general nature of the business of the Company and the Restricted Subsidiaries, taken as a whole, which would then be engaged in by the Company and the Restricted Subsidiaries would be substantially changed from the general nature of the business engaged in by the Company and the Restricted Subsidiaries, taken as a whole, on the Effective Date.

10.10 Financial Covenants.

10.10.1 Minimum Consolidated Net Worth. Not, at any time, permit Consolidated Net Worth to be less than the sum of (i) $474,007,642, (ii) an aggregate amount equal to 60% of Consolidated Net Income (in each case, to the extent a positive number) for each complete fiscal quarter ending on or after March 31, 2012, and (iii) 50% of the net proceeds realized by the Company and its Restricted Subsidiaries after December 31, 2011 from (a) the sale of Equity Securities, excluding issuances of Equity Securities upon exercise of employee stock options or rights under any employee benefit plans (excluding such exercise by any Person that owns greater than 5% of the Equity Securities of the Company), (b) issuances of Equity Securities in connection with acquisitions by the Company and its Restricted Subsidiaries, and (c) reissuances of up to $60,000,000 of treasury securities held by the Company.

10.10.2 Minimum Fixed Charges Coverage. Not permit, as of the end of each fiscal quarter of the Company, the ratio of Consolidated Income Available for Fixed Charges to Fixed Charges, for the period consisting of such fiscal quarter and the preceding three fiscal quarters, to be less than 2.75 to 1.0.

10.10.3 Minimum Cash. Not at any time permit Available Cash be less than $65,000,000. For purposes hereof "Available Cash" shall mean the difference between (i) the amount of the consolidated cash and cash equivalents of the Company and Restricted Subsidiaries and (ii) the aggregate amount outstanding under revolving credit facilities on which the Company or any Restricted Subsidiaries are obligated as borrowers or guarantors.

10.11 Limitations on Indebtedness. Not permit at any time (i) the Leverage Ratio to be greater than 1.85 to 1.0, or (ii) Priority Indebtedness to exceed $100,000,000 in the aggregate.

10.12 Liens. Not, and not permit any of the Restricted Subsidiaries to directly or indirectly create, incur, assume or permit to exist (upon the happening of a contingency or otherwise) any Lien on or with respect to any property or asset (including any document or instrument in respect of goods or accounts receivable) of the Company or any Restricted Subsidiary, whether now owned or hereafter acquired, or any income or profits therefrom (unless the Company makes, or causes to be made, effective provision whereby the Loans and other obligations under the Loan Documents will be equally and ratably secured with any and all other obligations thereby secured, such security to be pursuant to agreements (including an intercreditor agreement) reasonably satisfactory to the Required Lenders and, in any such case, the Loans and other obligations under the Loan Documents shall have the benefit, to the fullest extent that, and with such priority as, the Administrative Agent and the Lenders may be entitled under applicable law, of any equitable Lien on such property), except for the following (which are collectively referred to as "Permitted Liens"):

(a) Liens for taxes, assessments or other governmental charges which are not yet delinquent or that are being contested in good faith;

(b) Liens incidental to the conduct of business or the ownership of properties and assets (including landlords', carriers', warehousemen's, mechanics' materialmen's, and other similar Liens) and Liens to secure the performance of bids, tenders, leases or trade contracts, or to secure statutory obligations (including obligations under workers compensation, unemployment insurance and other social security legislation), surety or appeal bonds or other Liens incurred in the ordinary course of business and not in connection with the borrowing of money;

(c) Liens resulting from judgments, unless such judgments are not, within 60 days, discharged or stayed pending appeal, or shall not have been discharged within 60 days after the expiration of any such stay;

(d) Liens securing Indebtedness of a Restricted Subsidiary owed to the Company or to a Wholly-Owned Restricted Subsidiary;

(e) Liens in existence on the Effective Date and reflected in Schedule 10.12;

(f) minor survey exceptions and the like which do not Materially detract from the value of such property;

(g) leases, subleases, easements, rights of way, restrictions and other similar charges or encumbrances incidental to the ownership of property or assets or the ordinary conduct of the Company's or any of the Restricted Subsidiaries' businesses; provided that the aggregate of such Liens do not Materially detract from the value of such property;

(h) Liens (i) existing on property at the time of its acquisition or construction by the Company or a Restricted Subsidiary and not created in contemplation thereof; (ii) on property created contemporaneously with its acquisition or within 180 days of the acquisition or completion of construction or improvement thereof to secure the purchase price or cost of construction or improvement thereof, including such Liens arising under Capital Leases; or (iii) existing on property of a Person at the time such Person is acquired by, consolidated with, or merged into the Company or a Restricted Subsidiary and not created in contemplation thereof; provided that such Liens shall attach solely to the property acquired or constructed and the principal amount of the Indebtedness secured by the Lien shall not exceed the principal amount of such Indebtedness just prior to the time such Person is consolidated with or merged into the Company or a Restricted Subsidiary;

(i) Liens on receivables of the Company or a Restricted Subsidiary and the related assets of the type specified in clauses (i) through (iv) in the definition of "Permitted Securitization Program" in connection with any Permitted Securitization Program;

(j) Liens in favor of the Administrative Agent;

(k) banker's Liens and similar Liens (including set-off rights) in respect of bank deposits; provided that such bank deposits are not dedicated cash collateral in favor of such bank or other depository institution and are not otherwise intended to provide collateral security (other than for customary account commissions, fees and reimbursable expenses relating solely to such bank deposits, and for returned items);

(l) Liens in favor of customs and revenue authorities as a matter of law to secure payment of custom duties and in connection with the importation of goods in the ordinary course of the Company's and its Subsidiaries' business;

(m) any Lien renewing, extending or replacing Liens permitted by clauses (e), (h), and (i) of this Section 10.12; provided that (i) the principal amount of the Indebtedness secured is neither increased nor the maturity thereof changed to an earlier date, (ii) such Lien is not extended to any other property, and (iii) immediately after such extension, renewal or refunding, no Event of Default or Unmatured Event of Default would exist; and

(n) other Liens securing Indebtedness not otherwise permitted by clauses (a) through (m) of this Section 10.12; provided that Priority Indebtedness shall not, at any time, exceed $100,000,000 in the aggregate;
provided that the Company agrees that neither it nor any Restricted Subsidiary shall use any capacity under the foregoing clauses (a) through (n), inclusive, of this Section 10.12 to secure any amounts owed or outstanding, or any contingent obligation under, any Material Credit Facility, unless the obligations of the Company under the Loan Documents are concurrently equally and ratably secured pursuant to documentation in form and substance satisfactory to the Required Lenders (including documentation such as security agreements and other necessary or desirable collateral agreements, an intercreditor agreement and an opinion of independent legal counsel).

10.13 Mergers, Consolidations, Sales. (a) Not, and not permit any Restricted Subsidiary to consolidate with or merge with any other Person unless immediately after giving effect to any consolidation or merger no Event of Default or Ummatured Event of Default would exist and:

(i) in the case of a consolidation or merger of a Restricted Subsidiary, (x) the Company or another Restricted Subsidiary is the surviving or continuing corporation, (y) the surviving or continuing corporation is or immediately becomes a Restricted Subsidiary, or (z) such consolidation or merger, if considered as the sale of the assets of such Restricted Subsidiary to such other Person, would be permitted by Section 10.13(c); and

(ii) in the case of a consolidation or merger of the Company, the successor corporation or surviving corporation which results from such consolidation or merger (the "surviving corporation"), if not the Company, (A) is a solvent United States corporation, (B) executes and delivers to each Lender its assumption of (x) the due and punctual payment of the principal of and premium, if any, and interest on the Loans, and (y) the due and punctual performance and observation of all of the covenants in this Agreement and each other Loan Document to be performed or observed by the Company, and (C) furnishes to each Lender an opinion of counsel, reasonably satisfactory to the Required Lenders, to the effect that the instrument of assumption has been duly authorized, executed and delivered and constitutes the legal, valid and binding contract and agreement of the surviving corporation enforceable in accordance with its terms, except as enforcement of such terms may be limited by bankruptcy, insolvency, reorganization, moratorium and similar laws affecting the enforcement of creditors' rights generally and by general equitable principles.

(b) Not sell, lease (as lessor) or otherwise transfer all or substantially all of its assets in a single transaction or series of transactions to any Person unless immediately after giving effect thereto no Event of Default or Unmatured Event of Default would exist and:

(i) the successor corporation to which all or substantially all of the Company's assets have been sold, leased or transferred (the "successor corporation") is a solvent United States corporation, and

(ii) the successor corporation executes and delivers to each Lender its assumption of the due and punctual payment of the principal of and premium, if any, and interest on the Loans, and the due and punctual performance and observation of all of the covenants in this Agreement and each other Loan Document to be performed or observed by the Company and shall furnish to the Administrative Agent an opinion of counsel, reasonably satisfactory to the Required Lenders, to the effect that the instrument of assumption has been duly authorized, executed and delivered and constitutes the legal, valid and binding contract and agreement of such successor corporation enforceable in accordance with its terms, except as enforcement of such terms may be limited by bankruptcy, insolvency, reorganization, moratorium and similar laws affecting the enforcement of creditors' rights generally and by general equitable principles.

No such conveyance, transfer or lease of all or substantially all of the assets of the Company shall have the effect of releasing the Company or any successor corporation that shall theretofore have become such in the manner prescribed in this Section 10.13 from its liability under this Agreement or the other Loan Documents.

(c) Not, and not permit any Restricted Subsidiary to, sell, lease (as lessor), transfer, abandon or otherwise dispose of assets to any Person; provided that the foregoing restrictions do not apply to:

(i) the sale, lease, transfer or other disposition of assets of the Company to a Wholly-Owned Restricted Subsidiary or of a Restricted Subsidiary to the Company or a Wholly-Owned Restricted Subsidiary;

(ii) the sale in the ordinary course of business of inventory held for sale, or equipment, fixtures, supplies or materials that are no longer required in the operation of the business of the Company or any Restricted Subsidiary or are obsolete;

(iii) the sale of property of the Company or any Restricted Subsidiary and the Company's or any Restricted Subsidiary's subsequent lease, as lessee, of the same property, within 270 days following the acquisition or construction of such property;

(iv) the sale of assets of the Company or any Restricted Subsidiary for cash or other property to a Person or Persons (other than an Affiliate) if (A) such assets (valued at net book value) do not constitute a "substantial part" (as defined below) of the assets of the Company and the Restricted Subsidiaries, (B) in the opinion of a Responsible Officer of the Company, the sale is for fair value and is in the best interests of the Company, and (C) immediately after giving effect to the transaction, no Event of Default or Unmatured Event of Default would exist; or

(v) the sale of assets meeting the conditions set forth in clauses (B) and (C) of clause (iv) above, as long as the net proceeds from such sale in excess of a "substantial part" (as defined below) of the assets of the Company and the Restricted Subsidiaries are (x) applied within 270 days of the date of receipt to the acquisition of productive assets useful and intended to be used in the operation of the business of the Company or the Restricted Subsidiaries, or (y) used to repay any Indebtedness of the Company or the Restricted Subsidiaries (other than Indebtedness that is in any manner subordinated in right of payment or security in any respect to Indebtedness hereunder, Indebtedness owing to the Company, any of its Subsidiaries or any Affiliate and Indebtedness in respect of any revolving credit or similar credit facility providing the Company or any of the Restricted Subsidiaries with the right to obtain loans or other extensions of credit from time to time, except to the extent that in connection with such payment of Indebtedness the availability of credit under such credit facility is permanently reduced not later than 270 days after the date of receipt of such proceeds by an amount not less than the amount of such proceeds applied to the payment of such Indebtedness).

(d) For purposes of Section 10.13(c), a sale of assets will be deemed to involve a "substantial part" of the assets of the Company and the Restricted Subsidiaries if the book value of such assets, together with all other assets sold during such fiscal year (except those assets sold pursuant to clauses (i) through (iii) of Section 10.13(c)), exceeds 10% of the Consolidated Total Assets of the Company and the Restricted Subsidiaries determined as of the end of the immediately preceding fiscal year.

(e) Not, and not permit any Restricted Subsidiary to, issue shares of stock (or any options or warrants to purchase stock or other Securities exchangeable for or convertible into stock) of any Restricted Subsidiary except (i) to the Company, (ii) to a Wholly-Owned Restricted Subsidiary, (iii) to any Restricted Subsidiary that owns equity in the Restricted Subsidiary issuing such equity, or (iv) with respect to a Restricted Subsidiary that is a partnership or joint venture, to any other Person who is a partner or equity owner if such issuance is made pursuant to the terms of the Joint Venture Agreement or Partnership Agreement entered into in connection with the formation of such partnership or joint venture; provided that Restricted Subsidiaries may issue directors' qualifying shares and shares required to be issued by any applicable foreign law regarding foreign ownership requirements. The Company will not, and will not permit any Restricted Subsidiary to sell, transfer or otherwise dispose of its interest in any stock (or any options or warrants to purchase stock or other Securities exchangeable for or convertible into stock) of any Restricted Subsidiary (except to the Company or a Wholly-Owned Restricted Subsidiary) unless such sale, transfer or disposition would be permitted under Section 10.13(c).

10.14 Transactions with Affiliates. Not, and not permit any Restricted Subsidiary to enter into, directly or indirectly, any Material transaction or Material group of related transactions (including the purchase, lease, sale or exchange of properties of any kind or the rendering of any service) with any Affiliate (other than the Company or another Restricted Subsidiary), except as approved by a majority of the disinterested directors of the Company, and upon fair and reasonable terms no less favorable to the Company or such Restricted Subsidiary than would be obtainable in a comparable arm's-length transaction with a Person not an Affiliate; provided that the foregoing restrictions shall not apply to Standard Securitization Undertakings effected as part of a Permitted Securitization Program.

10.15 Restricted Payments. Not, and not permit any Restricted Subsidiary to, do any of the following if an Event of Default or Unmatured Event of Default exists or would exist immediately after giving effect thereto, (a) declare or pay any dividends, either in cash or property, on any shares of capital stock of any class of the Company or any Restricted Subsidiary (except (i) dividends or other distributions payable solely in shares of common stock, and (ii) dividends and distributions paid by a Restricted Subsidiary solely to the Company or a Wholly-Owned Restricted Subsidiary); (b) directly or indirectly, or through any Restricted Subsidiary, purchase, redeem or retire any shares of capital stock of any class of the Company or any Restricted Subsidiary or any warrants, rights or options to purchase or acquire any shares of capital stock of the Company or any Restricted Subsidiary; or (c) make any other payment or distribution, either directly or indirectly or through any Restricted Subsidiary, in respect of capital stock of any class of the Company or any Restricted Subsidiary (except payments and distributions made by a Restricted Subsidiary solely to the Company or a Wholly-Owned Restricted Subsidiary).

10.16 Limitation on Swap Agreements. Not, and not permit any Restricted Subsidiary to, have any obligations (contingent or otherwise) existing or arising under any Swap Agreement, unless such obligations are (or were) entered into by such Person in the ordinary course of business for the purpose of mitigating risks associated with liabilities, commitments or assets held by such Person, and not for purposes of speculation.

10.17 Limitation on Margin Stock. Not permit margin stock (as defined in Regulation U of the FRB (12 CFR 221)) to constitute 25% or more of the value of the assets of the Company and its Subsidiaries which are subject to any limitation on sale or pledge hereunder.

10.18 Designation of Restricted and Unrestricted Subsidiaries. (a) At its option, designate in writing to the Administrative Agent any Unrestricted Subsidiary as a Restricted Subsidiary and may designate in writing to the Administrative Agent any Restricted Subsidiary as an Unrestricted Subsidiary; provided that (i) no such designation of a Restricted Subsidiary as an Unrestricted Subsidiary shall be effective unless (A) such designation is treated as a transfer under Section 10.13 and such designation is permitted by Section 10.13, and (B) such Subsidiary does not own any stock, other equity interest or Indebtedness of the Company or a Restricted Subsidiary; and (ii) no such designation shall be effective unless, immediately after giving effect thereto no Event of Default or Unmatured Event of Default would exist; provided, further, that any Subsidiary that has been designated as a Restricted Subsidiary or an Unrestricted Subsidiary may not thereafter be redesignated as a Restricted Subsidiary or an Unrestricted Subsidiary, as the case may be, more than once; and provided, further, that no Securitization Entity shall be a Restricted Subsidiary unless designated as such by the Company. Notwithstanding anything to the contrary in this Agreement, upon any Unrestricted Subsidiary becoming a Material Subsidiary, it shall immediately be deemed to be a Restricted Subsidiary (and shall remain a Restricted Subsidiary so long as it is a Material Subsidiary).

(a) Not, and not permit any Subsidiary to, allow one or more of any Unrestricted Subsidiaries (either individually or collectively), at any time, to have revenues during the four most recently ended fiscal quarters equal to or greater than 15.0% of the consolidated total revenues of the Company and its Subsidiaries during such period.

10.19 Terrorism Sanctions Regulations. Not, and not permit any of its Affiliates to, (a) become an OFAC Listed Person or (b) have any investments in or knowingly engage in any dealings or transactions with any Blocked Person.

SECTION 11 CONDITIONS TO EFFECTIVENESS, ETC.

The effectiveness of this Agreement, of the obligation of each Lender to make its Loans and of the obligation of any Issuing Lender to issue Letters of Credit are subject to the following conditions precedent:

11.1 Initial Effectiveness. This Agreement shall become effective on the date (the "Effective Date") on which the Administrative Agent has received (a) all amounts which are then due and payable pursuant to Section 5 and (to the extent billed) Section 14.6; and (b) all of the following, each duly executed and dated the Effective Date (or such earlier date as shall be satisfactory to the Administrative Agent), in form and substance satisfactory to the Administrative Agent, and each (except for the Notes, of which only the originals shall be signed) in sufficient number of signed counterparts to provide one for each Lender:

11.1.1 Notes. A Note for each Lender.

11.1.2 Resolutions. Certified copies of resolutions of the Board of Directors of the Company authorizing or ratifying the execution, delivery and performance by the Company of this Agreement and each other Loan Document to which the Company is a party.

11.1.3 Incumbency and Signature Certificates. A certificate of the Secretary or an Assistant Secretary of the Company certifying the names of the officer or officers of the Company authorized to execute and delivery the Loan Documents to which it is a party, together with a sample of the true signature of each such officer (it being understood that the Administrative Agent and each Lender may conclusively rely on each such certificate until formally advised by a like certificate of any changes therein).

11.1.4 Closing Certificate. A certificate of the Chief Executive Officer, the President or any Vice President of the Company certifying (i) that all representations and warranties of the Company in this Agreement and the other Loan Documents are true and correct in all material respects on the Effective Date; (ii) that no Event of Default or Unmatured Event of Default exists or will result from the transactions contemplated to occur on the proposed Effective Date; and (iii) a true, correct and complete copy of the Senior Note Purchase Agreement, which shall be in form and substance reasonably acceptable to the Administrative Agent.

11.1.5 Termination of Existing Collateral Documents and Guaranties; Release of Liens. A letter agreement substantially in the form of Exhibit E, duly executed and delivered by the parties thereto, relating to the release of security interests and guaranties and the termination of various related agreements.

11.1.6 Opinion. A favorable opinion of Matthew Dorny, general counsel of the Company.

11.1.7 Other. Such other documents as the Administrative Agent or any Lender may reasonably request.

11.2 Conditions. The obligation (a) of each Lender to make each Loan (including any Incremental Loan pursuant to an Incremental Facility Amendment) and (b) of each Issuing Lender to issue each Letter of Credit is subject to the following further conditions precedent that:

11.2.1 Compliance with Warranties, No Default, etc. Both before and after giving effect to any borrowing and the issuance of any Letter of Credit (but, if any Event of Default of the nature referred to in Section 12.1.4 shall have occurred with respect to any other Indebtedness, without giving effect to the application, directly or indirectly, of the proceeds thereof) the following statements shall be true and correct:

(a) the representations and warranties of the Company set forth in this Agreement and the other Loan Documents shall be true and correct in all material respects with the same effect as if then made (except to the extent stated to relate to an earlier date, in which case such representations and warranties shall be true and correct in all material respects as of such earlier date);

(b) except as disclosed by the Company to the Administrative Agent and the Lenders pursuant to Section 9.9,

(i) no litigation (including derivative actions), arbitration proceeding, labor controversy or governmental investigation or proceeding shall be pending or, to the knowledge of the Company, threatened against the Company or any of its Subsidiaries which might reasonably be expected to have a Material Adverse Effect or which purports to affect the legality, validity or enforceability of this Agreement, the Notes or any other Loan Document; and

(ii) no development shall have occurred in any litigation (including derivative actions), arbitration proceeding, labor controversy or governmental investigation or proceeding disclosed pursuant to Section 9.9 which might reasonably be expected to have a Material Adverse Effect; and

(c) no Event of Default or Unmatured Event of Default shall have then occurred and be continuing, and neither the Company nor any of its Subsidiaries shall be in violation of any law or governmental regulation or court order or decree where such violation or violations singly or in the aggregate might reasonably be expected to have a Material Adverse Effect.

11.2.2 Confirmatory Certificate. If requested by the Administrative Agent or any Lender (acting through the Administrative Agent), the Administrative Agent shall have received (in sufficient counterparts to provide one to each Lender) a certificate dated the date of such requested Loan or Letter of Credit and signed by a duly authorized representative of the Company as to the matters set out in Section 11.2.1 (it being understood that each request by the Company for the making of a Loan or the issuance of a Letter of Credit shall be deemed to constitute a warranty by the Company that the conditions precedent set forth in Section 11.2.1 will be satisfied at the time of the making of such Loan or the issuance of such Letter of Credit), together with such other documents as the Administrative Agent or any Lender (acting through the Administrative Agent) may reasonably request in support thereof.

SECTION 12 EVENTS OF DEFAULT AND THEIR EFFECT.

12.1 Events of Default. Each of the following shall constitute an Event of Default under this Agreement:

12.1.1 Non-Payment of the Loans, etc. Default in the payment of the principal of any Loan when the same becomes due and payable, whether at maturity or at a date fixed for prepayment or by declaration or otherwise; default and continuance thereof for five days after notice from the Administrative Agent, in the payment when due of any reimbursement obligation with respect to any Letter of Credit; or default in the payment of any interest on any Loan or any fee payable hereunder for more than five Business Days after the same becomes due and payable.

12.1.2 Non-Compliance with Section 10. The Company defaults in the performance of or compliance with any term contained in Section 10.10, 10.11, 10.12, 10.13, 10.14, 10.15, 10.16 or 10.17.

12.1.3 Non-Compliance with Provisions of This Agreement. The Company defaults in the performance of or compliance with any term contained herein (other than those referred to in Sections 12.1.1 and 12.1.2) or in any other Loan Document and such default is not remedied within 30 days after the earlier of (i) a Responsible Officer obtaining actual knowledge of such default, and (ii) the Company or such Subsidiary receiving written notice of such default from any Lender (any such written notice to be identified as a "notice of default" and to refer specifically to this Section 12.1.3).

12.1.4 Default in Payment of Other Indebtedness. (a) The Company or any Restricted Subsidiary is in default (as principal or as guarantor or other surety) in the payment of any principal of or premium or make-whole amount or interest on any Indebtedness beyond any period of grace provided with respect thereto, or (b) the Company or any Restricted Subsidiary is in default for more than 20 Business Days in the performance of or compliance with any term of any evidence of any Indebtedness or of any mortgage, indenture or other agreement relating thereto or any other condition exists, and as a consequence of such default or condition (x) such Indebtedness has become, or has been declared (or one or more Persons are entitled to declare such Indebtedness to be) due and payable before its stated maturity or before its regularly scheduled dates of payment, or (y) one or more Persons have the right to require the Company or any Restricted Subsidiary to purchase or repay such Indebtedness, or (iii) as a consequence of the occurrence or continuation of any event or condition (other than the passage of time or the right of the holder of Indebtedness to convert such Indebtedness into equity interests), (x) the Company or any Restricted Subsidiary has become obligated to purchase or repay any Indebtedness before its regular maturity or before its regularly scheduled dates of payment, or (y) one or more Persons have exercised any right to require the Company or any Restricted Subsidiary to purchase or repay such Indebtedness; provided that the aggregate amount of all foregoing Indebtedness with respect to which a payment, performance or compliance default shall have occurred or a failure or other event causing or permitting the purchase or repayment by the Company or any Restricted Subsidiary shall have occurred exceeds $7,500,000.

12.1.5 Bankruptcy, Insolvency, etc. (a) The Company or any Material Subsidiary (i) is generally not paying, or admits in writing its inability to pay, its debts as they become due, (ii) files, or consents by answer or otherwise to the filing against it of, a petition for relief or reorganization or arrangement or any other petition in bankruptcy, for liquidation or to take advantage of any bankruptcy, insolvency, reorganization, moratorium or other similar law of any jurisdiction, (iii) makes an assignment for the benefit of its creditors, (iv) consents to the appointment of a custodian, receiver, trustee or other officer with similar powers with respect to it or with respect to any substantial part of its property, (v) is adjudicated as insolvent or to be liquidated, or (vi) takes corporate action for the purpose of any of the foregoing, or (b) a court or Governmental Authority of competent jurisdiction enters an order appointing, without consent by the Company or any Material Subsidiary, a custodian, receiver, trustee or other officer with similar powers with respect to it or with respect to any substantial part of its property, or constituting an order for relief or approving a petition for relief or reorganization or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy or insolvency law of any jurisdiction, or ordering the dissolution, winding-up or liquidation of the Company or any Material Subsidiary, or any such petition shall be filed against the Company or any Material Subsidiary and such petition shall not be dismissed within 60 days.

12.1.6 Warranties. Any (a) representation or warranty made in writing by or on behalf of the Company or by any officer of the Company in this Agreement, in any Loan Document or in any writing furnished in connection with the transactions contemplated hereby or thereby proves to have been false or incorrect in any material respect on the date as of which made; or (b) Instruction contains any misstatement of a material fact or omits to state a material fact or any fact necessary to make any statement contained therein not materially misleading.

12.1.7 Judgments. A final judgment or judgments for the payment of money aggregating in excess of $10,000,000 are rendered against one or more of the Company and any Restricted Subsidiary and such judgments are not, within 60 days after entry thereof, bonded, discharged or stayed pending appeal, or are not discharged within 60 days after the expiration of such stay.

12.1.8 Pension Plans. (i) Any Plan shall fail to satisfy the minimum funding standards of ERISA or the Code for any plan year or part thereof or a waiver of such standards or extension of any amortization period is sought or granted under Section 412 of the Code, (ii) a notice of intent to terminate any Plan shall have been or is reasonably expected to be filed with the PBGC or the PBGC shall have instituted proceedings under ERISA Section 4042 to terminate or appoint a trustee to administer any Plan or the PBGC shall have notified the Company or any ERISA Affiliate that a Plan may become a subject of any such proceedings, (iii) the aggregate "amount of unfunded benefit liabilities" (within the meaning of Section 4001(a)(18) of ERISA) under all Plans, determined in accordance with Title IV of ERISA, shall exceed 5% of Consolidated Net Worth as of the end of the most recently ended fiscal quarter of the Company, (iv) the Company or any ERISA Affiliate shall have incurred or is reasonably expected to incur any liability pursuant to Title I or IV of ERISA or the penalty or excise tax provisions of the Code relating to employee benefit plans, (v) the Company or any ERISA Affiliate withdraws from any Multiemployer Plan, or (vi) the Company or any of its Subsidiaries establishes or amends any employee welfare benefit plan that provides post-employment welfare benefits in a manner that would increase the liability of the Company or any of its Subsidiaries thereunder; and any such event or events described in clauses (i) through (vi) above, either individually or together with any other such event or events, could reasonably be expected to have a Material Adverse Effect. As used in this Section 12.1.8, the terms "employee benefit plan" and "employee welfare benefit plan" shall have the respective meanings assigned to such terms in Section 3 of ERISA.

12.1.9 Change of Control. A Change of Control shall occur.

12.2 Effect of Event of Default. If any Event of Default described in Section 12.1.5 shall occur, the Commitments (if they have not theretofore terminated) shall immediately terminate and the Loans and all other obligations hereunder shall become immediately due and payable and the Company shall become immediately obligated to deliver to the Administrative Agent cash collateral in an amount equal to the outstanding face amount of all Letters of Credit, all without presentment, demand, protest or notice of any kind; and, if any other Event of Default shall occur and be continuing, the Administrative Agent (upon written request of the Required Lenders) shall declare the Commitments (if they have not theretofore terminated) to be terminated and/or declare all Loans and all other obligations hereunder to be due and payable and/or demand that the Company immediately deliver to the Administrative Agent cash collateral in amount equal to the outstanding face amount of all Letters of Credit, whereupon the Commitments (if they have not theretofore terminated) shall immediately terminate and/or all Loans and all other obligations hereunder shall become immediately due and payable and/or the Company shall immediately become obligated to deliver to the Administrative Agent cash collateral in an amount equal to the face amount of all Letters of Credit, all without presentment, demand, protest or notice of any kind. The Administrative Agent shall promptly advise the Company of any such declaration, but failure to do so shall not impair the effect of such declaration. Any cash collateral delivered hereunder shall be held by the Administrative Agent, and applied by the Administrative Agent to the Company's obligations, as described in Section 2.3.6.

12.3 Additional Remedies for Letters of Credit. In addition to the remedies under Section 12.2 above, upon the occurrence and continuance of an Event of Default, (i) all obligations, liabilities and indebtedness described in any L/C Application shall be immediately due and payable without notice or demand (whether or not a drawing or claim had in fact been made or paid); (ii) the applicable Issuing Lender may amend or terminate, or transfer drawing rights or cure one or more discrepancies under any Letter of Credit; and (iii) the Administrative Agent may make payment in satisfaction of the obligations, liabilities and indebtedness under any L/C Application.

SECTION 13 THE ADMINISTRATIVE AGENT.

13.1 Appointment and Authorization. (a) Each Lender hereby irrevocably (subject to Section 13.9) appoints, designates and authorizes the Administrative Agent to take such action on its behalf under the provisions of this Agreement and each other Loan Document and to exercise such powers and perform such duties as are expressly delegated to it by the terms of this Agreement or any other Loan Document, together with such powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary contained elsewhere in this Agreement or in any other Loan Document, the Administrative Agent shall not have any duties or responsibilities except those expressly set forth herein, nor shall the Administrative Agent have or be deemed to have any fiduciary relationship with any Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Loan Document or otherwise exist against the Administrative Agent.

(b) Each Issuing Lender shall act on behalf of the Lenders with respect to any Letters of Credit issued by it and the documents associated therewith. Each Issuing Lender shall have all of the benefits and immunities (i) provided to the Administrative Agent in this Section 13 with respect to any acts taken or omissions suffered by such Issuing Lender in connection with Letters of Credit issued by it or proposed to be issued by it and the applications and agreements for letters of credit pertaining to such Letters of Credit as fully as if the term "Administrative Agent", as used in this Section 13, included such Issuing Lender with respect to such acts or omissions and (ii) as additionally provided in this Agreement with respect to the Issuing Lenders.

13.2 Delegation of Duties. The Administrative Agent may execute any of its duties under this Agreement or any other Loan Document by or through agents, employees or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. The Administrative Agent shall not be responsible for the negligence or misconduct of any agent or attorney-in-fact that it selects with reasonable care.

13.3 Liability of Administrative Agent. None of the Agent-Related Persons shall (i) be liable for any action taken or omitted to be taken by any of them under or in connection with this Agreement or any other Loan Document or the transactions contemplated hereby (except for its own gross negligence or willful misconduct), or (ii) be responsible in any manner to any of the Lenders for any recital, statement, representation or warranty made by the Company or any Subsidiary or Affiliate of the Company, or any officer thereof, contained in this Agreement or in any other Loan Document, or in any certificate, report, statement or other document referred to or provided for in, or received by the Administrative Agent under or in connection with, this Agreement or any other Loan Document, or the validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other Loan Document, or for any failure of the Company or any other party to any Loan Document to perform its obligations hereunder or thereunder. No Agent-Related Person shall be under any obligation to any Lender to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any other Loan Document, or to inspect the properties, books or records of the Company or any of the Company's Subsidiaries or Affiliates.

13.4 Reliance by Administrative Agent. The Administrative Agent shall be entitled to rely, and shall be fully protected in relying, upon any writing, resolution, notice, consent, certificate, affidavit, letter, telegram, facsimile, telex or telephone message, statement or other document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons, and upon advice and statements of legal counsel (including counsel to the Company), independent accountants and other experts selected by the Administrative Agent. The Administrative Agent shall be fully justified in failing or refusing to take any action under this Agreement or any other Loan Document unless it shall first receive such advice or concurrence of the Required Lenders as it deems appropriate and, if it so requests, confirmation from the Lenders of their obligation to indemnify the Administrative Agent against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action. The Administrative Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement or any other Loan Document in accordance with a request or consent of the Required Lenders and such request and any action taken or failure to act pursuant thereto shall be binding upon all of the Lenders.

13.5 Notice of Default. The Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of any Event of Default or Unmatured Event of Default except with respect to defaults in the payment of principal, interest and fees required to be paid to the Administrative Agent for the account of the Lenders, unless the Administrative Agent shall have received written notice from a Lender or the Company referring to this Agreement, describing such Event of Default or Unmatured Event of Default and stating that such notice is a "notice of default". The Administrative Agent will notify the Lenders of its receipt of any such notice. The Administrative Agent shall take such action with respect to such Event of Default or Unmatured Event of Default as may be requested by the Required Lenders in accordance with Section 12; provided, however, that unless and until the Administrative Agent has received any such request, the Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Event of Default or Unmatured Event of Default as it shall deem advisable or in the best interest of the Lenders.

13.6 Credit Decision. Each Lender acknowledges that none of the Agent-Related Persons has made any representation or warranty to it, and that no act by the Administrative Agent hereafter taken, including any review of the affairs of the Company and its Subsidiaries, shall be deemed to constitute any representation or warranty by any Agent-Related Person to any Lender. Each Lender represents to the Administrative Agent that it has, independently and without reliance upon any Agent-Related Person and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, prospects, operations, property, financial and other condition and creditworthiness of the Company and its Subsidiaries, and all applicable bank regulatory laws relating to the transactions contemplated hereby, and made its own decision to enter into this Agreement and to extend credit to the Company hereunder. Each Lender also represents that it will, independently and without reliance upon any Agent-Related Person and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement and the other Loan Documents, and to make such investigations as it deems necessary to inform itself as to the business, prospects, operations, property, financial and other condition and creditworthiness of the Company. Except for notices, reports and other documents expressly herein required to be furnished to the Lenders by the Administrative Agent, the Administrative Agent shall not have any duty or responsibility to provide any Lender with any credit or other information concerning the business, prospects, operations, property, financial or other condition or creditworthiness of the Company which may come into the possession of any of the Agent-Related Persons.

13.7 Indemnification. Whether or not the transactions contemplated hereby are consummated, the Lenders shall indemnify upon demand the Agent-Related Persons (to the extent not reimbursed by or on behalf of the Company and without limiting the obligation of the Company to do so), pro rata, from and against any and all Indemnified Liabilities; provided, however, that no Lender shall be liable for any payment to the Agent-Related Person of any portion of the Indemnified Liabilities resulting solely from such Person's gross negligence or willful misconduct. Without limitation of the foregoing, each Lender shall reimburse the Administrative Agent upon demand for its ratable share of any costs or out-of-pocket expenses (including reasonable fees of attorneys for the Administrative Agent (including the allocable costs of internal legal services and all disbursements of internal counsel)) incurred by the Administrative Agent in connection with the preparation, execution, delivery, administration, modification, amendment or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice in respect of rights or responsibilities under, this Agreement, any other Loan Document, or any document contemplated by or referred to herein, to the extent that the Administrative Agent is not reimbursed for such expenses by or on behalf of the Company. The undertaking in this Section shall survive repayment of the Loans, cancellation of the Notes, cancellation or expiration of the Letters of Credit, any termination of this Agreement and the resignation or replacement of the Administrative Agent.

For the purposes of this Section 13.7, "Indemnified Liabilities" shall mean: any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, charges, expenses and disbursements (including reasonable fees of attorneys for the Administrative Agent (including the allocable costs of internal legal services and all disbursements of internal counsel)) of any kind or nature whatsoever which may at any time (including at any time following repayment of the Loans and the termination, resignation or replacement of the Administrative Agent or the replacement of any Lender) be imposed on, incurred by or asserted against any Agent-Related Person in any way relating to or arising out of this Agreement or any document contemplated by or referred to herein, or the transactions contemplated hereby, or any action taken or omitted by any such Person under or in connection with any of the foregoing, including with respect to any investigation, litigation or proceeding (including (a) any case, action or proceeding before any court or other Governmental Authority relating to bankruptcy, reorganization, insolvency, liquidation, receivership, dissolution, winding-up or relief of debtors, or (b) any general assignment for the benefit of creditors, composition, marshalling of assets for creditors, or other, similar arrangement in respect of its creditors generally or any substantial portion of its creditors; undertaken under U.S. federal, state or foreign law, including the Bankruptcy Code, and including any appellate proceeding) related to or arising out of this Agreement or the Commitments or the use of the proceeds thereof, whether or not any Agent-Related Person, any Lender or any of their respective officers, directors, employees, counsel, agents or attorneys-in-fact is a party thereto.

13.8 Administrative Agent in Individual Capacity. JPMCB and its Affiliates may make loans to, issue letters of credit for the account of, accept deposits from, acquire equity interests in and generally engage in any kind of banking, trust, financial advisory, underwriting or other business with the Company and its Subsidiaries and Affiliates as though JPMCB were not the Administrative Agent or an Issuing Lender hereunder and without notice to or consent of the Lenders. The Lenders acknowledge that, pursuant to such activities, JPMCB or its Affiliates may receive information regarding the Company or its Affiliates (including information that may be subject to confidentiality obligations in favor of the Company or such Subsidiary) and acknowledge that the Administrative Agent shall be under no obligation to provide such information to them. With respect to their Loans, JPMCB and its Affiliates shall have the same rights and powers under this Agreement as any other Lender and may exercise the same as though JPMCB were not the Administrative Agent and an Issuing Lender, and the terms "Lender" and "Lenders" include JPMCB and its Affiliates, to the extent applicable, in their individual capacities.

13.9 Successor Administrative Agent. The Administrative Agent may upon at least 30 days' notice to the Lenders, and at the request of the Required Lenders shall, resign as Administrative Agent. If the Administrative Agent resigns under this Agreement, the Required Lenders shall, with (so long as no Event of Default exists) the consent of the Company (which shall not be unreasonably withheld or delayed), appoint a successor administrative agent, which shall be a commercial bank or an Affiliate of any such commercial bank. If no successor administrative agent is appointed prior to the effective date of the resignation of the Administrative Agent, the Administrative Agent may appoint, after consulting with the Lenders and the Company, a successor administrative agent, which shall be a commercial bank or an Affiliate of any such commercial bank. Upon the acceptance of its appointment as successor administrative agent hereunder, such successor administrative agent shall succeed to all the rights, powers and duties of the retiring Administrative Agent and the term "Administrative Agent" shall mean such successor administrative agent, and the retiring Administrative Agent's appointment, powers and duties as Administrative Agent shall be terminated. After any retiring Administrative Agent's resignation hereunder as Administrative Agent, the provisions of this Section 13 and Sections 14.6 and 14.13 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent under this Agreement. If no successor administrative agent has accepted appointment as Administrative Agent by the date which is 30 days following a retiring Administrative Agent's notice of resignation, the retiring Administrative Agent's resignation shall nevertheless thereupon become effective and the Lenders shall perform all of the duties of the Administrative Agent hereunder until such time, if any, as the Required Lenders appoint a successor administrative agent as provided for above. Notwithstanding the foregoing, however, JPMCB may not be removed as the Administrative Agent at the request of the Required Lenders unless JPMCB shall also simultaneously be replaced as an "Issuing Lender" hereunder pursuant to documentation in form and substance reasonably satisfactory to JPMCB.

13.10 Non-Receipt of Funds by the Administrative Agent. Unless the Company or a Lender, as the case may be, notifies the Administrative Agent prior to the date on which it is scheduled to make payment to the Administrative Agent of (a) in the case of a Lender, the proceeds of a Loan or (b) in the case of the Company, a payment of principal, interest or fees for the account of the Lenders, that it does not intend to make such payment, the Administrative Agent may assume that such payment has been made. The Administrative Agent may, but shall not be obligated to, make the amount of such payment available to the intended recipient in reliance upon such assumption. If such Lender or the Company, as the case may be, has not in fact made such payment to the Administrative Agent, the recipient of such payment shall, on demand by the Administrative Agent, repay to the Administrative Agent the amount so made available together with interest thereon in respect of each day during the period commencing on the date such amount was so made available by the Administrative Agent until the date the Administrative Agent recovers such amount at a rate per annum equal to (i) in the case of payment by a Lender, the Federal Funds Effective Rate for such day for the first three days and, thereafter, the interest rate applicable to the relevant Loan or (ii) in the case of payment by the Company, the interest rate applicable to the relevant Loan (or, to the extent permitted by applicable law (x) in the case of interest payable in Dollars and fees, the Base Rate plus the Applicable Margin for Floating Rate Loans, and (y) in the case of interest payable in Yen, the Administrative Agent's cost of funds, as reasonably determined by the Administrative Agent, plus the Applicable Margin for Yen LIBOR Loans).

SECTION 14 GENERAL.

14.1 Waiver; Amendments. No delay on the part of the Administrative Agent or any Lender in the exercise of any right, power or remedy shall operate as a waiver thereof, nor shall any single or partial exercise by any of them of any right, power or remedy preclude other or further exercise thereof, or the exercise of any other right, power or remedy. Except as provided in Section 6.2 with respect to an Incremental Facility Amendment, no amendment, modification or waiver of, or consent with respect to, any provision of this Agreement or the Notes shall in any event be effective unless the same shall be in writing and signed and delivered by Lenders having an aggregate Percentage of not less than the aggregate Percentage expressly designated herein with respect thereto or, in the absence of such designation as to any provision of this Agreement or the Notes, by the Required Lenders, and then any such amendment, modification, waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. No amendment, modification, waiver or consent shall, without the consent of each Lender directly affected thereby (including a Defaulting Lender): (i) change the Percentage of any Lender; (ii) extend or increase the amount of the Commitments, (iii) extend the date for payment of any principal of or interest on the Loans or any fees payable hereunder; or (iv) reduce or forgive the principal amount of any Loan, the rate of interest thereon or any fees payable hereunder. No amendment, modification, waiver or consent shall, without the consent of each Lender (including a Defaulting Lender): (i) reduce the aggregate Percentage required to effect an amendment, modification, waiver or consent; or (ii) amend any provision of (x) Section 7.5 in a manner that would alter the manner in which payments are shared or (y) this Section 14.1. No provisions of Section 13 or other provision of this Agreement affecting the Administrative Agent in its capacity as such shall be amended, modified or waived without the consent of the Administrative Agent. No provision of this Agreement relating to the rights or duties of an Issuing Lender in its capacity as such shall be amended, modified or waived without the consent of such Issuing Lender. Notwithstanding anything contained herein to the contrary, it is hereby understood and agreed that the consent of the existing Lenders or the Required Lenders shall not be required to the initial terms and provisions of any Incremental Facility or Incremental Loans.

14.2 Confirmations. The Company and each Lender agree from time to time, upon written request received by it from the other, to confirm to the other in writing (with a copy of each such confirmation to the Administrative Agent) the aggregate unpaid principal amount of the Loans held by such Lender.

14.3 Notices. (a) Except as otherwise provided in Sections 2.2, 2.4 and 4.3, all notices hereunder shall be in writing (including facsimile transmission) and shall be sent to the applicable party at its address shown on Schedule 14.3 or at such other address as such party may, by written notice received by the other parties, have designated as its address for such purpose. Notices sent by facsimile transmission shall be deemed to have been given when sent; notices sent by mail shall be deemed to have been given three Business Days after the date when sent by registered or certified mail, postage prepaid; and notices sent by hand delivery or overnight courier service shall be deemed to have been given when received. For purposes of Sections 2.2, 2.4 and 4.3, the Administrative Agent shall be entitled to rely on telephonic instructions from any person that the Administrative Agent in good faith believes is an authorized officer or employee of the Company, and the Company shall hold the Administrative Agent and each other Lender harmless from any loss, cost or expense resulting from any such reliance.

(b) Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communications (including e-mail and internet or intranet websites) pursuant to procedures approved by the Administrative Agent; provided that the foregoing shall not apply to notices pursuant to Section 2 unless otherwise agreed by the Administrative Agent and the applicable Lender. The Administrative Agent or the Company may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications. All such notices and other communications (i) sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), provided that if not given during the normal business hours of the recipient, shall be deemed to have been given at the opening of business on the next Business Day for the recipient, and (ii) posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor.

14.4 Computations. Where the character or amount of any asset or liability or item of income or expense is required to be determined, or any consolidation or other accounting computation is required to be made, for the purpose of this Agreement, such determination or calculation shall, to the extent applicable and except as otherwise specified in this Agreement, be made in accordance with GAAP, consistently applied; provided that if the Company notifies the Administrative Agent that the Company wishes to amend any covenant in Section 10 to eliminate or to take into account the effect of any change in GAAP on the operation of such covenant (or if the Administrative Agent notifies the Company that the Required Lenders wish to amend Section 10 for such purpose), then the Company's compliance with such covenant shall be determined on the basis of GAAP in effect immediately before the relevant change in GAAP became effective, until either such notice is withdrawn or such covenant is amended in a manner satisfactory to the Company and the Required Lenders.

14.5 Regulation U. Each Lender represents that it in good faith is not relying, either directly or indirectly, upon any margin stock as collateral security for the extension or maintenance by it of any credit provided for in this Agreement.

14.6 Costs and Expenses. The Company agrees to pay on demand all reasonable out-of-pocket costs and expenses of the Administrative Agent (including the reasonable fees and charges of counsel for the Administrative Agent and of local counsel, if any, who may be retained by said counsel) in connection with the preparation, execution, delivery and administration of this Agreement, the other Loan Documents and all other documents provided for herein or delivered or to be delivered hereunder or in connection herewith (including any amendments, supplements or waivers to any Loan Documents), and all reasonable out-of-pocket costs and expenses (including reasonable attorneys' fees, court costs and other legal expenses and allocated costs of internal counsel) incurred by the Administrative Agent and each Lender after an Event of Default in connection with the enforcement of this Agreement, the other Loan Documents or any such other documents. Each Lender agrees to reimburse the Administrative Agent for such Lender's pro rata share (based on its respective Percentage) of any such costs and expenses of the Administrative Agent not paid by the Company. In addition, the Company agrees to pay, and to hold the Administrative Agent and the Lenders harmless from all liability for, any fees of the Company's auditors in connection with any reasonable exercise by the Administrative Agent and the Lenders of their rights pursuant to Section 10.2. All obligations provided for in this Section 14.6 shall survive repayment of the Loans, cancellation of the Notes, cancellation or expiration of the Letters of Credit and any termination of this Agreement.

14.7 Subsidiary References. The provisions of this Agreement relating to Subsidiaries shall apply only during such times as the Company has one or more Subsidiaries.

14.8 Captions. Section captions used in this Agreement are for convenience only and shall not affect the construction of this Agreement.

14.9 Assignments; Participations.

14.9.1 Assignments. Any Lender may, with the prior written consents of the Company (so long as no Event of Default or Unmatured Event of Default exists), each Issuing Lender and the Administrative Agent (which consents shall not be unreasonably delayed or withheld and shall not be required in the case of an assignment by a Lender to one of its Affiliates, to an Approved Fund or to another existing Lender), at any time assign and delegate to one or more commercial banks or other Persons (other than a natural Person, the Company, any of the Company's Affiliates or Subsidiaries or a Defaulting Lender) (any Person to whom such an assignment and delegation is to be made being herein called an "Assignee"), all or any fraction of such Lender's Loans and Commitment (which assignment and delegation shall be of a constant, and not a varying, percentage of all the assigning Lender's Loans and Commitment) in a minimum aggregate amount equal to the lesser of (a) the amount of the assigning Lender's remaining Commitment and (ii) $2,500,000; provided that (i) no assignment and delegation may be made to any Person if, at the time of such assignment and delegation, the Company would be obligated to pay any greater amount under Section 7.6 or Section 8 to the Assignee than the Company is then obligated to pay to the assigning Lender under such Sections (and if any assignment is made in violation of the foregoing, the Company will not be required to pay the incremental amounts), (ii) no minimum assignment amount shall be required for an assignment by a Lender to one of its Affiliates, to an Approved Fund or to another existing Lender and (iii) the Company and the Administrative Agent shall be entitled to continue to deal solely and directly with such Lender in connection with the interests so assigned and delegated to an Assignee until the date when all of the following conditions shall have been met:

(x) five Business Days (or such lesser period of time as the Administrative Agent and the assigning Lender shall agree) shall have passed after written notice of such assignment and delegation, together with payment instructions, addresses and related information with respect to such Assignee, shall have been given to the Company and the Administrative Agent by such assigning Lender and the Assignee;

(y) the assigning Lender and the Assignee shall have executed and delivered to the Company and the Administrative Agent an assignment agreement substantially in the form of Exhibit B (an "Assignment Agreement"), together with any documents required to be delivered thereunder, which Assignment Agreement shall have been consented to by the Company, the Administrative Agent and each Issuing Lender (to the extent applicable) and accepted by the Administrative Agent; and

(z) the assigning Lender or the Assignee shall have paid the Administrative Agent a processing fee of $3,500.

From and after the date on which the conditions described above have been met, (a) such Assignee shall be deemed automatically to have become a party hereto and, to the extent that rights and obligations hereunder have been assigned and delegated to such Assignee pursuant to such Assignment Agreement, shall have the rights and obligations of a Lender hereunder, and (b) the assigning Lender, to the extent that rights and obligations hereunder have been assigned and delegated by it pursuant to such Assignment Agreement, shall be released from its obligations hereunder. If an Assignee was not previously a party hereto, then within five Business Days after effectiveness of any Assignment Agreement, the Company shall execute and deliver to the Administrative Agent (for delivery to such Assignee) a new Note in favor of such Assignee. Any attempted assignment and delegation not made in accordance with this Section 14.9.1 shall be null and void.

Notwithstanding the foregoing provisions of this Section 14.9.1 or any other provision of this Agreement, any Lender may at any time assign all or any portion of its Loans and its Note to a Federal Reserve Bank (but no such assignment shall release any Lender from any of its obligations hereunder).

14.9.2 Participations. Any Lender may at any time sell to one or more commercial banks or other Persons (other than a natural Person, the Company, any of the Company's Affiliates or Subsidiaries or a Defaulting Lender) participating interests in any Loan owing to such Lender, the Note held by such Lender, the Commitment of such Lender, the direct or participation interest of such Lender in any Letter of Credit or any other interest of such Lender hereunder (any Person purchasing any such participating interest being herein called a "Participant"); provided that any Lender selling any such participating interest shall give notice thereof to the Company. In the event of a sale by a Lender of a participating interest to a Participant, (x) such Lender shall remain the holder of its Note for all purposes of this Agreement, (y) the Company and the Administrative Agent shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations hereunder and (z) all amounts payable by the Company shall be determined as if such Lender had not sold such participation and shall be paid directly to such Lender. No Participant shall have any direct or indirect voting rights hereunder except with respect to any of the events described in the third sentence of Section 14.1, and each Lender agrees that no participation agreement which such Lender enters into with any Participant shall grant such Participant any such rights. The Company agrees that if amounts outstanding under this Agreement and the Loans are due and payable (as a result of acceleration or otherwise), each Participant shall be deemed to have the right of setoff in respect of its participating interest in amounts owing under this Agreement, any Note and with respect to any Letter of Credit to the same extent as if the amount of its participating interest were owing directly to it as a Lender under this Agreement or such Note; provided that such right of setoff shall be subject to the obligation of each Participant to share with the Lenders, and the Lenders agree to share with each Participant, as provided in Section 7.5. The Company also agrees that each Participant shall be entitled to the benefits of Section 7.6 and Section 8 as if it were a Lender (provided that no Participant shall receive any greater compensation pursuant to Section 7.6 or Section 8 than would have been paid to the participating Lender if no participation had been sold).

Each Lender that sells a participation shall, acting solely for this purpose as an agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under this Agreement (a "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of such Participant Register to any Person (including the identity of any Participant or any information relating to a Participant's interest in any Commitments, Loans, Letters of Credit or its other obligations under this Agreement) except to the extent that such disclosure is necessary to establish that such Commitment, Loan, Letter of Credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in a Participant Register shall be conclusive absent manifest error, and the applicable Lender shall treat each person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary.

14.10 Governing Law. This Agreement and each Note shall be a contract made under and governed by the internal laws of the State of New York. Whenever possible each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement. All obligations of the Company and rights of the Administrative Agent and the Lenders expressed herein or in any other Loan Document shall be in addition to and not in limitation of those provided by applicable law.

14.11 Counterparts. This Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts and each such counterpart shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

14.12 Successors and Assigns. This Agreement shall be binding upon the Company, the Lenders and the Administrative Agent and their respective successors and assigns, and shall inure to the benefit of the Company, the Lenders and the Administrative Agent and the successors and assigns of the Lenders and the Administrative Agent.

14.13 Indemnification by the Company. (a) In consideration of the execution and delivery of this Agreement by the Administrative Agent, the Issuing Lenders and the Lenders and the agreement to extend the Commitments provided hereunder, the Company hereby agrees to indemnify, exonerate and hold the Administrative Agent, each Issuing Lender, each Lender, each of their respective Affiliates, Subsidiaries and each officer, director, employee and agent of any of the foregoing (each a "Lender Party") free and harmless from and against any and all actions, causes of action, suits, losses, liabilities, damages and expenses, including reasonable attorneys' fees and charges and, without duplication, allocated costs of staff counsel (collectively, for purposes of this Section 14.13, the "Indemnified Liabilities"), incurred by any Lender Party as a result of, or arising out of, or relating to (i) any tender offer, merger, purchase of stock, purchase of assets or other similar transaction financed or proposed to be financed in whole or in part, directly or indirectly, with the proceeds of any Loan, (ii) the use, handling, release, emission, discharge, transportation, storage, treatment or disposal of any Hazardous Materials at any property owned, leased or operated by the Company or any Subsidiary, (iii) any violation of any Environmental Law with respect to conditions at any property owned, leased or operated by the Company or any Subsidiary or the operations conducted thereon, (iv) the investigation, cleanup or remediation of offsite locations at which the Company or any Subsidiary or their respective predecessors are alleged to have directly or indirectly disposed of hazardous substances, (v) the execution, delivery, performance or enforcement of this Agreement or any other Loan Document by any of the Lender Parties, (ii) any Letter of Credit or the use of the proceeds therefrom (including any refusal by the applicable Issuing Lender to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), except for any Indemnified Liabilities arising on account of such Lender Party's gross negligence or willful misconduct. If and to the extent that the foregoing undertaking may be unenforceable for any reason, the Company hereby agrees to make the maximum contribution to the payment and satisfaction of each of the Indemnified Liabilities which is permissible under applicable law. Nothing set forth above shall be construed to relieve any Lender Party from any obligation it may have under this Agreement.

(b) To the extent permitted by applicable law, the Company shall not, and shall not permit any Subsidiary to, assert, and each hereby waives, any claim against any Lender Party, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement or any agreement or instrument contemplated hereby, the transactions contemplated hereby, any Loan or Letter of Credit or the use of the proceeds thereof; provided that, nothing in this clause (b) shall relieve the Company of any obligation it may have to indemnify a Lender Party against special, indirect, consequential or punitive damages asserted against such Lender Party by a third party.

(c) All obligations provided for in this Section 14.13 shall survive repayment of the Loans, cancellation of the Notes, cancellation or expiration of the Letters of Credit and any termination of this Agreement.

14.14 Forum Selection and Consent to Jurisdiction. ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT, SHALL BE BROUGHT AND MAINTAINED EXCLUSIVELY IN THE COURTS OF THE STATE OF NEW YORK OR IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK; PROVIDED, HOWEVER, THAT ANY SUIT SEEKING ENFORCEMENT AGAINST ANY COLLATERAL OR OTHER PROPERTY MAY BE BROUGHT, AT THE ADMINISTRATIVE AGENT'S OPTION, IN THE COURTS OF ANY JURISDICTION WHERE SUCH COLLATERAL OR OTHER PROPERTY MAY BE FOUND. THE COMPANY HEREBY EXPRESSLY AND IRREVOCABLY SUBMITS TO THE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK AND OF THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK FOR THE PURPOSE OF ANY SUCH LITIGATION AS SET FORTH ABOVE. THE COMPANY FURTHER IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS BY REGISTERED MAIL, POSTAGE PREPAID, OR BY PERSONAL SERVICE WITHIN OR WITHOUT THE STATE OF NEW YORK. THE COMPANY HEREBY EXPRESSLY AND IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY SUCH LITIGATION BROUGHT IN ANY SUCH COURT REFERRED TO ABOVE AND ANY CLAIM THAT ANY SUCH LITIGATION HAS BEEN BROUGHT IN AN INCONVENIENT FORUM. TO THE EXTENT THAT THE COMPANY HAS OR HEREAFTER MAY ACQUIRE ANY IMMUNITY FROM JURISDICTION OF ANY COURT OR FROM ANY LEGAL PROCESS (WHETHER THROUGH SERVICE OR NOTICE, ATTACHMENT PRIOR TO JUDGMENT, ATTACHMENT IN AID OF EXECUTION OR OTHERWISE) WITH RESPECT TO ITSELF OR ITS PROPERTY, THE COMPANY HEREBY IRREVOCABLY WAIVES SUCH IMMUNITY IN RESPECT OF ITS OBLIGATIONS UNDER THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS.

14.15 Waiver of Jury Trial. EACH OF THE COMPANY, THE ADMINISTRATIVE AGENT AND EACH BANK HEREBY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS UNDER THIS AGREEMENT, ANY NOTE, ANY OTHER LOAN DOCUMENT AND ANY AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED OR WHICH MAY IN THE FUTURE BE DELIVERED IN CONNECTION HEREWITH OR THEREWITH OR ARISING FROM ANY BANKING RELATIONSHIP EXISTING IN CONNECTION WITH ANY OF THE FOREGOING, AND AGREES THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY.

14.16 Judgment Currency. If, for the purposes of obtaining judgment in any court, it is necessary to convert a sum due hereunder or any other Loan Document in one currency into another currency, the rate of exchange used shall be that at which in accordance with normal banking procedures the Administrative Agent could purchase the first currency with such other currency on the Business Day preceding that on which final judgment is given. The obligation of the Company in respect of any such sum due from it to the Administrative Agent hereunder or under any other Loan Document shall, notwithstanding any judgment in a currency (the "Judgment Currency") other than that in which such sum is denominated in accordance with the applicable provisions of this Agreement (the "Agreement Currency"), be discharged only to the extent that on the Business Day following receipt by the Administrative Agent of any sum adjudged to be so due in the Judgment Currency, the Administrative Agent may in accordance with normal banking procedures purchase the Agreement Currency with the Judgment Currency. If the amount of the Agreement Currency so purchased is less than the sum originally due to the Administrative Agent in the Agreement Currency, the Company agrees, as a separate obligation and notwithstanding any such judgment, to indemnify the Administrative Agent or the Person to whom such obligation was owing against such loss. If the amount of the Agreement Currency so purchased is greater than the sum originally due to the Administrative Agent in such currency, the Administrative Agent agrees to return the amount of any excess to the applicable Company (or to any other Person who may be entitled thereto under applicable law).

14.17 Disclosure. Each of the Company and each Lender hereby acknowledges and agrees that the Administrative Agent and/or its Affiliates from time to time may hold investments in, make other loans to or have other relationships with the Company and its Subsidiaries and Affiliates.

14.18 USA PATRIOT Act Notice. Each Lender that is subject to the Patriot Act (as hereinafter defined) and the Administrative Agent (each for itself and not on behalf of any Lender) hereby notifies the Company that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Patriot Act"), it is required to obtain, verify and record information that identifies the Company, which information includes the name and address of the Company and other information that will allow such Lender or the Administrative Agent, as applicable, to identify the Company in accordance with the Patriot Act.

Delivered as of the day and year first above written.

NU SKIN ENTERPRISES, INC.

By: /s/Ritch N. Wood

Title: Chief Financial Officer

JPMORGAN CHASE BANK, N.A., as Administrative Agent

By: /s/Stephen A. Cazier
Name: Stephen A. Cazier
Title: Sr. Banker

JPMORGAN CHASE BANK, N.A., as an Issuing Lender and as a Lender

By: /s/Stephen A. Cazier
Name: Stephen A. Cazier
Title: Sr. Banker

SCHEDULE 1

EXISTING LETTERS OF CREDIT

Number	Beneficiary	Stated Amount	Expiry Date
	ABN AMRO Bank, NV	€550,000	4/15/2013
	JPMorgan Chase Bank, N.A. London	£51,030.00	4/15/2013
	Unicredit Bank Hungary, Zrt.	€415,000	4/13/2013

SCHEDULE 1.1

PRICING SCHEDULE

The Applicable Margin for Floating Rate Loans, Eurodollar Loans and Yen LIBOR Loans, the rate per annum applicable to Letter of Credit fees and the Commitment Fee Rate, respectively, shall be determined in accordance with the table below and the other provisions of this Schedule 1.1.

	Level I	**Level II**	**Level III**
Applicable Margin for Eurodollar Loans and Yen LIBOR Loans	0.500%	0.625%	0.875%
Applicable Margin for Floating Rate Loans	0.000%	0.000%	0.000%
Fee for standby Letters of Credit	1.000%	1.250%	1.500%
Commitment Fee Rate	0.100%	0.150%	0.200%

Level I applies when the Leverage Ratio is less than 1.00 to 1.0.

Level II applies when the Leverage Ratio is equal to or greater than 1.00 to 1.0 but less than 1.50 to 1.0.

Level III applies when the Leverage Ratio is equal to or greater than 1.50 to 1.0.

The applicable Level shall be adjusted, to the extent applicable, 45 days (or, in the case of the last quarterly fiscal period of any fiscal year, 90 days) after the end of each quarterly fiscal period, based on the Leverage Ratio as of the last day of such quarterly fiscal period; provided that if the Company fails to deliver the financial statements required by Section 10.1.1 or 10.1.2, as applicable, and the related certificate required by Section 10.1.3 by the 45th day (or, if applicable, the 90th day) after any quarterly fiscal period, Level III shall apply until such financial statements are delivered.

If, as a result of any restatement of or other adjustment to the financial statements of the Company or for any other reason, the Lenders determine that (a) the Leverage Ratio as calculated by the Company as of any applicable date was inaccurate and (b) a proper calculation of the Leverage Ratio would have resulted in different pricing for any period, then (i) if the proper calculation of the Leverage Ratio would have resulted in higher pricing for such period, the Company shall automatically and retroactively be obligated to pay to the Administrative Agent for the benefit of the Lenders, promptly following demand by the Administrative Agent, an amount equal to the excess of the amount of interest and fees that should have been paid for such period over the amount of interest and fees actually paid for such period; and (ii) if the proper calculation of the Leverage Ratio would have resulted in lower pricing for such period, the applicable Lenders shall have no obligation to repay any interest or fees to the Company; provided that if, as a result of any restatement or other event a proper calculation of the Leverage Ratio would have resulted in higher pricing for one or more periods and lower pricing for one or more other periods (due to the shifting of income or expenses from one period to another period or any similar reason), then the amount payable by the Company pursuant to clause (i) above shall be based upon the excess, if any, of the amount of interest and fees that should have been paid for all applicable periods over the amount of interest and fees paid for all such periods.

SCHEDULE 2.1

LENDERS AND PERCENTAGES

LENDER	COMMITMENT	PERCENTAGE
JPMorgan Chase Bank, N.A.	$25,000,000	100.000000000%

SCHEDULE 9.7

SUBSIDIARIES

Name	Jurisdiction	% Direct and Indirect Owned by Company	Material	Unrestricted
Big Planet, Inc.	Delaware	100%		
First Harvest International, LLC	Utah	100%		
Jixi Nu Skin Vitameal Co., Ltd.	Delaware	100%		
NSE Asia Products, PTE. LTD.	Singapore	100%		
NSE Products, Inc.	Delaware	100%	x	
Niksun Acquisition Corporation	Delaware	100%		
Nu Family Benefits Insurance Brokerage, Inc.	Utah	100%		
Nu Skin (China) Daily-Use & Health Products Co., Ltd.	China	100%		
Nu Skin (Malaysia) Sdn. Bhd.	Malaysia	50%		
Nu Skin Argentina, Inc.	Utah	100%		x
Nu Skin Asia Holdings, PTE. LTD.	Singapore	100%		
Nu Skin Asia Investment, Inc.	Delaware	100%	x	
Nu Skin Belgium, NV	Belgium	100%		
Nu Skin Brazil, Ltda.	Brazil	100%		
Nu Skin Canada, Inc.	Utah	100%		
Nu Skin Chile Enterprises Ltda.	Chile	100%		
Nu Skin Colombia, Inc.	Delaware	100%		
Nu Skin Costa Rica	Costa Rica	100%		
Nu Skin Czech Republic, s.r.o.	Czech Republic	100%		
Nu Skin Eastern Europe Ltd.	Hungary	100%		
Nu Skin El Salvador S.A. De C.V.	El Salvador	100%		
Nu Skin Enterprises (Thailand) Limited (Delaware Corporation)	Delaware	100%		
Nu Skin Enterprises (Thailand) Limited (Thai Corporation)	Thailand	100%		
Nu Skin Enterprises Australia, Inc.	Utah	100%		
Nu Skin Enterprises Hong Kong, Inc.	Delaware	100%	x	
Nu Skin Enterprises India Private Limited	India	100%		
Nu Skin Enterprises New Zealand, Inc.	Utah	100%		
Nu Skin Enterprises Philippines, Inc.	Delaware	100%		
Nu Skin Enterprises Poland Sp. z.o.o.	Poland	100%		
Nu Skin Enterprises RS, Ltd.	Rusia	100%		
Nu Skin Enterprises SRL	Romania	100%		
Nu Skin Enterprises Singapore Pte. Ltd.	Singapore	100%		
Nu Skin Enterprises South Africa (Proprietary) Limited	South Africa	100%		
Nu Skin Enterprises Ukraine, LLC	Ukraine	100%		x
Nu Skin Enterprises United States, Inc.	Delaware	100%	x	
Nu Skin Enterprises Vietnam LLC	Vietnam	100%		
Nu Skin France, SARL	France	100%		
Nu Skin Germany, GmbH	German	100%		
Nu Skin Guatemala, S.A.	Guatamala	100%		
Nu Skin Honduras, S.A.	Honduras	100%		
Nu Skin Hong Kong, Pte. Ltd.	Singapore	100%		
Nu Skin International Management Group, Inc.	Utah	100%		
Nu Skin International, Inc.	Utah	100%	x	
Nu Skin Islandi ehf.	Iceland	100%		
Nu Skin Israel, Inc.	Delaware	100%		x
Nu Skin Italy, Srl	Italy	100%		
Nu Skin Japan Company Limited	Japan	100%	x	
Nu Skin Japan, Ltd.	Japan	100%		
Nu Skin Korea Ltd.	Korea	100%	x	
Nu Skin Malaysia Holdings Sdn. Bhd.	Malaysia	70%		
Nu Skin Mexico, S.A. de C.V.	Mexico	100%		
Nu Skin Netherlands, B.V.	Netherlands	100%		
Nu Skin New Caledonia EURL	France	100%		
Nu Skin Norway AS	Norway	100%		
Nu Skin Pharmanex (B) Sdn. Bhd.	Brunei	100%		x
Nu Skin Scandinavia AS	Denmark	100%		
Nu Skin Slovakia s.r.o.	Slovakia	100%		
Nu Skin Taiwan, Inc.	Utah	100%		
Nu Skin Taiwan, Inc., Taipei Branch	Utah	100%		
Nu Skin Taiwan, Pte. Ltd.	Singapore	100%		
Nu Skin Turkey Cilt Bakimi Ve Besleyici Urunleri Ticaret Limited Sirketi	Turkey	100%		
Nu Skin U.K., Ltd.	UK	100%		
Nu Skin Venezuela	Venezuela	100%		
Nutriscan, Inc.	Utah	100%		
PT. Nu Skin Distribution Indonesia	Indonesia	100%		
PT. Nusa Selaras Indonesia	Indonesia	0%		
Pharmanex (Huzhou) Health Products Co., Ltd	China	100%		
Pharmanex Electronic-Optical Technology (Shanghai) Co. Ltd.	China	100%		
Pharmanex License Acquisition Corporation	Utah	100%		
Pharmanex, LLC	Utah	100%		
The Nu Skin Force for Good Foundation	Utah	100%		
Timpanogos Peak, LLC	Delaware	100%		

SCHEDULE 9.15

EXISTING INDEBTEDNESS

As of May 25, 2012

2003 $205.0 million multi-currency uncommitted shelf facility: *					
U.S. dollar denominated:	$40.0 million	$28.6 million	$28.6 million	6.2%	Notes due July 2016 with annual principal payments that began in July 2010.
	$20.0 million	$17.1 million	$14.3 million	6.2%	Notes due January 2017 with annual principal payments that began in January 2011.
Japanese yen denominated:	3.1 billion yen	1.3 billion yen ($17.4 million as of December 31, 2011)	891.4 million yen ($11.3 million as of May 21, 2012)	1.7%	Notes due April 2014 with annual principal payments that began in April 2008.
	2.3 billion yen	1.9 billion yen ($25.3 million as of December 31, 2011)	1.9 billion yen ($23.9 million as of May 21, 2012)	2.6%	Notes due September 2017 with annual principal payments that began in September 2011.
	2.2 billion yen	1.9 billion yen ($24.2 million as of December 31, 2011)	1.6 billion yen ($20.2 million as of May 21, 2012)	3.3%	Notes due January 2017 with annual principal payments that began in January 2011.
2010 committed loan:					
U.S. dollar denominated:	$30.0 million	$24.0 million	$22.0 million	Variable 30 day: 1.24%	Amortizes at $1.5 million per quarter.
2004 $25.0 million revolving credit facility	N/A	None	None	N/A	
2009 $100.0 million uncommitted multi-currency shelf facility*	N/A	None	None	N/A	
NSJ Operating overdraft loan	N/A	None	400 million yen ($5.1 million as of May 21, 2012)	Variable	To be paid in full by May 31, 2012

* Effective May 25, 2012 these agreements are being amended and restated and will be governed in their entirety by the terms and conditions set forth in the Senior Note Purchase Agreement

SCHEDULE 10.12

EXISTING LIENS

None.

SCHEDULE 14.3

ADDRESSES FOR NOTICES

NU SKIN ENTERPRISES, INC.

75 West Center Street
One Nu Skin Plaza
Provo, Utah 54601
Attention:
Telephone:
Facsimile:

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent, Issuing Lender and Lender

80 West Broadway, Suite 200
Salt Lake City, Utah 84101
Attention:
Telephone:
Facsimile:

EXHIBIT A

FORM OF NOTE

_____, 20__

FOR VALUE RECEIVED, the undersigned, NU SKIN ENTERPRISES, INC. (the "Company"), hereby promises to pay to the order of _____(the "Lender") the aggregate unpaid principal amount of all Loans made by the Lender to the Company pursuant to the Amended and Restated Credit Agreement dated as of May 25, 2012 (as amended or otherwise modified from time to time, the "Credit Agreement") among the Company, various financial institutions and JPMorgan Chase Bank, N.A., as Administrative Agent, on the dates and in the amounts provided in the Credit Agreement. The Company further promises to pay interest on the unpaid principal amount of the Loans evidenced hereby from time to time at the rates, on the dates, and otherwise as provided in the Credit Agreement.

The Lender is authorized to endorse the amount and the date on which each Loan is made and each payment of principal with respect thereto on the schedules annexed hereto and made a part hereof or on continuations thereof which shall be attached hereto and made a part hereof; provided that any failure to endorse such information on such schedule or continuation thereof shall not in any manner affect any obligation of the Company under the Credit Agreement or this Note.

This Note is one of the Notes referred to in, and is entitled to the benefits of, the Credit Agreement, which contains, among other things, provisions for acceleration of the maturity hereof upon the happening of certain stated events.

Terms defined in the Credit Agreement are used herein with their defined meanings therein unless otherwise defined herein. This Note shall be governed by, and construed and interpreted in accordance with, the laws of the State of New York applicable to contracts made and to be performed entirely within such State.

[SIGNATURE ON NEXT PAGE]

IN WITNESS WHEREOF, the Company has caused this Note to be duly executed and delivered as of the day and year first above written.

NU SKIN ENTERPRISES, INC.

By:_____
Name Printed:_____
Title:_____

Schedule Attached to Note dated _____, 20__ of NU SKIN ENTERPRISES, INC. payable to the order of _____.

Date	Amount of Loan	Maturity Date	Amount Repaid	Notation Made By

EXHIBIT B

FORM OF
ASSIGNMENT AGREEMENT

This Assignment and Assumption (this "Assignment Agreement") is dated as of the Effective Date set forth below and is entered into between [*Insert name of Assignor*] (the "Assignor") and [*Insert name of Assignee*] (the "Assignee"). Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), receipt of a copy of which is hereby acknowledged by the Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment Agreement as if set forth herein in full.

For an agreed consideration, the Assignor hereby irrevocably sells and assigns to the Assignee, and the Assignee hereby irrevocably purchases and assumes from the Assignor, subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Administrative Agent as contemplated below (i) all of the Assignor's rights and obligations as a Lender under the Credit Agreement and any other document or instrument delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and other rights of the Assignor (in its capacity as a Lender) against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other document or instrument delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including, but not limited to, contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned pursuant to clauses (i) and (ii) above, the "Assigned Interest"). Such sale and assignment is without recourse to and, except as expressly provided in this Assignment Agreement, without representation or warranty by the Assignor.

1. Assignor:_____

2. Assignee:_____ [and is an Affiliate of [*identify Bank*]]

3. Borrower:Nu Skin Enterprises, Inc.

4. Agent:JPMorgan Chase Bank, N.A., as the administrative agent

5. Credit Agreement:Amended and Restated Credit Agreement dated as of May 25, 2012 among Nu Skin Enterprises, Inc., the Lenders parties thereto and JPMorgan Chase Bank, N.A., as Administrative Agent

6. Assigned Interest:$_____ of the Commitment/Loans of the Assignor

[7. Trade Date:_____]

Effective Date: _____, 20__ [TO BE INSERTED BY ADMINISTRATIVE AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]

From and after the date that the Administrative Agent notifies the Assignor that it has received (and, if required, provided its consent with respect to) this executed Assignment and Assumption and payment of the above-referenced processing fee, (i) the Assignee shall have the rights and obligations assigned pursuant hereto and, if not already a party to the Credit Agreement, shall become a party to the Credit Agreement and have all rights and obligations of a Lender under the Loan Documents; and (ii) the Assignor shall, to the extent that rights and obligations under the Credit Agreement and under the other Loan Documents have been assigned by it pursuant to this Assignment and Assumption, relinquish its rights and be released from its obligations under the Loan Documents.

The terms set forth in this Assignment Agreement are hereby agreed to:

ASSIGNOR
[NAME OF ASSIGNOR]

By: _____
Title:

ASSIGNEE
[NAME OF ASSIGNEE]

By: _____
Title:

[Consented to and] Accepted:

JPMORGAN CHASE BANK, N.A., as Administrative Agent

By: _____
Title:

[Consented to:

JPMORGAN CHASE BANK, N.A., as Issuing Lender

By: _____
Title:]

[Consented to:

NU SKIN ENTERPRISES, INC.

By: _____
Title:]

ANNEX 1 TO ASSIGNMENT AGREEMENT

STANDARD TERMS AND CONDITIONS FOR
ASSIGNMENT AGREEMENT

1. Representations and Warranties.

1.1. Assignor. The Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of the Assigned Interest, (ii) the Assigned Interest is free and clear of any lien, encumbrance or other adverse claim and (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment Agreement and to consummate the transactions contemplated hereby; and (b) assumes no responsibility with respect to (i) any statement, warranty or representation made in or in connection with the Credit Agreement or any other Loan Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of any Loan Document or any collateral thereunder, (iii) the financial condition of the Company, any of its Subsidiaries or Affiliates or any other Person obligated in respect of any Loan Document or (iv) the performance or observance any other Person (including the Company or any of its Subsidiaries or Affiliates) of its obligations under any Loan Document.

1.2 Assignee. The Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment Agreement and to consummate the transactions contemplated hereby, (ii) it meets all requirements of an Assignee under the Credit Agreement (subject to receipt of such consents as may be required under the Credit Agreement), (iii) this Assignment and Assumption has been duly executed and delivered by it and constitutes the legal, valid and binding obligation of the Assignee, enforceable against the Assignee in accordance with its terms, subject, as to enforcement, to bankruptcy, insolvency, moratorium, reorganization and other laws of general application relating to or affecting creditors' rights and to general equitable principles; (iv) it has received a copy of the Credit Agreement, together with copies of the most recent financial statements delivered pursuant thereto and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment Agreement and to purchase the Assigned Interest, on the basis of which it has made such analysis and decision independently and without reliance on the Administrative Agent or any other Lender and (v) if it is a "foreign corporation, partnership or trust" within the meaning of the Code, (A) the Assignee will be in compliance with all applicable provisions of Section [__] of the Credit Agreement on or prior to the Effective Date and (B) attached hereto is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by the Assignee; and (b) agrees that (i) it will, independently and without reliance on the Administrative Agent, the Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

2. Payments. From and after the Effective Date, the Administrative Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignee whether such amounts have accrued prior to or on or after the Effective Date. The Assignor and the Assignee shall make all appropriate adjustments in payments by the Administrative Agent for periods prior to the Effective Date or with respect to the making of this assignment directly between themselves.

3. General Provisions. This Assignment Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment Agreement may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment Agreement by telecopy shall be effective as delivery of a manually executed counterpart of this Assignment Agreement. This Assignment Agreement shall be governed by, and construed in accordance with, the law of the State of New York.

EXHIBIT C

FORM OF LOAN NOTICE

JPMorgan Chase Bank, N. A.,
as Administrative Agent for the Lenders

Ladies and Gentlemen:

The undersigned, Nu Skin Enterprises, Inc. (the "Company"), refers to the Amended and Restated Credit Agreement dated as of May 25, 2012 (as amended, modified, restated or supplemented from time to time, the "Credit Agreement"), among the Company, the Lenders, and JPMorgan Chase Bank, N. A., as Administrative Agent. Capitalized terms used herein and not otherwise defined herein shall have the respective meanings assigned to such terms in the Credit Agreement.

1. The Company hereby requests (select one):
□ a Loan borrowing □ a Loan conversion or continuation

2. on_____(which is a Business Day)
(date)

3. in the amount of[$][¥]_____

4. comprised of _____
(Type of Loan: Floating Rate Loan, Yen LIBOR Loan or Eurodollar Loan)

5. with an Interest Period of _____ months
(if Yen LIBOR Loan or Eurodollar Loan)

In accordance with the requirements of Section 11.2.2 of the Credit Agreement, the Company hereby reaffirms the representations and warranties set forth in the Credit Agreement as provided in clause (a) of Section 11.2.1 of the Credit Agreement, and confirms that the matters referenced in clauses (b) and (c) of such Section are true and correct.

NU SKIN ENTERPRISES, INC.

By:
Name:
Title:

EXHIBIT D-1

FORM OF U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Banks That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Amended and Restated Credit Agreement dated as of May [___], 2012 (as amended, modified, renewed or extended from time to time, the "Credit Agreement") among Nu Skin Enterprises, Inc. (the "Company"), the financial institutions party thereto and JPMorgan Chase Bank, N.A., as Administrative Agent.

Pursuant to the provisions of Section 7.6(g) of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the Loans (as well as any Note evidencing such Loans) in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a ten percent shareholder of the Company within the meaning of Section 871(h)(3)(B) of the Code and (iv) it is not a controlled foreign corporation related to the Company as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Administrative Agent and the Company with a certificate of its non-U.S. Person status on IRS Form W-8BEN. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Company and the Administrative Agent, and (2) the undersigned shall have at all times furnished the Company and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[LENDER]

By: _____
Name: _____
Title: _____

EXHIBIT D-2

FORM OF U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Participants That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Amended and Restated Credit Agreement dated as of May [___], 2012 (as amended, modified, renewed or extended from time to time, the "Credit Agreement") among Nu Skin Enterprises, Inc. (the "Company"), the financial institutions party thereto and JPMorgan Chase Bank, N.A., as Administrative Agent.

Pursuant to the provisions of Section 7.6(g) of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the participation in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a ten percent shareholder of the Company within the meaning of Section 871(h)(3)(B) of the Code, and (iv) it is not a controlled foreign corporation related to the Company as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Bank with a certificate of its non-U.S. Person status on IRS Form W-8BEN. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Bank in writing, and (2) the undersigned shall have at all times furnished such Bank with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[PARTICIPANT]

By: _____
Name: _____
Title: _____

EXHIBIT D-3

FORM OF U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Participants That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Amended and Restated Credit Agreement dated as of May [___], 2012 (as amended, modified, renewed or extended from time to time, the "Credit Agreement") among Nu Skin Enterprises, Inc. (the "Company"), the financial institutions party thereto and JPMorgan Chase Bank, N.A., as Administrative Agent.

Pursuant to the provisions of Section 7.6(g) of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the participation in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such participation, (iii) with respect such participation, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its direct or indirect partners/members is a ten percent shareholder of the Company within the meaning of Section 871(h)(3)(B) of the Code and (v) none of its direct or indirect partners/members is a controlled foreign corporation related to the Company as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Bank with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Bank and (2) the undersigned shall have at all times furnished such Bank with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[PARTICIPANT]

By: _____
Name: _____
Title: _____

FORM OF U.S. TAX COMPLIANCE CERTIFICATE
(For Foreign Banks That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Amended and Restated Credit Agreement dated as of May [___], 2012 (as amended, modified, renewed or extended from time to time, the "Credit Agreement") among Nu Skin Enterprises, Inc. (the "Company"), the financial institutions party thereto and JPMorgan Chase Bank, N.A., as Administrative Agent.

Pursuant to the provisions of 7.6(g) of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the Loans (as well as any Note evidencing such Loans) in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such Loans (as well as any Note evidencing such Loan(s)), (iii) with respect to the extension of credit pursuant to this Credit Agreement or any other Loan Document, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its direct or indirect partners/members is a ten percent shareholder of the Company within the meaning of Section 871(h)(3)(B) of the Code and (v) none of its direct or indirect partners/members is a controlled foreign corporation related to the Company as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Administrative Agent and the Company with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Company and the Administrative Agent, and (2) the undersigned shall have at all times furnished the Company and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[LENDER]

By: _____
Name: _____
Title: _____

NU SKIN ENTERPRISES, INC.

SERIES C SENIOR NOTES DUE APRIL 30, 2014
(¥3,120,000,000 Original Principal Amount)

SERIES D SENIOR NOTES DUE JULY 5, 2016
($40,000,000 Original Principal Amount)

SERIES E SENIOR NOTES DUE JANUARY 20, 2017
($40,000,000 Original Principal Amount)

SERIES EE SENIOR NOTES DUE JANUARY 20, 2017
(¥2,170,000,000 Original Principal Amount)

SERIES F SENIOR NOTES DUE SEPTEMBER 28, 2017
(¥2,268,000,000 Original Principal Amount)

MULTI-CURRENCY PRIVATE SHELF FACILITY
($150,000,000 Uncommitted Private Shelf)

==========

AMENDED AND RESTATED NOTE PURCHASE AND PRIVATE SHELF AGREEMENT (MULTI-CURRENCY)

MAY 25, 2012

==========

NU SKIN ENTERPRISES, INC.
One Nu Skin Plaza
75 West Center Street
Provo, Utah 84601

May 25, 2012

Prudential Investment Management, Inc.,
the Purchasers named in the Purchaser Schedule hereto,
and each Prudential Affiliate which becomes bound
by certain provisions of this Agreement as
hereinafter provided

c/o Prudential Capital Group
Four Embarcadero Center
Suite 2700
San Francisco, California 94111

Ladies and Gentlemen:

The undersigned, Nu Skin Enterprises, Inc., a Delaware corporation (the "**Company**"), hereby agrees with Prudential and the Purchasers as follows:

1. BACKGROUND; AUTHORIZATION OF FINANCING.

1A **AMENDMENT AND RESTATEMENT.** This Agreement amends, restates and replaces in its entirety (a) that certain Private Shelf Agreement, dated August 26, 2003, by and among the Company, Prudential, certain of the Purchasers and other Prudential Affiliates (as amended, supplemented or otherwise modified, the "**2003 Agreement**"), and (b) that certain Private Shelf Agreement, dated October 1, 2009, by and between the Company and Prudential (as amended, supplemented or otherwise modified, the "**2009 Agreement**"; and together with the 2003 Agreement, the "**Original Agreements**"). Certain capitalized terms used in this Agreement are defined in Schedule A; references to a "Schedule" or an "Exhibit" are, unless otherwise specified, to a Schedule or an Exhibit attached to this Agreement.

1B EXISTING NOTES.

1B(1). **Series C Notes**. Pursuant to the terms of the 2003 Agreement, the Company has issued and sold to certain of the Purchasers, and such Purchasers have purchased from the Company, senior fixed rate term notes (as amended, restated, supplemented or otherwise modified from time to time, the "**Series C Notes**") in the aggregate original principal amount of ¥3,120,000,000 (Japanese Yen), dated February 7, 2005, to mature April 30, 2014, bearing interest on the unpaid balance thereof from the date thereof until the principal thereof shall have become due and payable (whether by acceleration or otherwise) at the rate of 1.7225% per annum and on overdue payments at the rate specified therein, and substantially in the form of Exhibit A-1. The Company acknowledges and agrees that it continues to be bound by all of the obligations evidenced by the Series C Notes. The terms "**Series C Note**" and "**Series C Notes**" as used herein shall include each Series C Note delivered pursuant to any provision of the 2003 Agreement and each Series C Note delivered in substitution or exchange for any such Series C Note pursuant to any provision thereof or hereof.

1B(2). **Series D Notes**. Pursuant to the terms of the 2003 Agreement, the Company has issued and sold to certain of the Purchasers, and such Purchasers have purchased from the Company, senior fixed rate term notes (as amended, restated, supplemented or otherwise modified from time to time, the "**Series D Notes**") in the aggregate original principal amount of $40,000,000, dated October 5, 2006, to mature July 5, 2016, bearing interest on the unpaid balance thereof from the date thereof until the principal thereof shall have become due and payable (whether by acceleration or otherwise) at the rate of 6.19% per annum and on overdue payments at the rate specified therein, and substantially in the form of Exhibit A-2. The Company acknowledges and agrees that it continues to be bound by all of the obligations evidenced by the Series D Notes. The terms "**Series D Note**" and "**Series D Notes**" as used herein shall include each Series D delivered pursuant to any provision of the 2003 Agreement and each Series D Note delivered in substitution or exchange for any such Series D Note pursuant to any provision thereof or hereof.

1B(3). **Series E and EE Notes.** Pursuant to the 2003 Agreement, the Company issued and sold to certain of the Purchasers, and such Purchasers purchased from the Company, senior fixed rate term notes (as amended, restated, supplemented or otherwise modified from time to time, the "**Series E Notes**") in the aggregate original principal amount of $40,000,000, dated January 19, 2007, to mature January 20, 2017, bearing interest on the unpaid balance thereof from the date thereof until the principal thereof shall have become due and payable (whether by acceleration or otherwise) at the rate of 6.14% per annum and on overdue payments at the rate specified therein, and substantially in the form of Exhibit A-3. Pursuant to the 2003 Agreement and a certain related letter agreements dated on or about November 29, 2007 and January 3, 2008, the Company and the Purchaser, The Prudential Insurance Company of America, agreed to exchange all of the obligations then evidenced by the Series E Note No. E-1 in the original principal amount of $25,500,000, issued in favor of The Prudential Insurance Company of America, for the following two new senior fixed rate term notes: (i) a Series E Note No. E-6 in the aggregate principal original amount of $5,500,000, dated January 20, 2007, to mature January 20, 2017, bearing interest on the unpaid balance thereof from the date thereof until the principal thereof shall have become due and payable (whether by acceleration or otherwise) at the rate of 6.14% per annum and on overdue payments at the rate specified therein, and substantially in the form of Exhibit A-3, and (ii) a Series EE Note (as amended, restated, supplemented or otherwise modified from time to time, the "**Series EE Notes**") No. EE-1 in the aggregate original principal amount of ¥2,170,000,000 (Japanese Yen), dated January 8, 2008, to mature January 20, 2017, bearing interest on the unpaid balance thereof from the date thereof until the principal thereof shall have become due and payable (whether by acceleration or otherwise) at the rate of 3.275% per annum and on overdue payments at the rate specified therein, and substantially in the form of Exhibit A-4. The Company acknowledges and agrees that it continues to be bound by all of the obligations evidenced by the Series E Notes and the Series EE Notes. The terms "**Series E Note**" and "**Series E Notes**" as used herein shall include each Series E Note delivered pursuant to any provision of the 2003 Agreement and each Series E Note delivered in substitution or exchange for any such Series E Note pursuant to any provision thereof or hereof. The terms "**Series EE Note**" and "**Series EE Notes**" as used herein shall include each Series EE Note delivered pursuant to any provision of the 2003 Agreement and each Series EE Note delivered in substitution or exchange for any such Series EE Note pursuant to any provision thereof or hereof.

1B(4). **Series F Notes**. Pursuant to the terms of the 2003 Agreement, the Company has issued and sold to certain of the Purchasers, and such Purchasers have purchased from the Company, senior fixed rate term notes (as amended, restated, supplemented or otherwise modified from time to time, the "**Series F Notes**") in the aggregate original principal amount of ¥2,268,000,000 (Japanese Yen), dated September 28, 2007, to mature September 28, 2017, bearing interest on the unpaid balance thereof from the date thereof until the principal thereof shall have become due and payable (whether by acceleration or otherwise) at the rate of 2.59% per annum and on overdue payments at the rate specified therein, and substantially in the form of Exhibit A-5. The Company acknowledges and agrees that it continues to be bound by all of the obligations evidenced by the Series F Notes. The terms "**Series F Note**" and "**Series F Notes**" as used herein shall include each Series F Note delivered pursuant to any provision of the 2003 Agreement and each Series F Note delivered in substitution or exchange for any such Series F Note pursuant to any provision thereof or hereof.

1C **AUTHORIZATION OF ISSUE OF SHELF NOTES**.

The Company may authorize, pursuant to this Agreement, the issue of additional senior promissory notes (the "**Shelf Notes**") in the aggregate principal amount of $150,000,000 (including the equivalent in the Available Currencies), to be dated the date of issue thereof, to mature, in the case of each Shelf Note so issued, no more than ten years after the date of original issuance thereof, to have an average life of not more than seven years, to bear interest on the unpaid balance thereof from the date thereof at the rate per annum, and to have such other particular terms, as shall be set forth, in the case of each Shelf Note so issued, in the Confirmation of Acceptance with respect to such Shelf Note delivered pursuant to Section 2B(5), and to be substantially in the form of Exhibit A-6 attached hereto.

The terms "**Shelf Note**" and "**Shelf Notes**" as used herein shall include each Shelf Note delivered pursuant to any provision of this Agreement and each Shelf Note delivered in substitution or exchange for any such Shelf Note pursuant to any such provision.

The terms "**Note**" and "**Notes**" as used herein shall include each Series C Note, each Series D Note, each Series E Note, each Series EE Note and each Series F Note, in each case, delivered pursuant to any provision of this Agreement or any of the Original Agreements, each Shelf Note delivered pursuant to any provision of this Agreement, and each Note delivered in substitution or exchange for any such Note pursuant to any such provision.

Notes which have (i) the same final maturity, (ii) the same scheduled principal prepayment dates, (iii) the same principal prepayment amounts (as a percentage of the original principal amount of each Note), (iv) the same interest rate, (v) the same interest payment periods, (vi) the same currency specification, and (vii) the same date of issuance (which, in the case of a Note issued in exchange for another Note, shall be deemed for these purposes the date on which such Note's ultimate predecessor Note was issued), are herein called a "**Series**" of Notes.

2. PRIVATE SHELF FACILITY.

2A [**Intentionally Omitted**.]

2B **PURCHASE AND SALE OF SHELF NOTES.**

2B(1). **Facility**. Prudential is willing to consider, in its sole discretion and within limits which may be authorized for purchase by Prudential and Prudential Affiliates from time to time, the purchase of Shelf Notes pursuant to this Agreement. The willingness of Prudential to consider such purchase of Shelf Notes is herein called the "**Facility**." At any time, the aggregate principal amount of Shelf Notes stated in Section 1, minus the aggregate principal amount of Shelf Notes purchased and sold pursuant to this Agreement prior to such time, minus the aggregate principal amount of Accepted Notes (as hereinafter defined) which have not yet been purchased and sold hereunder prior to such time, is herein called the "**Available Facility Amount**" at such time. For purposes of the preceding sentence, all aggregate principal amounts of Shelf Notes and Accepted Notes shall be calculated in Dollars with the aggregate amount of any Shelf Notes denominated or Accepted Notes to be denominated in any Available Currency other than Dollars being converted to Dollars at the rate of exchange used by Prudential to calculate the Dollar equivalent at the time of the applicable Acceptance under Section 2B(5). **NOTWITHSTANDING THE WILLINGNESS OF PRUDENTIAL TO CONSIDER PURCHASES OF SHELF NOTES, THIS AGREEMENT IS ENTERED INTO ON THE EXPRESS UNDERSTANDING THAT NEITHER PRUDENTIAL NOR ANY PRUDENTIAL AFFILIATE SHALL BE OBLIGATED TO MAKE OR ACCEPT OFFERS TO PURCHASE SHELF NOTES, OR TO QUOTE RATES, SPREADS OR OTHER TERMS WITH RESPECT TO SPECIFIC PURCHASES OF SHELF NOTES, AND THE FACILITY SHALL IN NO WAY BE CONSTRUED AS A COMMITMENT BY PRUDENTIAL OR ANY PRUDENTIAL AFFILIATE**.

2B(2). **Issuance Period**. Shelf Notes may be issued and sold pursuant to this Agreement until the earlier of (i) the third anniversary of the date of this Agreement (or if such anniversary is not a New York Business Day, the New York Business Day next preceding such anniversary) and (ii) the thirtieth day after Prudential shall have given to the Company, or the Company shall have given to Prudential, written notice stating that it elects to terminate the issuance and sale of Shelf Notes pursuant to this Agreement (or if such thirtieth (30) day is not a New York Business Day, the New York Business Day next preceding such thirtieth (30) day). The period during which Shelf Notes may be issued and sold pursuant to this Agreement is herein called the "**Issuance Period**."

2B(3). **Request for Purchase**. The Company may from time to time during the Issuance Period make requests for purchases of Shelf Notes (each such request being herein called a "**Request for Purchase**"). Each Request for Purchase shall be made to Prudential by telefacsimile or overnight delivery service to the applicable address set forth in the Information Schedule, and shall (i) specify the currency (which shall be an Available Currency) of the Shelf Notes covered thereby, (ii) specify the aggregate principal amount of Shelf Notes covered thereby, which, in the case of the initial draw, shall not be less than $10,000,000 (or its equivalent in another Available Currency) or which, in the case of any subsequent draw, shall not be less than $10,000,000 (or its equivalent in another Available Currency), and not be greater than the Available Facility Amount at the time such Request for Purchase is made, (iii) specify the principal amounts, final maturities, principal prepayment dates and amounts and interest payment periods (quarterly or semi-annually in arrears) of the Shelf Notes covered thereby, (iv) specify the use of proceeds of such Shelf Notes, (v) specify the proposed day for the closing of the purchase and sale of such Shelf Notes, which shall be a Business Day during the Issuance Period not less than 6 Business Days and not more than 42 days after the making of such Request for Purchase, (vi) specify the number of the account and the name and address of the depository institution to which the purchase prices of such Shelf Notes are to be transferred on the Closing Day for such purchase and sale, (vii) certify that the representations and warranties contained in Section 5 are true on and as of the date of such Request for Purchase and that there exists on the date of such Request for Purchase no Event of Default or Default, and (viii) be substantially in the form of Exhibit B attached hereto. Each Request for Purchase shall be deemed made when received by Prudential.

2B(4). **Rate Quotes**. Not later than two (2) Business Days after the Company shall have given Prudential a Request for Purchase pursuant to Section 2B(3)2B(3), Prudential may, but shall be under no obligation to, provide to the Company by telephone or telefacsimile, in each case between 9:30 a.m. and 1:30 p.m. New York City local time (or such later time as Prudential may elect) interest rate quotes for the several currencies, principal amounts, maturities, principal prepayment schedules, and interest payment periods of Shelf Notes specified in such Request for Purchase (each such interest rate quote provided in response to a Request for Purchase herein called a "**Quotation**"). Each Quotation shall represent the interest rate per annum payable on the outstanding principal balance of such Shelf Notes at which Prudential or a Prudential Affiliate would be willing to purchase such Shelf Notes at 100% of the principal amount thereof.

2B(5). **Acceptance**. Within the Acceptance Window, an Authorized Officer of the Company may, subject to Section 2B(4)2B(6), elect to accept a Quotation as to the aggregate principal amount of the Shelf Notes specified in the related Request for Purchase (each such Shelf Note being herein called an "**Accepted Note**" and such acceptance being herein called an "**Acceptance**"). The day the Company notifies an Acceptance with respect to any Accepted Notes is herein called the "**Acceptance Day**" for such Accepted Notes. Any Quotation as to which Prudential does not receive an Acceptance within the Acceptance Window shall expire, and no purchase or sale of Shelf Notes hereunder shall be made based on any such expired Quotation. Subject to Section 2B(6) 2B(6)and the other terms and conditions hereof, the Company agrees to sell to Prudential or one or more Prudential Affiliates, and Prudential agrees to purchase, or to cause the purchase by one or more Prudential Affiliates of, the Accepted Notes at 100% of the principal amount of such Shelf Notes, which purchase price shall be paid in the currency in which such Shelf Notes are to be denominated. As soon as practicable following the Acceptance Day, the Company, Prudential and each Prudential Affiliate which is to purchase any such Accepted Notes will execute a confirmation of such Acceptance substantially in the form of Exhibit C attached hereto (herein called a "**Confirmation of Acceptance**"). If the Company should fail to execute and return to Prudential within three (3) Business Days following receipt thereof a Confirmation of Acceptance with respect to any Accepted Notes, Prudential may at its election at any time prior to its receipt thereof cancel the closing with respect to such Accepted Notes by so notifying the Company in writing.

2B(6). **Market Disruption**. Notwithstanding the provisions of Section 2B(5)2B(5), any Quotation provided pursuant to Section 2B(4) shall expire if prior to the time an Acceptance with respect to such Quotation shall have been notified to Prudential in accordance with Section 2B(4)2B(5): (i) the domestic market for U.S. Treasury securities or derivatives shall have closed or there shall have occurred a general suspension, material limitation, or significant disruption of trading in securities generally on the New York Stock Exchange or in the domestic market for U.S. Treasury securities or derivatives, or (ii) in the case of Shelf Notes to be denominated in a currency other than Dollars, the markets for the relevant government securities (which in the case of the Euro, shall be the German Bund) or the spot and forward currency market, the financial futures market or the interest rate swap market shall have closed or there shall have occurred a general suspension, material limitation, or significant disruption of trading. No purchase or sale of Shelf Notes hereunder shall be made based on such expired Quotation. If the Company thereafter notifies Prudential of the Acceptance of any such Quotation, such Acceptance shall be ineffective for all purposes of this Agreement, and Prudential shall promptly notify the Company that the provisions of this Section 2B(6) are applicable with respect to such Acceptance.

2B(7). **Facility Closings**. Not later than 2:00 p.m. (New York City local time) on the Document Delivery Date for any Accepted Notes, the Company will deliver to each Purchaser listed in the Confirmation of Acceptance relating thereto at the offices of Prudential Capital Group (as set forth in this Agreement or such alternative address as is provided to the Company pursuant to Section 18(a)), the Accepted Notes to be purchased by such Purchaser in the form of one or more Shelf Notes in authorized denominations as such Purchaser may request for each Series of Accepted Notes to be purchased on the Closing Day, dated the Closing Day and registered in such Purchaser's name (or in the name of its nominee), against payment on the Closing Day of the purchase price thereof by transfer of immediately available funds for credit to the Company's account specified in the Request for Purchase of such Shelf Notes. If the Company fails to timely tender to any Purchaser the Accepted Notes to be purchased by such Purchaser on the applicable Document Delivery Date, or any of the conditions specified in Section 3B shall not have been fulfilled by the time required on the applicable Document Delivery Date, the Company shall, prior to 2:30 p.m., New York City local time, on the applicable Document Delivery Date notify Prudential (which notification shall be deemed received by each Purchaser) in writing whether (i) such closing is to be rescheduled (such rescheduled date to be a Business Day during the Issuance Period not less than one (1) day and not more than ten (10) days after such scheduled Closing Day (the "**Rescheduled Closing Day**")) and certify to Prudential (which certification shall be for the benefit of each Purchaser) that the Company reasonably believes that it will be able to comply with the conditions set forth in Section 3B on the Document Delivery Date applicable to such Rescheduled Closing Day and that the Company will pay the Delayed Delivery Fee in accordance with Section 2B(8)(iii), or (ii) such closing is to be canceled. In the event that the Company shall fail to give such notice referred to in the second preceding sentence, Prudential (on behalf of each Purchaser) may at its election, at any time after 2:30 p.m., New York City local time, on such Document Delivery Date, notify the Company in writing that such closing is to be canceled. Notwithstanding anything to the contrary appearing in this Agreement, the Company may not elect to reschedule a closing with respect to any given Accepted Notes on more than one occasion, unless Prudential shall have otherwise consented in writing.

2B(8). **Fees**.

2B(8)(i) [Intentionally omitted.]

2B(8)(ii). **Issuance Fee**. The Company will pay to each Purchaser in immediately available funds a fee (herein called the "**Issuance Fee**") on each Closing Day in an amount equal to 0.10% of the Dollar equivalent of the aggregate principal amount of Shelf Notes to be sold to such Purchaser on such Closing Day (calculated for Shelf Notes which are to be denominated in an Available Currency other than Dollars using the rate of exchange used by Prudential to calculate the Dollar equivalent at the time of the applicable Acceptance under Section 2B(5)2B(5)).

2B(8)(iii). **Delayed Delivery Fee**. If the closing of the purchase and sale of any Accepted Note is delayed for any reason beyond the original Closing Day for such Accepted Note, the Company shall pay the Purchaser which shall have agreed to purchase such Accepted Note, on the Cancellation Date or Document Delivery Date applicable to the actual Closing Day of such purchase and sale, an amount (the "**Delayed Delivery Fee**") equal to

(a) in the case of an Accepted Note denominated in Dollars, the product of (1) the amount determined by Prudential to be the amount by which the bond equivalent yield per annum of such Accepted Note exceeds the investment rate per annum on an alternative Dollar investment of the highest quality selected by Prudential and having a maturity date or dates the same as, or closest to, the Rescheduled Closing Day from time to time fixed for the delayed delivery of such Accepted Note, (2) the principal amount of such Accepted Note, and (3) a fraction the numerator of which is equal to the number of actual days elapsed from and including the original Closing Day for such Accepted Note to but excluding the date of such payment, and the denominator of which is 360; and

(b) in the case of an Accepted Note denominated in a currency other than Dollars, the sum of (1) the product of (x) the amount by which the bond equivalent yield per annum of such Accepted Note exceeds the arithmetic average of the Overnight Interest Rates on each day from and including the original Closing Day for such Accepted Note, (y) the principal amount of such Accepted Note, and (z) a fraction the numerator of which is equal to the number of actual days elapsed from and including the original Closing Day for such Accepted Note to but excluding the date of such payment, and the denominator of which is 360 and (2) the costs and expenses (if any) incurred by such Purchaser or its affiliates with respect to any interest rate, currency exchange or similar agreement entered into by the Purchaser or any such affiliate in connection with the delayed closing of such Accepted Notes.

In no case shall the Delayed Delivery Fee be less than zero. The Delayed Delivery Fee shall be paid in the currency in which the Accepted Notes are denominated. Nothing contained herein shall obligate any Purchaser to purchase any Accepted Note on any day other than the Closing Day for such Accepted Note, as the same may be rescheduled from time to time in compliance with Section 2B(7)2B(7). Notwithstanding the foregoing, no Delayed Delivery Fee shall be due to any Purchaser which shall have failed to purchase an Accepted Note when each of the conditions precedent in Section 3B (other than the condition set forth in Section 3B(1)(vi)) has been timely satisfied on the applicable Document Delivery Date.

2B(8)(iv). **Cancellation Fee**. If (a) the Company at any time notifies Prudential in writing that the Company is canceling the closing of the purchase and sale of any Accepted Note, or (b) if Prudential notifies the Company in writing under the circumstances set forth in the penultimate sentence of Section 2B(7)2B(7) that the closing of the purchase and sale of such Accepted Note is to be canceled, or (c) if the closing of the purchase and sale of such Accepted Note is not consummated on or prior to the last day of the Issuance Period (the date of any such notification, or the last day of the Issuance Period, as the case may be, being herein called the "**Cancellation Date**"), the Company shall pay the Purchaser which shall have agreed to purchase such Accepted Note in immediately available funds on the Cancellation Date an amount (the "**Cancellation Fee**") equal to

(a) in the case of an Accepted Note denominated in Dollars, the product of (1) the principal amount of such Accepted Note and (2) the quotient (expressed in decimals) obtained by dividing (y) the excess of the ask price (as determined by Prudential) of the Hedge Treasury Note(s) on the Cancellation Date over the bid price (as determined by Prudential) of the Hedge Treasury Note(s) on the Acceptance Day for such Accepted Note by (z) such bid price, with the foregoing bid and ask prices as reported on TradeWeb, or if such information ceases to be available on TradeWeb, any publicly available source of such market data selected by Prudential, and rounded to the second decimal place; and

(b) in the case of an Accepted Note denominated in a currency other than Dollars, the sum of (1) the amount described in clause (a) above (calculated with respect to the Dollar principal amount and interest rate utilized by Prudential in providing the Quotation pursuant to Section 2B(4) relevant to such Accepted Note) and (2) aggregate of all unwinding costs incurred by such Purchaser or its Affiliates on positions executed by or on behalf of such Purchaser or such Affiliates in connection with the proposed lending in such currency and fixing the coupon in such currency, provided, however, that any gain realized upon the unwinding of any such positions described in this clause (2) shall be offset against any such unwinding costs described in this clause (2). Such positions include (without limitation) currency and interest rate swaps, futures and forwards, government bond hedges and currency exchange contracts, all of which may be subject to substantial price volatility. Such costs may also include (without limitation) losses incurred by such Purchaser or its affiliates as a result of fluctuations in exchange rates. All unwinding costs incurred by such Purchaser shall be determined by Prudential or its affiliate in accordance with generally accepted financial practice. It is acknowledged that a Purchaser of a Note which is to be denominated in a currency other than Dollars may, for the purpose of achieving short form hedge accounting treatment under Accounting Standards Codification 815-20-25-104 (formerly known as Financial Accounting Standard 133), elect to enter into replacement positions (including replacement currency and interest rate swaps) between the Acceptance Day and Closing Day for such Note, and that any calculation of a Cancellation Fee under this Section 2B8(iv)(b) shall take into account all gains and losses realized in connection with the unwinding of both the original positions and such replacement positions.

In no case shall the Cancellation Fee be less than zero. Notwithstanding the foregoing, no Cancellation Fee shall be due to any Purchaser which shall have failed to purchase an Accepted Note when each of the conditions precedent in Section 3B (other than the condition set forth in Section 3B(1)(vi)) has been timely satisfied on the applicable Document Delivery Date.

3. CONDITIONS PRECEDENT.

3A. **Conditions of Effectiveness.** The effectiveness of the amendment and restatement provided by the execution and delivery of this Agreement, and the release of the Purchasers' signature pages to the Termination Agreement of Existing Collateral Documents and Guarantees (defined below) are subject, in each case, to the satisfaction of the following conditions:

3A(1). **Certain Documents.** Prudential and the Purchasers party hereto on the date hereof shall have received the following:

(i) A letter agreement, substantially in the form of Exhibit E attached hereto, duly executed and delivered by the Company, JP Morgan Chase Bank, N.A., the other creditors party thereto and any other "Benefited Parties" (including "Additional Benefitted Parties") (as such terms are defined in the Existing Intercreditor Agreement), which, among other things, (A) releases and terminates each of the Existing Subsidiary Guarantees, (B) releases and terminates the existing guarantees of the Company's Bank Credit Agreement, (C) directs the Existing Collateral Agent to release its security interests and liens over the Existing Collateral, and (D) otherwise releases and terminates the Existing Collateral Documents, including, for the avoidance of doubt, the Existing Subordination Agreement (the "**Termination Agreement of Existing Collateral Documents and Guarantees**").

(ii) A copy of the Company's existing credit agreement evidencing its existing credit facility with JPMorgan Chase Bank, N.A., as amended through the date hereof (and as further amended, restated, supplemented, refinanced, replaced or otherwise modified from time to time, the "**Bank Credit Agreement**"), in form and substance satisfactory to Prudential and such Purchasers, accompanied by an Officer's Certificate certifying such copy as being a true, correct and complete copy thereof.

3A(2). [Intentionally omitted.]

3A(3). **Payment of Legal Fees and Expenses.** Without limiting the provisions of Section 15, Prudential shall have approved such fees, charges and disbursements of its special counsel, Bingham McCutchen, which are due and owing in connection herewith, and shall have conveyed its authorization to the Company to pay such fees, changes and disbursements. The Company shall have paid to Bingham McCutchen, in immediate available funds, such approved fees, charges and disbursements.

3A(4). **Representation and Warranties; No Defaults.** The representations and warranties contained in Section 5 shall be true on and as of the date hereof; there shall exist on the date hereof no Event of Default or Default; and the Company shall have delivered to such Purchaser an Officer's Certificate, dated the date hereof, to both such effects.

3B. **Conditions to Shelf Closings**. The obligation of any Purchaser to purchase and pay for any Shelf Notes is subject to the satisfaction, on or before the applicable Document Delivery Date for such Notes, of the foregoing conditions in Section 3A and the following additional conditions:

3B(1). **Certain Documents**. Such Purchaser shall have received the following, each dated the date of the applicable Closing Day (except as otherwise noted below):

(i) The Shelf Note(s) to be purchased by such Purchaser.

(ii) Certified copies of the resolutions of the Board of Directors of the Company authorizing the execution and delivery of this Agreement, the other Transaction Documents and the issuance of the Notes (including the Shelf Note(s) to be purchased by such Purchaser), and of all documents evidencing other necessary corporate action and governmental approvals, if any, with respect to this Agreement, the Notes (including the Shelf Note(s) to be purchased by such Purchaser) and the other Transaction Documents.

(iii) Certificates of the Secretary or Assistant Secretary and one other officer of each of the Company, certifying the names and true signatures of the officers of the Company authorized to sign this Agreement, the applicable Confirmation of Acceptance, the Notes (including the Shelf Note(s) to be purchased by such Purchaser), the other Transaction Documents and any other documents to be delivered hereunder or thereunder.

(iv) Certified copies of the Company's Certificate of Incorporation and By-laws (or comparable governing documents).

(v) A favorable opinion of the General Counsel of the Company (or such other counsel designated by the Company and acceptable to the Purchaser(s)) and substantially in the form of Exhibit D attached hereto, and as to such other matters as such Purchaser may reasonably request. The Company hereby directs such counsel to deliver such opinion, agree that the issuance and sale of any Shelf Notes will constitute a reconfirmation of such authorization, and understand and agree that each Purchaser receiving each such opinion(s) will and is hereby authorized to rely on such opinion(s).

(vi) a favorable opinion of Bingham McCutchen LLP, special counsel to Prudential and the Purchasers (or such other special counsel selected by Prudential), satisfactory to such Purchaser as to such matters incident to the matters herein contemplated as it may reasonably request.

(vii) A good standing (or equivalent) certificate for the Company from the secretary of state (or equivalent official) of its jurisdiction of organization dated as of a recent date, and such other evidence of the status or good standing of the Company as such Purchaser may reasonably request.

(viii) Additional documents or certificates with respect to legal matters or corporate or other proceedings related to the transactions contemplated hereby as may be reasonably requested by such Purchaser.

For Closing Days subsequent to the initial Closing Day on which Shelf Notes are first issued hereunder, the requirements of clauses (ii), (iii) and (iv) above may, to the extent appropriate, be satisfied by delivery of "bring-down" certifications from the applicable officers.

3B(2). **Representations and Warranties; No Default**. The representations and warranties contained in Section 5 shall be true on and as of such Closing Day; there shall exist on such Closing Day (both before and after giving effect to the issue and sale of the applicable Shelf Notes) no Event of Default or Default; and the Company shall have delivered to such Purchaser an Officer's Certificate, dated such Closing Day, to both such effects.

3B(3). **Purchase Permitted by Applicable Laws**. On such Closing Day each Purchaser's purchase of Shelf Notes shall (i) be permitted by the laws and regulations of each jurisdiction to which such Purchaser is subject, without recourse to provisions (such as Section 1405(a)(8) of the New York Insurance Law) permitting limited investments by insurance companies without restriction as to the character of the particular investment, (ii) not violate any applicable law or regulation (including, without limitation, Regulation T, U or X of the Board of Governors of the Federal Reserve System) and (iii) not subject such Purchaser to any tax, penalty or liability on the date thereof. If requested by a Purchaser, it shall have received an Officer's Certificate certifying as to such matters of fact as it may reasonably specify to enable it to determine whether such purchase is so permitted.

3B(4). **Payment of Fees**. The Company shall have paid to Prudential any fees due it pursuant to or in connection with this Agreement, including any Issuance Fee due pursuant to Section 2B(8)(ii), and any Delayed Delivery Fee due pursuant to Section 2B(8)(iii).

4. [INTENTIONALLY OMITTED.]

5. REPRESENTATIONS AND WARRANTIES OF THE COMPANY.

The Company represents and warrants to each Purchaser that:

5.1 Organization; Power and Authority.

The Company is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation, and is duly qualified as a foreign corporation and is in good standing in each jurisdiction in which such qualification is required by law, other than those jurisdictions as to which the failure to be so qualified or in good standing could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. The Company has the corporate power and authority to own or hold under lease the properties it purports to own or hold under lease, to transact the business it transacts and proposes to transact, to execute and deliver this Agreement, the other Transaction Documents to which it is a party and the Notes, and to perform the provisions hereof and thereof.

5.2 Authorization, etc.

This Agreement, the Notes and the other Transaction Documents to which the Company is a party have been duly authorized by all necessary corporate (or other applicable) action on the part of the Company, and this Agreement and each of the other Transaction Documents to which it is a party constitutes, and upon execution and delivery thereof each Note will constitute, a legal, valid and binding obligation of the Company enforceable against the Company in accordance with its terms, except as such enforceability may be limited by (a) applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally, and (b) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

5.3 Disclosure.

Neither this Agreement nor any other document, certificate or statement furnished to any Purchaser by or on behalf of the Company in connection herewith or with any Original Agreement or Note contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein and therein not misleading. Except as disclosed in the form 10-K filed by the Company with the Securities and Exchange Commission for the period immediately prior to the applicable Document Delivery Date of the Notes or in any Form 10-Q, Form 8-K or other report filed by the Company with the Securities and Exchange Commission for any period subsequent to the date of such form 10-K filed by the Company (but at least five (5) Business Days prior to the applicable Document Delivery Date of such Notes), there is no fact peculiar to the Company or any of its Subsidiaries which has had a Material Adverse Effect or in the future may (so far as the Company can now foresee) have a Material Adverse Effect which has not been set forth in this Agreement or in the other documents or certificates furnished to the Purchasers in connection herewith.

5.4 Organization and Ownership of Shares of Subsidiaries; Affiliates.

(a) All of the outstanding shares of capital stock or similar equity interests owned by the Company and its Subsidiaries have been validly issued, are fully paid and nonassessable and are owned by the Company or a Subsidiary free and clear of any Lien (except for Permitted Liens, directors' qualifying shares, shares required to be owned by Persons pursuant to applicable foreign laws regarding foreign ownership).

(b) Each Subsidiary is a corporation or other legal entity duly organized, validly existing and in good standing under the laws of its jurisdiction of organization, and is duly qualified as a foreign corporation or other legal entity and is in good standing in each jurisdiction in which such qualification is required by law, other than those jurisdictions as to which the failure to be so qualified or in good standing could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Each such Subsidiary has the corporate or other power and authority to own or hold under lease the properties it purports to own or hold under lease and to transact the business it transacts and proposes to transact.

(c) No Material Subsidiary, is a party to, or otherwise subject to any legal restriction or any agreement (other than this Agreement and customary limitations imposed by corporate law statutes) restricting the ability of such Material Subsidiary to pay dividends out of profits or make any other similar distributions of profits to the Company or any of its Subsidiaries that owns outstanding shares of capital stock or similar equity interests of such Material Subsidiary.

5.5 Financial Statements.

The Company has furnished each Purchaser with the following financial statements: (i) a consolidated balance sheet of the Company and its Subsidiaries as of the last day in each of the three fiscal years of the Company most recently completed prior to the date as of which this representation is made or repeated to such Purchaser (other than fiscal years completed within 120 days prior to such date for which audited financial statements have not been released) and consolidated statements of income, cash flows and shareholders' equity of the Company and its Subsidiaries for each such year, all reported on by PricewaterhouseCoopers (which financial statements shall in all respects be consistent with the requirements of Section 7.1(b) hereof, including the provisos thereto) and (ii) a consolidated balance sheet of the Company and its Subsidiaries as at the end of the quarterly period (if any) most recently completed prior to such date and after the end of such fiscal year (other than quarterly periods completed within 60 days prior to such date for which financial statements have not been released) and the comparable quarterly period in the preceding fiscal year and consolidated statements of income, cash flows and shareholders' equity for the periods from the beginning of the fiscal years in which such quarterly periods are included to the end of such quarterly periods, prepared by the Company (which financial statements shall in all respects be consistent with the requirements of Section 7.1(a) hereof, including the provisos thereto). Such financial statements (including any related schedules and/or notes) fairly present the consolidated financial condition of the Company and its Subsidiaries as of the respective dates specified therein and the results of their operations and cash flows for the periods specified therein (subject, as to interim statements, to changes resulting from audits and year-end adjustments), have been prepared in accordance with GAAP consistently followed throughout the periods involved and show all liabilities, direct and contingent, of the Company and its Subsidiaries required to be shown in accordance with GAAP. The balance sheets fairly present the condition of the Company and its Subsidiaries as at the dates thereof, and the statements of income, stockholders' equity and cash flows fairly present the results of the operations of the Company and its Subsidiaries and their cash flows for the periods indicated. There has been no material adverse change in the business, property or assets, condition (financial or otherwise), operations or prospects of the Company and its Subsidiaries taken as a whole since the end of the most recent fiscal year for which such audited financial statements have been furnished.

5.6 Compliance with Laws, Other Instruments, etc.

The execution, delivery and performance by the Company of this Agreement, the Notes and the other Transaction Documents will not (i) contravene, result in any breach of, or constitute a default under, or result in the creation of any Lien in respect of any property of the Company or any Subsidiary under, any indenture, mortgage, deed of trust, loan, note purchase or credit agreement, corporate charter or bylaws, or any other Material agreement, lease or instrument to which the Company or any Subsidiary is bound or by which the Company or any Subsidiary or any of their respective properties may be bound or affected, (ii) conflict with or result in a breach of any of the terms, conditions or provisions of any order, judgment, decree or ruling of any court, arbitrator or Governmental Authority applicable to the Company or any Subsidiary, or (iii) violate any provision of any statute or other rule or regulation of any Governmental Authority applicable to the Company or any Subsidiary.

5.7 Governmental Authorizations, etc.

No consent, approval or authorization of, or registration, filing or declaration with, any Governmental Authority is required in connection with the execution, delivery or performance by the Company of this Agreement, the Notes and the other Transaction Documents.

5.8 Litigation; Observance of Agreements, Statutes and Orders.

(a) There are no actions, suits or proceedings pending or, to the knowledge of the Company, threatened against or affecting the Company or any Subsidiary or any property of the Company or any Subsidiary in any court or before any arbitrator of any kind or before or by any Governmental Authority that, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

(b) Neither the Company nor any Restricted Subsidiary is in default under any term of any agreement or instrument to which it is a party or by which it is bound, or any order, judgment, decree or ruling of any court, arbitrator or Governmental Authority or is in violation of any applicable law, ordinance, rule or regulation (including without limitation Environmental Laws) of any Governmental Authority, which default or violation, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

5.9 Taxes.

The Company and its Subsidiaries have filed all tax returns that are required to have been filed in any jurisdiction (other than those tax returns which individually or collectively are not Material), and have paid all taxes shown to be due and payable on such returns and all other taxes and assessments levied upon them or their properties, assets, income or franchises, to the extent such taxes and assessments have become due and payable and before they have become delinquent, except for any taxes and assessments (i) the amount of which is not individually or in the aggregate Material, or (ii) the amount, applicability or validity of which is currently being contested in good faith by appropriate proceedings and with respect to which the Company or a Subsidiary, as the case may be, has established adequate reserves in accordance with GAAP. The Company knows of no basis for any other tax or assessment that could reasonably be expected to have a Material Adverse Effect. The charges, accruals and reserves on the books of the Company and its Subsidiaries in respect of Federal, state or other taxes for all fiscal periods are adequate in accordance with GAAP.

5.10 Title to Property; Leases.

The Company and the Restricted Subsidiaries have good and sufficient title to their respective properties that individually or in the aggregate are Material, including all such properties reflected in the most recent audited balance sheet referred to in Section 5.55.5 or purported to have been acquired by the Company or any Restricted Subsidiary after said date (except as sold or otherwise disposed of in the ordinary course of business), in each case free and clear of Liens prohibited by this Agreement. All leases that individually or in the aggregate are Material are valid and subsisting and are in full force and effect in all material respects.

5.11 Licenses, Permits, etc.

(a) The Company and the Restricted Subsidiaries own or possess all licenses, permits, franchises, authorizations, patents, copyrights, service marks, trademarks and trade names, or rights thereto, that individually or in the aggregate are Material, without any known Material conflict with the rights of others.

(b) To the best knowledge of the Company, no product of the Company or any Restricted Subsidiary infringes in any material respect any license, permit, franchise, authorization, patent, copyright, service mark, trademark, trade name or other right owned by any other Person, except such infringements which, individually or collectively, could not reasonably be expected to have a Material Adverse Effect.

(c) To the best knowledge of the Company, there is no Material violation by any Person of any right of the Company or any Restricted Subsidiary with respect to any patent, copyright, service mark, trademark, trade name or other right owned or used by the Company or any Restricted Subsidiary.

5.12 Compliance with ERISA.

(a) The Company and each ERISA Affiliate have operated and administered each Plan in compliance with all applicable laws except for such instances of noncompliance as have not resulted in and could not reasonably be expected to result in a Material Adverse Effect. Neither the Company nor any ERISA Affiliate has incurred any liability pursuant to Title I or IV of ERISA or the penalty or excise tax provisions of the Code relating to employee benefit plans (as defined in section 3 of ERISA), and no event, transaction or condition has occurred or exists that could reasonably be expected to result in the incurrence of any such liability by the Company or any ERISA Affiliate, or in the imposition of any Lien on any of the rights, properties or assets of the Company or any ERISA Affiliate, in either case pursuant to Title I or IV of ERISA or to such penalty or excise tax provisions or to section 430 or 436 of the Code or section 4068 of ERISA, other than such liabilities or Liens as would not be individually or in the aggregate Material.

(b) The present value of the aggregate benefit liabilities under each of the Plans (other than Multiemployer Plans), determined as of the end of such Plan's most recently ended plan year on the basis of the actuarial assumptions specified for funding purposes in such Plan's most recent actuarial valuation report, did not exceed the aggregate current value of the assets of such Plan allocable to such benefit liabilities. The term "benefit liabilities" has the meaning specified in section 4001 of ERISA and the terms "current value" and "present value" have the meaning specified in section 3 of ERISA.

(c) The Company and its ERISA Affiliates have not incurred withdrawal liabilities (and are not subject to contingent withdrawal liabilities) under section 4201 or 4204 of ERISA in respect of Multiemployer Plans that individually or in the aggregate are Material.

(d) The expected postretirement benefit obligation (determined as of the last day of the Company's most recently ended fiscal year in accordance with Accounting Standards Codification 715-60 (formerly known as Financial Accounting Standards Board Statement No. 106), without regard to liabilities attributable to continuation coverage mandated by section 4980B of the Code) of the Company and its Subsidiaries is not Material or has otherwise been disclosed in the most recent consolidated financial statements of the Company and its Subsidiaries.

(e) The execution and delivery of this Agreement and the issuance and sale of the Notes hereunder will not involve any transaction that is subject to the prohibitions of section 406 of ERISA or in connection with which a tax could be imposed pursuant to section 4975(c)(1)(A)-(D) of the Code. The representation by the Company in the first sentence of this Section 5.12(e) is made in reliance upon and subject to the accuracy of each Purchaser's representation in Section 6.2 as to the sources of the funds used to pay the purchase price of the Notes to be purchased by it.

5.13 Private Offering by the Company.

Neither the Company nor anyone acting on its behalf has offered the Notes or any similar securities for sale to, or solicited any offer to buy any of the same from, or otherwise approached or negotiated in respect thereof with, any Person other than the Purchasers and not more than 18 other Institutional Investors, each of which has been offered the Notes or any similar securities at a private sale for investment. Neither the Company nor anyone acting on its behalf has taken, or will take, any action that would subject the issuance or sale of the Notes to the registration requirements of Section 5 of the Securities Act.

5.14 Use of Proceeds; Margin Regulations.

No part of the proceeds from the sale of the Notes hereunder will be used, directly or indirectly, so as to involve the Company or any holder of a Note in a violation of Regulation U of the Board of Governors of the Federal Reserve System (12 CFR 221) or Regulation X of said Board (12 CFR 224), or to involve any broker or dealer in a violation of Regulation T of said Board (12 CFR 220). Margin stock does not constitute more than 15% of the value of the consolidated assets of the Company and its Subsidiaries and the Company does not have any present intention that margin stock will constitute more than 15% of the value of such assets. As used in this Section, the term "**margin stock**" shall have the meanings assigned to them in said Regulation U.

5.15 Existing Indebtedness and Liens.

Neither the Company nor any of its Restricted Subsidiaries has outstanding any Debt except as permitted by Section 10.5. There exists no default under the provisions of any instrument evidencing such Debt or of any agreement relating thereto which would constitute an Event of Default under clause (f) of Section 11. Neither the Company nor any of its Restricted Subsidiaries has agreed or consented to, or agreed to cause or permit in the future (upon the happening of a contingency or otherwise), any of its property, whether now owned or hereafter acquired, to be subject to a Lien not permitted by Section 10.3.

5.16 Foreign Assets Control Regulations, etc.

(a) Neither the Company nor any Affiliated Entity is (i) a Person whose name appears on the list of Specially Designated National and Blocked Persons published by the Office of Foreign Assets Control, U.S. Department of Treasury ("**OFAC**") (an "**OFAC Listed Person**") or (ii) a department, agency or instrumentality of, or is otherwise controlled by or acting on behalf of, directly or indirectly, (x) any OFAC Listed Person or (y) any Person, entity, organization, foreign country or regime that is subject to any OFAC Sanctions Program (each OFAC Listed Person and each other Person, entity, organization and government of a country described in clause (ii), a "**Blocked Person**").

(b) No part of the proceeds from the sale of the Notes hereunder constitutes or will constitute funds obtained on behalf of any Blocked Person or will otherwise be used, directly by the Company or ndirectly through any Affiliated Entity, in connection with any investment in, or any transactions or dealings with, any Blocked Person.

(c) To the Company's actual knowledge after making due inquiry, neither the Company nor any Affiliated Entity (i) is under investigation by any Governmental Authority for, or has been charged with, or convicted of, money laundering, drug trafficking, terrorist-related activities or other money laundering predicate crimes under any applicable law (collectively, "**Anti-Money Laundering Laws**"), (ii) has been assessed civil penalties under any Anti-Money Laundering Laws or (iii) has had any of its funds seized or forfeited in an action under any Anti-Money Laundering Laws. The Company has taken reasonable measures appropriate to the circumstances (in any event as required by applicable law) to ensure that the Company and each Affiliated Entity are and will continue to be in compliance with all applicable current and future Anti-Money Laundering Laws.

(d) No part of the proceeds from the sale of the Notes hereunder will be used, directly or indirectly, for any improper payments to any governmental official or employee, political party, official of a political party, candidate for political office, official of any public international organization or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage. The Company has taken reasonable measures appropriate to the circumstances (in any event as required by applicable law) to ensure that the Company and each Affiliated Entity are and will continue to be in compliance with all applicable current and future anti-corruption laws and regulations.

5.17 Status under Certain Statutes.

Neither the Company nor any Restricted Subsidiary is subject to regulation under the Investment Company Act of 1940, as amended, the Public Utility Holding Company Act of 2005, as amended, the ICC Termination Act of 1995, as amended, or the Federal Power Act, as amended.

5.18 Environmental Matters.

Neither the Company nor any of its Subsidiaries has knowledge of any claim or has received any notice of any claim, and no proceeding has been instituted raising any claim against the Company or any of its Subsidiaries or any of their respective real properties now or formerly owned, leased or operated by any of them or other assets, alleging any damage to the environment or violation of any Environmental Laws, except, in each case, such as could not reasonably be expected to result in a Material Adverse Effect. Except as otherwise disclosed to each Purchaser in writing,

(a) neither the Company nor any of its Subsidiaries has knowledge of any facts which would give rise to any claim, public or private, of violation of Environmental Laws or damage to the environment emanating from, occurring on or in any way related to real properties now or formerly owned, leased or operated by any of them or to other assets or their use, except, in each case, such as could not reasonably be expected to result in a Material Adverse Effect;

(b) neither the Company nor any of its Subsidiaries has stored any Hazardous Materials on real properties now or formerly owned, leased or operated by any of them in a manner contrary to any Environmental Laws and has not disposed of any Hazardous Materials in a manner contrary to any Environmental Laws, in each case in any manner that could reasonably be expected to result in a Material Adverse Effect; and

(c) all buildings on all real properties now owned, leased or operated by the Company or any of its Subsidiaries are in compliance with all applicable Environmental Laws, except where failure to comply could not reasonably be expected to result in a Material Adverse Effect.

5.19 Hostile Tender Offers. None of the proceeds of the sale of any Notes will be used to finance a Hostile Tender Offer.

6. REPRESENTATIONS OF THE PURCHASERS.

Each Purchaser of any Series of Notes purchased after the date hereof severally represents as follows:

6.1 Purchase for Investment.

Such Purchaser is purchasing the Notes to be purchased by it for its own account or for one or more separate accounts maintained by it or for the account of one or more pension or trust funds and not with a view to the distribution thereof, provided that the disposition of its or their property shall at all times be within its or their control. Such Purchaser understands that the Notes to be purchased by it have not been registered under the Securities Act and may be resold only if registered pursuant to the provisions of the Securities Act or if an exemption from registration is available, except under circumstances where neither such registration nor such an exemption is required by law, and that the Company is not required to register the Notes.

6.2 Source of Funds.

At least one of the following statements is an accurate representation as to each source of funds (a "**Source**") to be used by it to pay the purchase price of the Notes to be purchased by it hereunder:

(a) the Source is an "insurance company general account" (as the term is defined in the United States Department of Labor's Prohibited Transaction Exemption ("**PTE**") 95-60) in respect of which the reserves and liabilities (as defined by the annual statement for life insurance companies approved by the National Association of Insurance Commissioners (the "**NAIC Annual Statement**")) for the general account contract(s) held by or on behalf of any employee benefit plan together with the amount of the reserves and liabilities for the general account contract(s) held by or on behalf of any other employee benefit plans maintained by the same employer (or affiliate thereof as defined in PTE 95-60) or by the same employee organization in the general account do not exceed 10% of the total reserves and liabilities of the general account (exclusive of separate account liabilities) plus surplus as set forth in the NAIC Annual Statement filed with such Purchaser's state of domicile; or

(b) the Source is a separate account that is maintained solely in connection with such Purchaser's fixed contractual obligations under which the amounts payable, or credited, to any employee benefit plan (or its related trust) that has any interest in such separate account (or to any participant or beneficiary of such plan (including any annuitant)) are not affected in any manner by the investment performance of the separate account; or

(c) the Source is either (i) an insurance company pooled separate account, within the meaning of PTE 90-1, or (ii) a bank collective investment fund, within the meaning of the PTE 91-38 and, except as disclosed by such Purchaser to the Company in writing pursuant to this paragraph (c), no employee benefit plan or group of plans maintained by the same employer or employee organization beneficially owns more than 10% of all assets allocated to such pooled separate account or collective investment fund; or

(d) the Source constitutes assets of an "investment fund" (within the meaning of Part VI of PTE 84-14 (the "**QPAM Exemption**")) managed by a "qualified professional asset manager" or "QPAM" (within the meaning of Part VI of the QPAM Exemption), no employee benefit plan's assets that are included in such investment fund, when combined with the assets of all other employee benefit plans established or maintained by the same employer or by an affiliate (within the meaning of Section VI(c)(1) of the QPAM Exemption) of such employer or by the same employee organization and managed by such QPAM, exceed 20% of the total client assets managed by such QPAM, the conditions of Part I(c) and (g) of the QPAM Exemption are satisfied, neither the QPAM nor a person controlling or controlled by the QPAM (applying the definition of "control" in Section VI(e) of the QPAM Exemption) owns a 5% or more interest in the Company and (i) the identity of such QPAM and (ii) the names of all employee benefit plans whose assets are included in such investment fund have been disclosed to the Company in writing pursuant to this paragraph (d); or

(e) the Source constitutes assets of a "plan(s)" (within the meaning of Section IV of PTE 96-23 (the "**INHAM Exemption**")) managed by an "in-house asset manager" or "INHAM" (within the meaning of Part IV of the INHAM Exemption), the conditions of Part I(a), (g) and (h) of the INHAM Exemption are satisfied, neither the INHAM nor a person controlling or controlled by the INHAM (applying the definition of "control" in Section IV(d) of the INHAM Exemption) owns a 10% or more interest in the Company and (a) the identity of such INHAM and (b) the name(s) of the employee benefit plan(s) whose assets constitute the Source have been disclosed to the Company in writing pursuant to this paragraph (e); or

(f) the Source is a governmental plan; or

(g) the Source is one or more employee benefit plans, or a separate account or trust fund comprised of one or more employee benefit plans, each of which has been identified to the Company in writing pursuant to this paragraph (g); or

(h) the Source does not include assets of any employee benefit plan, other than a plan exempt from the coverage of ERISA.

As used in this Section 6.2, the terms "**employee benefit plan**", "**governmental plan**" and "**separate account**" shall have the respective meanings assigned to such terms in Section 3 of ERISA.

7. INFORMATION AS TO COMPANY.

7.1 Financial and Business Information.

The Company shall deliver to Prudential and each holder of Notes that is an Institutional Investor:

(a) Quarterly Statements - within 60 days (or if sooner, on the date consolidated statements are required to be delivered to any other creditor of the Company) after the end of each quarterly fiscal period in each fiscal year of the Company (other than the last quarterly fiscal period of each such fiscal year), a copy of,

(i) a consolidated and a consolidating balance sheet of the Company and its Subsidiaries as at the end of such quarter, and

(ii) consolidated and consolidating statements of income, changes in shareholders' equity and cash flows of the Company and its Subsidiaries, for such quarter and (in the case of the second and third quarters) for the portion of the fiscal year ending with such quarter,

setting forth in each case in comparative form the figures for the corresponding periods in the previous fiscal year, all in reasonable detail, prepared in accordance with GAAP applicable to quarterly financial statements generally, and certified by a Senior Financial Officer as fairly presenting, in all material respects, the financial position of the companies being reported on and their results of operations and cash flows, subject to changes resulting from year-end adjustments; provided that delivery within the time period specified above of copies of the Company's Quarterly Report on Form 10-Q prepared in compliance with the requirements therefor and filed with the Securities and Exchange Commission shall be deemed to satisfy the requirements of this Section 7.1(a) to provide consolidated financial statements so long as such Quarterly Report on Form 10-Q includes the consolidated financial statements identified in clauses (i) and (ii) above; provided further that such consolidating financial statements shall show the elimination of all Unrestricted Subsidiaries and the resultant consolidated financial statements of the Company and its Restricted Subsidiaries;

(b) Annual Statements - within 120 days (or if sooner, on the date consolidated statements are required to be delivered to any other creditor of the Company) after the end of each fiscal year of the Company, a copy of,

(i) a consolidated and a consolidating balance sheet of the Comapny and its Subsidiaries, as at the end of such year, and

(ii) consolidated and colsolidating statements of income, changes in shareholders' equity and cash flows of the Company and its Subsidiaries, for such year.

setting forth in each case in comparative form the figures for the previous fiscal year, all in reasonable detail, prepared in accordance with GAAP, which consolidated financial statements shall be accompanied by an opinion thereon of independent certified public accountants of recognized national standing, which opinion shall state that such consolidated financial statements present fairly, in all material respects, the financial position of the companies being reported upon and their results of operations and cash flows and have been prepared in conformity with GAAP, and that the examination of such accountants in connection with such consolidated financial statements has been made in accordance with generally accepted auditing standards, and that such audit provides a reasonable basis for such opinion in the circumstances, and which consolidating financial statements shall be certified by a Senior Financial Officer as fairly presenting, in all material respects, the financial position of the companies being reported on and their results of operations and cash flows, subject to changes resulting from year-end adjustments; provided that the delivery within the time period specified above of the Company's Annual Report on Form 10-K for such fiscal year (together with the Company's annual report to shareholders, if any, prepared pursuant to Rule 14a-3 under the Exchange Act) prepared in accordance with the requirements therefor and filed with the Securities and Exchange Commission shall be deemed to satisfy the requirements of this Section 7.1(b) to provide consolidated financial statements so long as such Annual Report on Form 10-K includes the consolidated financial statements identified in clauses (i) and (ii) above; provided further that such consolidating financial statements shall show the elimination of all Unrestricted Subsidiaries and the resultant consolidated financial statements of the Company and its Restricted Subsidiaries;

(c) SEC and Other Reports - promptly upon their becoming available, one copy of (i) each financial statement, report, notice or proxy statement sent by the Company or any Subsidiary to public securities holders generally, and (ii) each regular or periodic report, each registration statement (without exhibits except as expressly requested by such holder), and each prospectus and all amendments thereto filed by the Company or any Subsidiary with the Securities and Exchange Commission and of all press releases and other statements made available generally by the Company or any Material Domestic Subsidiary to the public concerning developments that are Material;

(d) Notice of Default or Event of Default - promptly, and in any event within five days, after a Responsible Officer becoming aware of the existence of any Default or Event of Default or that any Person has given any notice or taken any action with respect to a claimed default hereunder or that any Person has given any notice or taken any action with respect to a claimed default of the type referred to in Section 11(f), a written notice specifying the nature and period of existence thereof and what action the Company is taking or proposes to take with respect thereto;

(e) ERISA Matters - promptly, and in any event within fifteen days after a Responsible Officer becoming aware of any of the following, a written notice setting forth the nature thereof and the action, if any, that the Company or an ERISA Affiliate proposes to take with respect thereto:

(i) with respect to any Plan, any reportable event, as defined in section 4043(c) of ERISA and the regulations thereunder, for which notice thereof has not been waived pursuant to such regulations as in effect on the date hereof, which could reasonably be expected to have a Material Adverse Effect; or

(ii) the taking by the PBGC of steps to institute, or the threatening by the PBGC of the institution of, proceedings under section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Plan, or the receipt by the Company or any ERISA Affiliate of a notice from a Multiemployer Plan that such action has been taken by the PBGC with respect to such Multiemployer Plan, which could reasonably be expected to have a Material Adverse Effect; or

(iii) any event, transaction or condition that could result in the incurrence of any liability by the Company or any ERISA Affiliate pursuant to Title I or IV of ERISA or the penalty or excise tax provisions of the Code relating to employee benefit plans, or in the imposition of any Lien on any of the rights, properties or assets of the Company or any ERISA Affiliate pursuant to Title I or IV of ERISA or such penalty or excise tax provisions, if such liability or Lien, taken together with any other such liabilities or Liens then existing, could reasonably be expected to have a Material Adverse Effect;

(f) Notices from Governmental Authority - promptly, and in any event within 30 days of receipt thereof, copies of any notice to the Company or any Subsidiary from any federal or state Governmental Authority relating to any order, ruling, statute or other law or regulation that could reasonably be expected to have a Material Adverse Effect; and

(g) Requested Information - with reasonable promptness, such other data and information relating to the business, operations, affairs, financial condition, assets or properties of the Company or any of its Subsidiaries or relating to the ability of the Company to perform its obligations hereunder and under the Notes as from time to time may be reasonably requested by any such holder of Notes, including without limitation, such information as is required by Rule 144A promulgated under the Securities Act to be delivered to a prospective transferee of the Notes.

7.2 Officer's Certificate.

Each set of financial statements delivered to a holder of Notes pursuant to Section 7.1 hereof shall be accompanied by a certificate of a Senior Financial Officer setting forth:

(a) Covenant Compliance - the information (including detailed calculations) required in order to establish whether the Company was in compliance with the requirements of Section 10.2 through Section 10.6 hereof, inclusive, and Section 10.11 during the quarterly or annual period covered by the statements then being furnished (including with respect to each such Section, where applicable, the calculations of the maximum or minimum amount, ratio or percentage, as the case may be, permissible under the terms of such Sections, and the calculation of the amount, ratio or percentage then in existence); and

(b) Event of Default - a statement that such officer has reviewed the relevant terms hereof and has made, or caused to be made, under his or her supervision, a review of the transactions and conditions of the Company and its Subsidiaries from the beginning of the quarterly or annual period covered by the statements then being furnished to the date of the certificate and that such review shall not have disclosed the existence during such period of any condition or event that constitutes a Default or an Event of Default or, if any such condition or event existed or exists (including, without limitation, any such event or condition resulting from the failure of the Company or any Subsidiary to comply with any Environmental Law), specifying the nature and period of existence thereof and what action the Company shall have taken or proposes to take with respect thereto.

7.3 Inspection.

The Company shall permit the representatives of each holder of Notes that is an Institutional Investor:

(a) No Default - if no Default or Event of Default then exists, at the expense of such holder and upon reasonable prior notice to the Company, to visit the principal executive office of the Company, to discuss the affairs, finances and accounts of the Company and its Subsidiaries with the Company's officers, and (with the consent of the Company, which consent will not be unreasonably withheld) its independent public accountants, and (with the consent of the Company, which consent will not be unreasonably withheld) to visit the other offices and properties of the Company and each Restricted Subsidiary, all at such reasonable times during business hours and as often as may be reasonably requested in writing; and

(b) Default - if a Default or Event of Default then exists, at the expense of the Company to visit and inspect any of the offices or properties of the Company or any Subsidiary, to examine all their respective books of account, records, reports and other papers, to make copies and extracts therefrom, and to discuss their respective affairs, finances and accounts with their respective officers and independent public accountants (and by this provision the Company authorizes said accountants to discuss the affairs, finances and accounts of the Company and its Subsidiaries), all at such reasonable times and as often as may be requested.

8. PREPAYMENT OF THE NOTES.

8.1 Required Prepayments. Each Series of Notes shall be subject to the required prepayments, if any, as are set forth in the Notes of such Series; provided that upon any partial prepayment of the Notes of a Series pursuant to Section 8.2, the principal amount of each required prepayment of the Notes of such Series becoming due on and after the date of such prepayment or purchase, as well as the payment required at maturity, shall be reduced in the same proportion as the aggregate unpaid principal amount of the Notes of such Series is reduced as a result of such prepayment or purchase.

8.2 Optional Prepayments with Make-Whole Amount.

(a) Prepayment Amount. The Company may, at its option, upon notice as provided below, prepay on any Business Day all, or from time to time any part of, the Notes of any Series in an amount not less than 5% of the aggregate principal amount of the Notes of such Series then outstanding in the case of a partial prepayment, at 100% of the principal amount so prepaid, plus accrued interest thereon, plus the Make-Whole Amount determined for the prepayment date with respect to such principal amount.

(b) Notice. The Company will give each holder of Notes of the applicable Series written notice of each optional prepayment under this Section 8.2 not less than ten (10) days and not more than sixty (60) days prior to the Business Day fixed for such prepayment. Each such notice shall specify the prepayment date, the Series to be prepaid, the aggregate principal amount of the Notes of such Series to be prepaid on such date, the principal amount of each Note of such Series held by such holder to be prepaid (determined in accordance with Section 8.3), and the interest to be paid on the prepayment date with respect to such principal amount being prepaid, and shall be accompanied by a certificate of a Senior Financial Officer as to the estimated Make-Whole Amount due in connection with such prepayment (calculated as if the date of such notice were the date of the prepayment), setting forth the details of such computation. Two (2) Business Days prior to such prepayment, the Company shall deliver to each holder of Notes which shall have designated a recipient for such notices in the Purchaser Schedule attached hereto or the Purchaser Schedule to the applicable Confirmation of Acceptance, as applicable, or by notice in writing to the Company, a certificate of a Senior Financial Officer specifying the calculation of such Make-Whole Amount as of the specified prepayment date.

8.3 Allocation of Partial Prepayments.

In the case of each partial prepayment of the Notes of any Series pursuant to Section 8.2, the principal amount of the Notes of such Series to be prepaid shall be allocated among all of the Notes of such Series at the time outstanding in proportion, as nearly as practicable, to the respective unpaid principal amounts thereof not theretofore called for prepayment.

8.4 Maturity; Surrender, etc.

In the case of each prepayment of Notes pursuant to this Section 8, the principal amount of each Note to be prepaid shall mature and become due and payable on the date fixed for such prepayment, together with interest on such principal amount accrued to such date and the applicable Make-Whole Amount, if any. From and after such date, unless the Company shall fail to pay such principal amount when so due and payable, together with the interest and Make-Whole Amount, if any, as aforesaid, interest on such principal amount shall cease to accrue. Any Note paid or prepaid in full shall be surrendered to the Company and cancelled and shall not be reissued, and no Note shall be issued in lieu of any prepaid principal amount of any Note.

8.5 Purchase of Notes.

The Company will not and will not permit any Affiliate to purchase, redeem, prepay or otherwise acquire, directly or indirectly, any of the outstanding Notes of any Series except (i) upon the payment or prepayment of the Notes of such Series in accordance with the terms of this Agreement and the Notes of such Series, or (ii) pursuant to a written offer to purchase any outstanding Notes of such Series made by the Company or an Affiliate pro-rata to the holders of all Notes of such Series at the time outstanding upon the same terms and conditions. The Company will promptly cancel all Notes acquired by it or any Affiliate pursuant to any payment, prepayment or purchase of Notes pursuant to any provision of this Agreement and no Notes may be issued in substitution or exchange for any such Notes.

8.6 Make-Whole Amount.

The term "**Make-Whole Amount**" means, with respect to any Note, an amount equal to the excess, if any, of the Discounted Value of the Remaining Scheduled Payments with respect to the Called Principal of such Note over the amount of such Called Principal; provided that the Make-Whole Amount may in no event be less than zero. For the purposes of determining the Make-Whole Amount, the following terms have the following meanings:

"Called Principal" means, with respect to any Note, the principal of such Note that is to be prepaid pursuant to Section 8.2 or has become or is declared to be immediately due and payable pursuant to Section 12.1, as the context requires.

"Discounted Value" means, with respect to the Called Principal of any Note, the amount obtained by discounting all Remaining Scheduled Payments with respect to such Called Principal from their respective scheduled due dates to the Settlement Date with respect to such Called Principal, in accordance with accepted financial practice and at a discount factor (applied on the same periodic basis as that on which interest on the Note is payable) equal to the Reinvestment Yield with respect to such Called Principal.

"Implied Canadian Dollar Yield" shall mean, with respect to the Called Principal of any Note, the yield to maturity implied by (i) the ask side yields reported as of 10:00 a.m. (New York time) on the second Business Day preceding the Settlement Date with respect to such Called Principal, on the display designated as "Page PXCA" on Bloomberg Financial Markets ("**Bloomberg**") (or such other display as may replace "Page PXCA" on Bloomberg) for actively traded benchmark Canadian Government bonds having a maturity equal to the Remaining Average Life of such Called Principal as of such Settlement Date, or if such yields are not reported as of such time or the yields reported are not ascertainable, (ii) the average of the ask side yields for such securities as determined by Recognized Canadian Government Bond Market Makers. Such implied yield shall be determined, if necessary, by (a) converting quotations to bond-equivalent yields in accordance with accepted financial practice and (b) interpolating linearly between (1) the actively traded benchmark Canadian Government bonds with the maturity closest to and greater than the Remaining Average Life of such Called Principal and (2) the actively traded benchmark Canadian Government bonds with the maturity closest to and less than the Remaining Average Life of such Called Principal.

"Implied Dollar Yield" shall mean, with respect to the Called Principal of any Note, the yield to maturity implied by (i) the yields reported as of 10:00 a.m. (New York time) on the second Business Day next preceding the Settlement Date with respect to such Called Principal for actively traded U.S. Treasury securities having a maturity equal to the Remaining Average Life of such Called Principal as of such Settlement Date on the display designated as "Page PX1" (or such other display as may replace Page PX1) on Bloomberg or, if Page PX1 (or its successor screen on Bloomberg) is unavailable, the Telerate Access Service screen which corresponds most closely to Page PX1, or (ii) if such yields shall not be reported as of such time or the yields reported as of such time shall not be ascertainable, the Treasury Constant Maturity Series yields reported, for the latest day for which such yields shall have been so reported as of the Business Day next preceding the Settlement Date with respect to such Called Principal, in Federal Reserve Statistical Release H.15 (519) (or any comparable successor publication) for actively traded U.S. Treasury securities having a constant maturity equal to the Remaining Average Life of such Called Principal as of such Settlement Date. Such implied yield shall be determined, if necessary, by (a) converting U.S. Treasury bill quotations to bond equivalent yields in accordance with accepted financial practice and (b) interpolating linearly between yields reported for various maturities.

"Implied British Pound Yield" means, with respect to the Called Principal of any Note, the yield to maturity implied by (i) the ask side yields reported, as of 10:00 a.m. (New York time) on the second Business Day preceding the Settlement Date with respect to such Called Principal, on the display designated as "Page PXUK" on Bloomberg (or such other display as may replace "Page PXUK" on Bloomberg) for actively traded benchmark gilt-edged securities having a maturity equal to the Remaining Average Life of such Called Principal as of such Settlement Date, or if such yields are not reported as of such time or the yields reported shall not be ascertainable, (ii) the average of the ask side yields for such securities as determined by Recognized British Government Bond Market Makers. Such implied yield will be determined, if necessary, by (a) converting quotations to bond-equivalent yields in accordance with accepted financial practice and (b) interpolating linearly between (1) the actively benchmark traded gilt-edged securities with the maturity closest to and greater than the Remaining Average life, and (2) the actively traded benchmark gilt-edged securities with the maturity closest to and less than the Remaining Average Life.

"Implied Euro Yield" shall mean, with respect to the Called Principal of any Note, the yield to maturity implied by (i) the ask side yields reported, as of 10:00 a.m. (New York time) on the second Business Day preceding the Settlement Date with respect to such Called Principal, on the display designated as "Page PXGE" on Bloomberg (or such other display as may replace "Page PXGE" on Bloomberg) for the actively traded benchmark German Bunds having a maturity equal to the Remaining Average Life of such Called Principal as of such Settlement Date, or if such yields are not reported as of such time or the yields reported shall not be ascertainable, (ii) the average of the ask side yields for such securities as determined by Recognized German Bund Market Makers. Such implied yield will be determined, if necessary, by (a) converting quotations to bond-equivalent yields in accordance with accepted financial practice and (b) interpolating linearly between (1) the actively traded benchmark German Bunds with the maturity closest to and greater than the Remaining Average Life of such Called Principal and (2) the actively traded benchmark German Bunds with the maturity closest to and less than the Remaining Average Life of such Called Principal.

"**Implied Yen Yield**" means, with respect to the Called Principal of any Note, the yield to maturity implied by (i) the ask side yields reported, as of 10:00 a.m. (New York time) on the second Business Day preceding the Settlement Date with respect to such Called Principal, on the display designated as "Page PXJP" on Bloomberg (or such other display as may replace "Page PXJP" on Bloomberg) for the actively traded benchmark Japanese Government bonds having a maturity equal to the Remaining Average Life of such Called Principal as of such Settlement Date, or if such yields are not reported as of such time or the yields reported shall not be ascertainable, (ii) the average of the ask side yields for such securities as determined by Recognized Japanese Government Bond Market Makers. Such rate will be determined, if necessary, by (a) converting quotations to bond-equivalent yields in accordance with accepted financial practice and (b) interpolating linearly between (1) the actively traded benchmark Japanese Government bonds with the maturity closest to and greater than the Remaining Average Life of such Called Principal and (2) actively traded benchmark Japanese Government bonds with the maturity closest to and less than the Remaining Average Life of such Called Principal.

"**Recognized British Government Bond Market Makers**" shall mean two internationally recognized dealers of gilt edged securities reasonably selected by Prudential.

"**Recognized Canadian Government Bond Market Makers**" shall mean two internationally recognized dealers of Canadian Government bonds reasonably selected by Prudential.

"**Recognized German Bund Market Makers**" shall mean two internationally recognized dealers of German Bunds reasonably selected by Prudential.

"**Recognized Japanese Government Bond Market Makers**" shall mean two internationally recognized dealers of Japanese Government bonds reasonably selected by Prudential.

"**Reinvestment Yield**" shall mean, with respect to the Called Principal of any Note denominated in (i) Dollars, 50 basis points plus the Implied Dollar Yield, (ii) British Pounds, the Implied British Pound Yield, (iii) Canadian Dollars, the Implied Canadian Dollar Yield, (iv) Euros, the Implied Euro Yield, and (v) Yen, the Implied Yen Yield. The Reinvestment Yield will be rounded to that number of decimals as appears in the coupon for the applicable Note.

"**Remaining Average Life**" means, with respect to any Called Principal, the number of years (calculated to the nearest one-twelfth year) obtained by dividing (i) such Called Principal into (ii) the sum of the products obtained by multiplying (a) the principal component of each Remaining Scheduled Payment with respect to such Called Principal by (b) the number of years (calculated to the nearest one-twelfth year) that will elapse between the Settlement Date with respect to such Called Principal and the scheduled due date of such Remaining Scheduled Payment.

"**Remaining Scheduled Payments**" means, with respect to the Called Principal of any Note, all payments of such Called Principal and interest thereon that would be due after the Settlement Date with respect to such Called Principal if no payment of such Called Principal were made prior to its scheduled due date, provided that if such Settlement Date is not a date on which interest payments are due to be made under the terms of such Note, then the amount of the next succeeding scheduled interest payment will be reduced by the amount of interest accrued to such Settlement Date and required to be paid on such Settlement Date pursuant to Section 8.2 or 12.1.

"**Settlement Date**" means, with respect to the Called Principal of any Note, the date on which such Called Principal is to be prepaid pursuant to Section 8.2 or has become or is declared to be immediately due and payable pursuant to Section 12.1, as the context requires.

9. AFFIRMATIVE COVENANTS.

The Company covenants that during the Issuance Period and so long thereafter as any of the Notes are outstanding:

9.1 Compliance with Law.

Without limiting Section 10.12, the Company will, and will cause each of its Subsidiaries to, comply with all laws, ordinances or governmental rules or regulations to which each of them is subject, including, without limitation, ERISA, Environmental Laws, the USA PATRIOT Act and the other laws and regulations that are referred to in Section 5.16, and will obtain and maintain in effect all licenses, certificates, permits, franchises and other governmental authorizations necessary to the ownership of their respective properties or to the conduct of their respective businesses, in each case to the extent necessary to ensure that non-compliance with such laws, ordinances or governmental rules or regulations or failures to obtain or maintain in effect such licenses, certificates, permits, franchises and other governmental authorizations could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

9.2 Insurance.

The Company will and will cause each of the Restricted Subsidiaries to maintain, with financially sound and reputable insurers, insurance with respect to their respective properties and businesses against such casualties and contingencies, of such types, on such terms and in such amounts (including deductibles, co-insurance and self-insurance, if adequate reserves are maintained with respect thereto) as is customary in the case of entities of established reputations engaged in the same or a similar business and similarly situated.

9.3 Maintenance of Properties.

The Company will and will cause each of the Restricted Subsidiaries to maintain and keep, or cause to be maintained and kept, their respective properties in good repair, working order and condition (other than ordinary wear and tear), so that the business carried on in connection therewith may be properly conducted at all times, provided that this Section shall not prevent the Company or any Restricted Subsidiary from discontinuing the operation and the maintenance of any of its properties if such discontinuance is desirable in the conduct of its business and the Company has concluded that such discontinuance could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

9.4 Payment of Taxes and Claims.

The Company will and will cause each of its Subsidiaries to file all tax returns required to be filed in any jurisdiction and to pay and discharge all taxes shown to be due and payable on such returns and all other taxes, assessments, governmental charges, or levies imposed on them or any of their properties, assets, income or franchises, to the extent such taxes and assessments have become due and payable and before they have become delinquent and all claims for which sums have become due and payable that have or might become a Lien on properties or assets of the Company or any Subsidiary, provided that neither the Company nor any Subsidiary need pay any such tax or assessment or claims if (i) the amount, applicability or validity thereof is contested by the Company or such Subsidiary on a timely basis in good faith and in appropriate proceedings, and the Company or such Subsidiary has established adequate reserves therefor in accordance with GAAP on the books of the Company or such Subsidiary, or (ii) the nonpayment of all such taxes and assessments and claims in the aggregate could not reasonably be expected to have a Material Adverse Effect.

9.5 Corporate Existence, etc.

The Company will at all times preserve and keep in full force and effect its corporate existence. Subject to Section 10.2, the Company will at all times preserve and keep in full force and effect the existence of each Restricted Subsidiary (unless merged into the Company or a Restricted Subsidiary) and all rights and franchises of the Company and the Restricted Subsidiaries unless, in the good faith judgment of the Company, the termination of or failure to preserve and keep in full force and effect such existence, right or franchise could not, individually or in the aggregate, have a Material Adverse Effect.

9.6 Payment of Notes and Maintenance of Office.

The Company will punctually pay, or cause to be paid, the principal and interest (and Make-Whole Amount, if any) to become due in respect of the Notes according to the terms thereof and will maintain an office at the address of the Company set forth in Section 18(c) hereof where notices, presentations and demands in respect hereof or the Notes may be made upon it. Such office will be maintained at such address until such time as such Company will notify the holders of the Notes of any change of location of such office.

10. NEGATIVE COVENANTS.

The Company covenants that during the Issuance Period and so long thereafter as any of the Notes are outstanding:

10.1 Transactions with Affiliates.
The Company will not and will not per

mit any Restricted Subsidiary to enter into, directly or indirectly, any Material transaction or Material group of related transactions (including without limitation the purchase, lease, sale or exchange of properties of any kind or the rendering of any service) with any Affiliate (other than the Company or another Restricted Subsidiary), except as approved by a majority of the disinterested directors of the Company, and upon fair and reasonable terms no less favorable to the Company or such Restricted Subsidiary than would be obtainable in a comparable arm's-length transaction with a Person not an Affiliate; provided that the foregoing restrictions shall not apply to Standard Securitization Undertakings effected as part of a Permitted Securitization Program.

10.2 Merger, Consolidation, Sale of Assets, etc.

(a) The Company will not and will not permit any Restricted Subsidiary to consolidate with or merge with any other Person unless immediately after giving effect to any consolidation or merger no Default or Event of Default would exist and:

(i) in the case of a consolidation or merger of a Restricted Subsidiary, (x) the Company or another Restricted Subsidiary is the surviving or continuing corporation, (y) the surviving or continuing corporation is or immediately

(ii) becomes a Restricted Subsidiary, or (z) such consolidation or merger, if considered as the sale of the assets of such Restricted Subsidiary to such other Person, would be permitted by Section 10.2(c); and in the case of a consolidation or merger of the Company, the successor corporation or surviving corporation which results from such consolidation or merger (the "**surviving corporation**"), if not the Company, (A) is a solvent U.S. corporation, (B) executes and delivers to each holder of the Notes its assumption of (x) the due and punctual payment of the principal of and premium, if any, and interest on all of the Notes, and (y) the due and punctual performance and observation of all of the covenants in this Agreement, the Notes and the other Transaction Documents to be performed or observed by the Company, and (C) furnishes to each holder of the Notes an opinion of counsel, reasonably satisfactory to the Required Holders, to the effect that the instrument of assumption has been duly authorized, executed and delivered and constitutes the legal, valid and binding contract and agreement of the surviving corporation enforceable in accordance with its terms, except as enforcement of such terms may be limited by bankruptcy, insolvency, reorganization, moratorium and similar laws affecting the enforcement of creditors' rights generally and by general equitable principles.

(b) The Company will not sell, lease (as lessor) or otherwise transfer all or substantially all of its assets in a single transaction or series of transactions to any Person unless immediately after giving effect thereto no Default or Event of Default would exist and:

(i) the successor corporation to which all or substantially all of the Company's assets have been sold, leased or transferred (the "**successor corporation**") is a solvent U.S. corporation, and

(ii) the successor corporation executes and delivers to each holder of the Notes its assumption of the due and punctual payment of the principal of and premium, if any, and interest on all of the Notes, and the due and punctual performance and observation of all of the covenants in this Agreement, the Notes and the other Transaction Documents to be performed or observed by the Company and shall furnish to such holders an opinion of counsel, reasonably satisfactory to the Required Holders, to the effect that the instrument of assumption has been duly authorized, executed and delivered and constitutes the legal, valid and binding contract and agreement of such successor corporation enforceable in accordance with its terms, except as enforcement of such terms may be limited by bankruptcy, insolvency, reorganization, moratorium and similar laws affecting the enforcement of creditors' rights generally and by general equitable principles.

No such conveyance, transfer or lease of all or substantially all of the assets of the Company shall have the effect of releasing the Company or any successor corporation that shall theretofore have become such in the manner prescribed in this Section 10.2 from its liability under this Agreement, the Notes or the other Transaction Documents

(c) The Company will not, and will not permit any Restricted Subsidiary to, sell, lease (as lessor), transfer, abandon or otherwise dispose of assets to any Person; provided that the foregoing restrictions do not apply to:

(i) the sale, lease, transfer or other disposition of assets of the Company to a Wholly-Owned Restricted Subsidiary or of a Restricted Subsidiary to the Company or a Wholly-Owned Restricted Subsidiary;

(ii) the sale in the ordinary course of business of inventory held for sale, or equipment, fixtures, supplies or materials that are no longer required in the operation of the business of the Company or any Restricted Subsidiary or are obsolete;

(iii) the sale of property of the Company or any Restricted Subsidiary and the Company's or any Restricted Subsidiary's subsequent lease, as lessee, of the same property, within 270 days following the acquisition or construction of such property;

(iv) the sale of assets of the Company or any Restricted Subsidiary for cash or other property to a Person or Persons (other than an Affiliate) if (A) such assets (valued at net book value) do not constitute a "substantial part" of the assets of the Company and the Restricted Subsidiaries, (B) in the opinion of a Responsible Officer of the Company, the sale is for fair value and is in the best interests of the Company, and (C) immediately after giving effect to the transaction, no Default or Event of Default would exist; or

(v) the sale of assets meeting the conditions set forth in clauses (B) and (C) of subparagraph (iv) above, as long as the net proceeds from such sale in excess of a substantial part of the assets of the Company and the Restricted Subsidiaries are (x) applied within 270 days of the date of receipt to the acquisition of productive assets useful and intended to be used in the operation of the business of the Company or the Restricted Subsidiaries, or (y) used to repay any Indebtedness of the Company (which in the case of the Notes shall be with the Make-Whole Amount) or the Restricted Subsidiaries (other than Indebtedness that is in any manner subordinated in right of payment or security in any respect to Indebtedness evidenced by the Notes, Indebtedness owing to the Company, any of its Subsidiaries or any Affiliate and Indebtedness in respect of any revolving credit or similar credit facility providing the Company or any of the Restricted Subsidiaries with the right to obtain loans or other extensions of credit from time to time, except to the extent that in connection with such payment of Indebtedness the availability of credit under such credit facility is permanently reduced not later than 270 days after the date of receipt of such proceeds by an amount not less than the amount of such proceeds applied to the payment of such Indebtedness).

(d) For purposes of Section 10.2(c), a sale of assets will be deemed to involve a "**substantial part**" of the assets of the Company and the Restricted Subsidiaries if the book value of such assets, together with all other assets sold during such fiscal year (exclusive of assets sold pursuant to clauses (i) through (iii) of Section 10.2(c) and inclusive of assets conveyed by merger or consolidation as described in Section 10.2(a)(i) and assets of Restricted Subsidiaries which have been re-designated as Unrestricted Subsidiaries as provided in Section 10.8), exceeds 10% of the Consolidated Total Assets of the Company and the Restricted Subsidiaries determined as of the end of the immediately preceding fiscal year.

(e) The Company will not, and will not permit any Restricted Subsidiary to, issue shares of stock (or any options or warrants to purchase stock or other Securities exchangeable for or convertible into stock) of any Restricted Subsidiary except (i) to the Company, (ii) to a Wholly-Owned Restricted Subsidiary, (iii) to any Restricted Subsidiary that owns equity in the Restricted Subsidiary issuing such equity, or (iv) with respect to a Restricted Subsidiary that is a partnership or joint venture, to any other Person who is a partner or equity owner if such issuance is made pursuant to the terms of the joint venture agreement or partnership agreement entered into in connection with the formation of such partnership or joint venture; provided, that Restricted Subsidiaries may issue directors' qualifying shares and shares required to be issued by any applicable foreign law regarding foreign ownership requirements. The Company will not, and will not permit any Restricted Subsidiary to sell, transfer or otherwise dispose of its interest in any stock (or any options or warrants to purchase stock or other Securities exchangeable for or convertible into stock) of any Restricted Subsidiary (except to the Company or a Wholly-Owned Restricted Subsidiary) unless such sale, transfer or disposition would be permitted under Section 10.2(c).

10.3 Liens.

The Company will not and will not permit any of the Restricted Subsidiaries to directly or indirectly create, incur, assume or permit to exist (upon the happening of a contingency or otherwise) any Lien on or with respect to any property or asset (including, without limitation, any document or instrument in respect of goods or accounts receivable) of the Company or any Restricted Subsidiary, whether now owned or hereafter acquired, or any income or profits therefrom (unless the Company makes, or causes to be made, effective provision whereby the Notes and other obligations under the Transaction Documents will be equally and ratably secured with any and all other obligations thereby secured, such security to be pursuant to agreements (including an intercreditor agreement) reasonably satisfactory to the Required Holders and, in any such case, the Notes and other obligations under the Transaction Documents shall have the benefit, to the fullest extent that, and with such priority as, the holders of the Notes may be entitled under applicable law, of any equitable Lien on such property), except for the following (which are collectively referred to as "**Permitted Liens**"):

(a) Liens for taxes, assessments or other governmental charges which are not yet delinquent or that are being contested in good faith;

(b) Liens incidental to the conduct of business or the ownership of properties and assets (including landlords', carriers', warehousemen's, mechanics' materialmen's, and other similar Liens) and Liens to secure the performance of bids, tenders, leases or trade contracts, or to secure statutory obligations (including obligations under workers compensation, unemployment insurance and other social security legislation), surety or appeal bonds or other Liens incurred in the ordinary course of business and not in connection with the borrowing of money;

(c) Liens resulting from judgments, unless such judgments are not, within 60 days, discharged or stayed pending appeal, or shall not have been discharged within 60 days after the expiration of any such stay;

(d) Liens securing Indebtedness of a Restricted Subsidiary owed to the Company or to a Wholly-Owned Restricted Subsidiary;

(e) Liens in existence on the date of this Agreement and reflected in Schedule 10.3 hereto;

(f) minor survey exceptions and the like which do not Materially detract from the value of such property;

(g) leases, subleases, easements, rights of way, restrictions and other similar charges or encumbrances incidental to the ownership of property or assets or the ordinary conduct of the Company's or any of the Restricted Subsidiaries' businesses, provided that the aggregate of such Liens do not Materially detract from the value of such property;

(h) Liens (i) existing on property at the time of its acquisition or construction by the Company or a Restricted Subsidiary and not created in contemplation thereof; (ii) on property created contemporaneously with its acquisition or within 180 days of the acquisition or completion of construction or improvement thereof to secure the purchase price or cost of construction or improvement thereof, including such Liens arising under Capital Leases; or (iii) existing on property of a Person at the time such Person is acquired by, consolidated with, or merged into the Company or a Restricted Subsidiary and not created in contemplation thereof; provided that such Liens shall attach solely to the property acquired or constructed and the principal amount of the Indebtedness secured by the Lien shall not exceed the principal amount of such Indebtedness just prior to the time such Person is consolidated with or merged into the Company or a Restricted Subsidiary;

(i) Liens on receivables of the Company or a Restricted Subsidiary and the related assets of the type specified in clauses (A) through (D) in the definition of "Permitted Securitization Program" in connection with any Permitted Securitization Program;

(j) Liens in favor of the holders of the Notes;

(k) banker's Liens and similar Liens (including set-off rights) in respect of bank deposits, provided that such bank deposits are not dedicated cash collateral in favor of such bank or other depository institution and are not otherwise intended to provide collateral security (other than for customary account commissions, fees and reimbursable expenses relating solely to such bank deposits, and for returned items);

(l) Liens in favor of customs and revenue authorities as a matter of law to secure payment of custom duties and in connection with the importation of goods in the ordinary course of the Company's and its Subsidiaries' business;

(m) any Lien renewing, extending or replacing Liens permitted by Sections 10.3(e), (h), and (i), provided that (i) the principal amount of the Indebtedness secured is neither increased nor the maturity thereof changed to an earlier date, (ii) such Lien is not extended to any other property, and (iii) immediately after such extension, renewal or refunding, no Default or Event of Default would exist; and

(n) other Liens securing Indebtedness not otherwise permitted by paragraphs (a) through (m) of this Section 10.3, provided that Priority Indebtedness shall not, at any time, exceed $100,000,000 in the aggregate;

provided, however, that the Company agrees that neither it nor any Restricted Subsidiary shall use any capacity under the foregoing clauses (a) through (n), inclusive, of this Section 10.3 to secure any amounts owed or outstanding, or any contingent obligation under, any Material Credit Facility, unless the Notes are concurrently equally and ratably secured pursuant to documentation in form and substance satisfactory to the Required Holders (including, but not limited to, documentation such as security agreements and other necessary or desirable collateral agreements, an intercreditor agreement and an opinion of independent legal counsel).

10.4 Minimum Consolidated Net Worth.

The Company will not, at any time, permit Consolidated Net Worth to be less than the sum of (i) $474,007,642, (ii) an aggregate amount equal to 60% of Consolidated Net Income (in each case, to the extent a positive number) for each complete fiscal quarter ending on or after March 31, 2012, and (iii) 50% of the net proceeds realized by the Company and its Restricted Subsidiaries after December 31, 2011 from (a) the sale of Equity Securities, excluding issuances of Equity Securities upon exercise of employee stock options or rights under any employee benefit plans (unless such exercise is by any Person that directly or indirectly owns greater than 5% of the Equity Securities of the Company), (b) issuances of Equity Securities in connection with acquisitions by the Company and its Restricted Subsidiaries, and (c) reissuances of up to $60,000,000 of treasury stock held by the Company.

10.5 Limitation on Indebtedness.

The Company will not permit at any time (i) the ratio of Total Indebtedness to EBITDA for the four most recently ended fiscal quarters of the Company to be greater than 1.85 to 1.00, or (ii) Priority Indebtedness to exceed $100,000,000 in the aggregate.

10.6 Minimum Fixed Charges Coverage.

The Company will not permit, as of the end of each fiscal quarter of the Company, the ratio of Consolidated Income Available for Fixed Charges to Fixed Charges, for the period consisting of such fiscal quarter and the preceding three fiscal quarters, to be less than 2.75 to 1.00.

10.7 Nature of the Business.

The Company will not, and will not permit any Restricted Subsidiary, to engage in any business if, as a result, the general nature of the business of the Company and the Restricted Subsidiaries, taken as a whole, which would then be engaged in by the Company and the Restricted Subsidiaries would be substantially changed from the general nature of the business engaged in by the Company and the Restricted Subsidiaries, taken as a whole, on the date of this Agreement.

10.8 Designation of Restricted and Unrestricted Subsidiaries.

(a) The Company may designate in writing to each of the holders of the Notes any Unrestricted Subsidiary as a Restricted Subsidiary and may designate in writing to each of the holders of the Notes any Restricted Subsidiary as an Unrestricted Subsidiary; provided that (i) no such designation of a Restricted Subsidiary as an Unrestricted Subsidiary shall be effective unless (A) such designation is treated as a transfer under Section 10.2 and such designation is permitted by Section 10.2, and (B) such Subsidiary does not own any stock, other equity interest or Indebtedness of the Company or a Restricted Subsidiary; and (ii) no such designation shall be effective unless, immediately after giving effect thereto no Default or Event of Default would exist; provided, further, that any Subsidiary that has been designated as a Restricted Subsidiary or an Unrestricted Subsidiary may not thereafter be redesignated as a Restricted Subsidiary or an Unrestricted Subsidiary, as the case may be, more than once; and provided, further, that no Securitization Entity shall be a Restricted Subsidiary unless designated as such by the Company. Notwithstanding anything to the contrary in this Agreement, upon any Unrestricted Subsidiary becoming a Material Subsidiary, it shall immediately be deemed to be a Restricted Subsidiary (and shall remain a Restricted Subsidiary so long as it a Material Subsidiary).

(b) The Company will not, and will not permit any Subsidiary to, allow one or more of any Unrestricted Subsidiaries (either individually or collectively), at any time, to have revenues during the four most recently ended fiscal quarters equal to or greater than 15.0% of the consolidated total revenues of the Company and its Subsidiaries during such period.

10.9 Limitation on Swap Agreements.

The Company will not, and will not permit any Restricted Subsidiary to, have any obligations (contingent or otherwise) existing or arising under any Swap Agreement, unless such obligations are (or were) entered into by such Person in the ordinary course of business for the purpose of mitigating risks associated with liabilities, commitments or assets held by such Person, and not for purposes of speculation.

10.10 Limitation on Restricted Payments.

The Company will not, and will not permit any Restricted Subsidiary to, do any of the following if a Default or Event of Default exists or would exist immediately after giving effect thereto:

(a) Declare or pay any dividends, either in cash or property, on any shares of capital stock of any class of the Company or any Restricted Subsidiary (except (i) dividends or other distributions payable solely in shares of common stock, and (ii) dividends and distributions paid by a Restricted Subsidiary solely to the Company or a Wholly-Owned Restricted Subsidiary); or

(b) Directly or indirectly, or through any Restricted Subsidiary, purchase, redeem or retire any shares of capital stock of any class of the Company or any Restricted Subsidiary or any warrants, rights or options to purchase or acquire any shares of capital stock of the Company or any Restricted Subsidiary; or

(c) Make any other payment or distribution, either directly or indirectly or through any Restricted Subsidiary, in respect of capital stock of any class of the Company or any Restricted Subsidiary (except payments and distributions made by a Restricted Subsidiary solely to the Company or a Wholly-Owned Restricted Subsidiary).

10.11 Minimum Cash.

The Company covenants that at no time will Available Cash be less than $65,000,000. For purposes hereof "**Available Cash**" shall mean the difference between (i) the amount of the consolidated cash and cash equivalents of the Company and Restricted Subsidiaries and (ii) the aggregate amount outstanding under revolving credit facilities on which the Company or any Restricted Subsidiaries are obligated as borrowers or guarantors.

10.12 Terrorism Sanctions Regulations

The Company will not and will not permit any Affiliated Entity to (a) become an OFAC Listed Person or (b) have any investments in or knowingly engage in any dealings or transactions with any Blocked Person.

11. EVENTS OF DEFAULT.

An "Event of Default" shall exist if any of the following conditions or events shall occur and be continuing:

(a) the Company defaults in the payment of any principal or Make-Whole Amount, if any, on any Note when the same becomes due and payable, whether at maturity or at a date fixed for prepayment or by declaration or otherwise; or

(b) the Company defaults in the payment of any interest on any Note or any amount payable under Section 14.4 for more than five (5) Business Days after the same becomes due and payable; or

(c) the Company defaults in the performance of or compliance with any term contained in Section 10; or

(d) the Company or any of its Subsidiaries defaults in the performance of or compliance with any term contained herein (other than those referred to in paragraphs (a), (b) and (c) of this Section 11) or in any Transaction Document and such default is not remedied within thirty (30) days after the earlier of (i) a Responsible Officer obtaining actual knowledge of such default, and (ii) the Company or such Subsidiary receiving written notice of such default from any holder of a Note (any such written notice to be identified as a "notice of default" and to refer specifically to this paragraph (d) of Section 11); or

(e) any representation or warranty made in writing by or on behalf of the Company or by any officer of the Company in this Agreement, the other Transaction Documents or in any writing furnished in connection with the transactions contemplated hereby or thereby proves to have been false or incorrect in any material respect on the date as of which made; or

(f) (i) the Company or any Restricted Subsidiary is in default (as principal or as guarantor or other surety) in the payment of any principal of or premium or make-whole amount or interest on any Indebtedness beyond any period of grace provided with respect thereto, or (ii) the Company or any Restricted Subsidiary is in default for more than twenty (20) Business Days in the performance of or compliance with any term of any evidence of any Indebtedness or of any mortgage, indenture or other agreement relating thereto or any other condition exists, and as a consequence of such default or condition (x) such Indebtedness has become, or has been declared (or one or more Persons are entitled to declare such Indebtedness to be) due and payable before its stated maturity or before its regularly scheduled dates of payment, or (y) one or more Persons have the right to require the Company or any Restricted Subsidiary to purchase or repay such Indebtedness, or (iii) as a consequence of the occurrence or continuation of any event or condition (other than the passage of time or the right of the holder of Indebtedness to convert such Indebtedness into equity interests), (x) the Company or any Restricted Subsidiary has become obligated to purchase or repay any Indebtedness before its regular maturity or before its regularly scheduled dates of payment, or (y) one or more Persons have exercised any right to require the Company or any Restricted Subsidiary to purchase or repay such Indebtedness, provided that the aggregate amount of all foregoing Indebtedness with respect to which a payment, performance or compliance default shall have occurred or a failure or other event causing or permitting the purchase or repayment by the Company or any Restricted Subsidiary shall have occurred exceeds $7,500,000; or

(g) the Company or any Material Subsidiary (i) is generally not paying, or admits in writing its inability to pay, its debts as they become due, (ii) files, or consents by answer or otherwise to the filing against it of, a petition for relief or reorganization or arrangement or any other petition in bankruptcy, for liquidation or to take advantage of any bankruptcy, insolvency, reorganization, moratorium or other similar law of any jurisdiction, (iii) makes an assignment for the benefit of its creditors, (iv) consents to the appointment of a custodian, receiver, trustee or other officer with similar powers with respect to it or with respect to any substantial part of its property, (v) is adjudicated as insolvent or to be liquidated, or (vi) takes corporate action for the purpose of any of the foregoing; or

(h) a court or governmental authority of competent jurisdiction enters an order appointing, without consent by the Company or any Material Subsidiary, a custodian, receiver, trustee or other officer with similar powers with respect to it or with respect to any substantial part of its property, or constituting an order for relief or approving a petition for relief or reorganization or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy or insolvency law of any jurisdiction, or ordering the dissolution, winding-up or liquidation of the Company or any Material Subsidiary, or any such petition shall be filed against the Company or any Material Subsidiary and such petition shall not be dismissed within sixty (60) days; or

(i) a final judgment or judgments for the payment of money aggregating in excess of $10,000,000 are rendered against one or more of the Company and any Restricted Subsidiary and which judgments are not, within sixty (60) days after entry thereof, bonded, discharged or stayed pending appeal, or are not discharged within sixty (60) days after the expiration of such stay; or

(j) (i) any Plan shall fail to satisfy the minimum funding standards of ERISA or the Code for any plan year or part thereof or a waiver of such standards or extension of any amortization period is sought or granted under section 412 of the Code, (ii) a notice of intent to terminate any Plan shall have been or is reasonably expected to be filed with the PBGC or the PBGC shall have instituted proceedings under ERISA section 4042 to terminate or appoint a trustee to administer any Plan or the PBGC shall have notified the Company or any ERISA Affiliate that a Plan may become a subject of any such proceedings, (iii) the aggregate "amount of unfunded benefit liabilities" (within the meaning of section 4001(a)(18) of ERISA) under all Plans, determined in accordance with Title IV of ERISA, shall exceed 5% of Consolidated Net Worth as of the end of the most recently ended fiscal quarter of the Company, (iv) the Company or any ERISA Affiliate shall have incurred or is reasonably expected to incur any liability pursuant to Title I or IV of ERISA or the penalty or excise tax provisions of the Code relating to employee benefit plans, (v) the Company or any ERISA Affiliate withdraws from any Multiemployer Plan, or (vi) the Company or any of its Subsidiaries establishes or amends any employee welfare benefit plan that provides post-employment welfare benefits in a manner that would increase the liability of the Company or any of its Subsidiaries thereunder; and any such event or events described in clauses (i) through (vi) above, either individually or together with any other such event or events, could reasonably be expected to have a Material Adverse Effect. (as used in Section 11(j), the terms "**employee benefit plan**" and "**employee welfare benefit plan**" shall have the respective meanings assigned to such terms in sections 3 of ERISA); or

(k) a Change of Control shall occur.

12. REMEDIES ON DEFAULT, ETC.

12.1 Acceleration.

(a) If an Event of Default with respect to the Company described in paragraph (g) or (h) of Section 11 (other than an Event of Default described in clause (i) of paragraph (g) or described in clause (vi) of paragraph (g) by virtue of the fact that such clause encompasses clause (i) of paragraph (g)) has occurred, all the Notes then outstanding shall automatically become immediately due and payable.

(b) If any other Event of Default has occurred and is continuing, any holder or holders of more than 50% in principal amount of the Notes at the time outstanding may at any time at its or their option, by notice or notices to the Company, declare all the Notes then outstanding to be immediately due and payable.

(c) If any Event of Default described in paragraph (a) or (b) of Section 11 has occurred and is continuing, any holder or holders of Notes at the time outstanding affected by such Event of Default may at any time, at its or their option, by notice or notices to the Company, declare all the Notes held by it or them to be immediately due and payable.

Upon any Notes becoming due and payable under this Section 12.1, whether automatically or by declaration, such Notes will forthwith mature and the entire unpaid principal amount of such Notes, plus (x) all accrued and unpaid interest thereon and (y) the Make-Whole Amount determined in respect of such principal amount (to the full extent permitted by applicable law), shall all be immediately due and payable, in each and every case without presentment, demand, protest or further notice, all of which are hereby waived. The Company acknowledges, and the parties hereto agree, that each holder of a Note has the right to maintain its investment in the Notes free from repayment by the Company (except as herein specifically provided for) and that the provision for payment of a Make-Whole Amount by the Company in the event that the Notes are prepaid or are accelerated as a result of an Event of Default, is intended to provide compensation for the deprivation of such right under such circumstances.

12.2 Other Remedies.

If any Default or Event of Default has occurred and is continuing, and irrespective of whether any Notes have become or have been declared immediately due and payable under Section 12.1, the holder of any Note at the time outstanding may proceed to protect and enforce the rights of such holder by an action at law, suit in equity or other appropriate proceeding, whether for the specific performance of any agreement contained herein, in any Note or in any other Transaction Document, or for an injunction against a violation of any of the terms hereof or thereof, or in aid of the exercise of any power granted hereby or thereby or by law or otherwise.

12.3 Rescission.

At any time after any Notes have been declared due and payable pursuant to clause (b) or (c) of Section 12.1, the Required Holders, by written notice to the Company, may rescind and annul any such declaration and its consequences, and at any time after any Notes have become due and payable pursuant to clause (a) of Section 12.1, the holders of all Notes then outstanding, by written notice to the Company, may rescind acceleration of the Notes resulting from the occurrence of an Event of Default described in paragraph (h) of Section 11, if in each case (i) the Company has paid all overdue interest on the Notes, all principal of and Make-Whole Amount, if any, on any Notes that are due and payable and are unpaid other than by reason of such declaration, and all interest on such overdue principal and Make-Whole Amount, if any, and (to the extent permitted by applicable law) any overdue interest in respect of the Notes, at the Default Rate, (ii) all Events of Default and Defaults, other than non-payment of amounts that have become due solely by reason of such declaration or acceleration, have been cured or have been waived pursuant to Section 17, and (iii) no judgment or decree has been entered for the payment of any monies due pursuant hereto or to the Notes. No rescission and annulment under this Section 12.3 will extend to or affect any subsequent Event of Default or Default or impair any right consequent thereon.

12.4 No Waivers or Election of Remedies, Expenses, etc.

No course of dealing and no delay on the part of any holder of any Note in exercising any right, power or remedy shall operate as a waiver thereof or otherwise prejudice such holder's rights, powers or remedies. No right, power or remedy conferred by this Agreement, the other Transaction Documents or by any Note upon any holder thereof shall be exclusive of any other right, power or remedy referred to herein or therein or now or hereafter available at law, in equity, by statute or otherwise. Without limiting the obligations of the Company under Section 15, the Company will pay to the holder of each Note on demand such further amount as shall be sufficient to cover all costs and expenses of such holder incurred in any enforcement or collection under this Section 12, including, without limitation, reasonable attorneys' fees, expenses and disbursements.

13. REGISTRATION; EXCHANGE; SUBSTITUTION OF NOTES.

13.1 Registration of Notes.

The Company shall keep at its principal executive office a register for the registration and registration of transfers of Notes. The name and address of each holder of one or more Notes, each transfer thereof and the name and address of each transferee of one or more Notes shall be registered in such register. Prior to due presentment for registration of transfer, the Person in whose name any Note shall be registered shall be deemed and treated as the owner and holder thereof for all purposes hereof, and the Company shall not be affected by any notice or knowledge to the contrary. The Company shall give to any holder of a Note that is an Institutional Investor promptly upon request therefor, a complete and correct copy of the names and addresses of all registered holders of Notes.

13.2 Transfer and Exchange of Notes.

Upon surrender of any Note at the principal executive office of the Company for registration of transfer or exchange (and in the case of a surrender for registration of transfer, duly endorsed or accompanied by a written instrument of transfer duly executed by the registered holder of such Note or his attorney duly authorized in writing and accompanied by the address for notices of each transferee of such Note or part thereof), the Company shall execute and deliver, at its expense (except as provided below), one or more new Notes (as requested by the holder thereof) in exchange therefor, in an aggregate principal amount equal to the unpaid principal amount of the surrendered Note. Each such new Note shall be payable to such Person as such holder may request and shall be substantially in the form of the Note so surrendered. Each such new Note shall be dated and bear interest from the date to which interest shall have been paid on the surrendered Note or dated the date of the surrendered Note if no interest shall have been paid thereon. The Company may require payment of a sum sufficient to cover any stamp tax or governmental charge imposed in respect of any such transfer of Notes. Notes shall not be transferred in denominations of less than $100,000 (or its equivalent if denominated in another currency), provided that if necessary to enable the registration of transfer by a holder of its entire holding of Notes of a Series, one Note may be in a denomination of less than $100,000 (or its equivalent if denominated in another currency). Any transferee, by its acceptance of a Note registered in its name (or the name of its nominee), shall be deemed to have made the representations set forth in Section 6. Each transferee of a Note which was not previously a holder of the Notes under this Agreement and which is not incorporated under the laws of the United States of America or a state thereof shall, within three (3) Business Days of becoming a holder, deliver to the Company such certificate and other evidence as the Company may reasonably request to establish that such holder is entitled to receive payments under the Notes without deduction or withholding of any United States federal income taxes.

13.3 Replacement of Notes.

Upon receipt by the Company of evidence reasonably satisfactory to it of the ownership of and the loss, theft, destruction or mutilation of any Note (which evidence shall be, in the case of an Institutional Investor, notice from such Institutional Investor of such ownership and such loss, theft, destruction or mutilation), and

(a) in the case of loss, theft or destruction, of indemnity reasonably satisfactory to it (provided that if the holder of such Note is, or is a nominee for, an original Purchaser or another holder of a Note with a minimum net worth of at least $100,000,000, such Person's own unsecured agreement of indemnity shall be deemed to be satisfactory), or

(b) in the case of mutilation, upon surrender and cancellation thereof,

the Company at its own expense shall execute and deliver, in lieu thereof, a new Note, dated and bearing interest from the date to which interest shall have been paid on such lost, stolen, destroyed or mutilated Note or dated the date of such lost, stolen, destroyed or mutilated Note if no interest shall have been paid thereon.

14. PAYMENTS ON NOTES.

14.1 Place of Payment.

Subject to Section 14.2, payments of principal, Make-Whole Amount, if any, and interest becoming due and payable on the Notes shall be made in Provo, Utah at the principal office of the Company in such jurisdiction. The Company may at any time, by notice to each holder of a Note, change the place of payment of the Notes so long as such place of payment shall be either the principal office of the Company in such jurisdiction or the principal office of a bank or trust company in such jurisdiction.

14.2 Home Office Payment.

So long as any Purchaser or its nominee shall be the holder of any Note, and notwithstanding anything contained in Section 14.1 or in such Note to the contrary, the Company will pay all sums becoming due on such Note for principal, Make-Whole Amount, if any, and interest by wire transfer of immediately available funds to the account or accounts specified, (i) in the case of any Existing Note, in the applicable Purchaser Schedule attached hereto, and (ii) in the case of any Shelf Note, in the Purchaser Schedule attached to the applicable Confirmation of Acceptance, or (iii) by such other method or at such other address as such Purchaser shall have from time to time specified to the Company in writing for such purpose, without the presentation or surrender of such Note or the making of any notation thereon, except that upon written request of the Company made concurrently with or reasonably promptly after payment or prepayment in full of any Note, such Purchaser shall surrender such Note for cancellation, reasonably promptly after any such request, to the Company at its principal executive office or at the place of payment most recently designated by the Company pursuant to Section 14.1. Prior to any sale or other disposition of any Note held by any Purchaser or its nominee such Purchaser will, at its election, either endorse thereon the amount of principal paid thereon and the last date to which interest has been paid thereon or surrender such Note to the Company in exchange for a new Note or Notes pursuant to Section 13.2. The Company will afford the benefits of this Section 14.2 to any Institutional Investor that is the direct or indirect transferee of any Note purchased under this Agreement (or such applicable Original Agreement, as the case may be) that has made the same agreement relating to such Note as the Purchasers have made in this Section 14.2.

14.3 Currency of Payments.

(a) All payments under this Agreement and the Notes shall be made in the Available Currency in which the relevant Notes are denominated.

(b) All expenses required to be reimbursed pursuant to this Agreement or the Notes shall be reimbursed in the currency in which such expenses were originally incurred.

(c) To the fullest extent permitted by applicable law, the obligation of the Company in respect of any amount due under or in respect of this Agreement and the Notes, notwithstanding any payment in any currency other than the currency required to be used to pay such amount (as set forth in this Section 14.3), whether as a result of (1) any judgment or order or the enforcement thereof, (2) the realization on any security, (3) the liquidation of the Company, (4) any voluntary payment by the Company, or (5) any other reason, shall be discharged only to the extent of the amount of the applicable Available Currency that each holder of Notes entitled to receive such payment may, in accordance with normal banking procedures, purchase with the sum paid in such other currency (after any premium and costs of exchange) on the New York Business Day immediately following the day on which such holder receives such payment and if the amount in such Available Currency that may be so purchased for any reason is less than the amount originally due, the Company shall indemnify and save harmless such holder from and against all loss or damage arising out of or as a result of such deficiency. This indemnity shall constitute an obligation separate and independent from the other obligations contained in this Agreement and the Notes, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by such holder from time to time and shall continue in full force and effect notwithstanding any judgment or order for a liquidated sum in respect of an amount due under this Agreement or the Notes or under any judgment or order.

14.4 Payments Free and Clear of Taxes.

(a) Payments. The Company will pay all amounts of principal of, applicable Make-Whole Amount, if any, and interest on the Notes, and all other amounts payable hereunder or under the Notes or the other Transaction Documents, without set-off or counterclaim and free and clear of, and without deduction or withholding for or on account of, all present and future income, stamp, documentary and other taxes and duties, and all other levies, imposts, charges, fees, deductions and withholdings, now or hereafter imposed, levied, collected, withheld or assessed by any Governmental Authority (except net income taxes and franchise taxes in lieu of net income taxes imposed on any holder of any Note by its jurisdiction of incorporation or the jurisdiction in which its applicable lending office is located) (all such non-excluded taxes, duties, levies, imposts, duties, charges, fees, deductions and withholdings being hereinafter called "**Taxes**"). If any Taxes are required to be withheld from any amounts payable to a holder of any Notes, the amounts so payable to such holder shall be increased to the extent necessary to yield such holder (after payment of all Taxes) interest on any such other amounts payable hereunder at the rates or in the amounts specified in this Agreement, the Notes and the other Transaction Documents. Whenever any Taxes are payable by the Company, as promptly as possible thereafter, the Company shall send to each holder of the Notes, a certified copy of an original official receipt received by the Company showing payment thereof. If the Company fails to pay any Taxes when due to the appropriate taxing authority or fails to remit to each holder of the Notes the required receipts or other required documentary evidence, the Company shall indemnify each holder of the Notes for any taxes (including interest or penalties) that may become payable by such holder as a result of any such failure. The obligations of the Company under this subsection 14.4(a) shall survive the payment and performance of the Notes and the termination of this Agreement.

(b) Withholding Exemption Certificates. On or prior to the applicable Closing Day, each holder of the Notes which is not organized under the laws of the United States of America or a state thereof shall deliver to the Company such certificates and other evidence as the Company may reasonably request to establish that such holder is entitled to receive payments under the Notes without deduction or withholding of any United States federal income taxesEach such holder further agrees (i) promptly to notify the Company, upon becoming aware thereof, of any change of circumstances (including any change in any treaty, law or regulation) which would prevent such holder from receiving payments under the Notes without any deduction or withholding of such taxes, and (ii) on or before the date that any certificate or other form delivered by such holder under this Section 14.4(b) expires or becomes obsolete or after the occurrence of any event requiring a change in the most recent such certificate or form previously delivered by such holder, to deliver to the Company a new certificate or form, certifying that such holder is entitled to receive payments under the Notes without deduction or withholding of such taxes. If any holder of the Notes which is not organized under the laws of the United States of America or a state thereof fails to provide to the Company pursuant to this Section 14.4(b) (or in the case of a transferee of a Note, Section 13.2) any certificates or other evidence required by such provision to establish that such holder is, at the time it becomes a holder, entitled to receive payments under the Notes without deduction or withholding of any United States federal income taxes, such holder shall not be entitled to any indemnification under Section 14.4(a) for any Taxes imposed on such holder.

15. EXPENSES, ETC.

15.1 Transaction Expenses.

Whether or not the transactions contemplated hereby are consummated, the Company will pay all costs and expenses (including reasonable attorneys' fees of one special counsel and, if reasonably required, local or other counsel) incurred by each Purchaser or holder of a Note in connection with such transactions and in connection with any amendments, waivers or consents under or in respect of this Agreement, the Notes or the other Transaction Documents (whether or not such amendment, waiver or consent becomes effective), including, without limitation: (a) the costs and expenses incurred in enforcing or defending (or determining whether or how to enforce or defend) any rights under this Agreement, the Notes or the other Transaction Documents, or in responding to any subpoena or other legal process or informal investigative demand issued in connection with this Agreement, the Notes or the other Transaction Documents, or by reason of being a holder of any Note, and (b) the costs and expenses, including financial advisors' fees, incurred in connection with the insolvency or bankruptcy of the Company or any Subsidiary or in connection with any work-out or restructuring of the transactions contemplated hereby, by the Notes and by the other Transaction Documents. The Company will pay, and will save each holder of a Note harmless from, all claims in respect of any fees, costs or expenses if any, of brokers and finders (other than those retained by such holder).

15.2 Survival.

The obligations of the Company under this Section 15 will survive the payment or transfer of any Note, the enforcement, amendment or waiver of any provision of this Agreement, the Notes or the other Transaction Documents, and the termination of this Agreement and the other Transaction Documents.

16. SURVIVAL OF REPRESENTATIONS AND WARRANTIES; ENTIRE AGREEMENT.

All representations and warranties contained herein, in the other Transaction Documents or in any Confirmation of Acceptance shall survive the execution and delivery of this Agreement, the other Transaction Documents, such Confirmation of Acceptance and the Notes, the purchase or transfer by any holder of any Note or portion thereof or interest therein and the payment of any Note, and may be relied upon by any subsequent holder of a Note, regardless of any investigation made at any time by or on behalf of any Purchaser or any other holder of a Note. All statements contained in any certificate or other instrument delivered by or on behalf of the Company pursuant to this Agreement or the other Transaction Documents shall be deemed representations and warranties of the Company under this Agreement. Subject to the preceding sentence, this Agreement, the Notes and the other Transaction Documents embody the entire agreement and understanding between the Prudential and the Purchasers, on the one hand, and the Company, on the other hand, and supersede all prior agreements and understandings relating to the subject matter hereof.

17. AMENDMENT AND WAIVER.

17.1 Requirements.

This Agreement and the Notes may be amended, and the Company may take any action herein prohibited, or omit to perform any act herein required to be performed by it, if the Company shall obtain the written consent to such amendment, action or omission to act, of the Required Holder(s) of the Notes, except that:

(i) without the written consent of the holders of all Notes of a particular Series, and if an Event of Default shall have occurred and be continuing, of the holders of all Notes of all Series, at the time outstanding, the Notes of such Series may not be amended or the provisions thereof waived to change the maturity thereof, to change or affect the principal thereof, or to change or affect the rate or time of payment of interest on or any Make-Whole Amount payable with respect to the Notes of such Series,

(ii) without the written consent of the holder or holders of all Notes at the time outstanding, no amendment to or waiver of the provisions of this Agreement shall change or affect the provisions of Section 12 or this Section 17 insofar as such provisions relate to proportions of the principal amount of the Notes of any Series, or the rights of any individual holder of Notes, required with respect to any declaration of Notes to be due and payable or with respect to any consent, amendment, waiver or declaration,

(iii) without the written consent of Prudential, the provisions of Section 2B may not be amended or waived (provided that if any such amendment or waiver would affect any rights or obligations with respect to the purchase and sale of Notes which shall have become Accepted Notes prior to such amendment or waiver, the requirements of clause (iv), below, must also be satisfied), and

(iv) without the written consent of all of the Purchasers which shall have become obligated to purchase Accepted Notes of any Series, no provision of Sections 2B or 3 may be amended or waived if such amendment or waiver would affect the rights or obligations with respect to the purchase and sale of the Accepted Notes of such Series or the terms and provisions of such Accepted Notes.

Each holder of any Note at the time or thereafter outstanding shall be bound by any consent authorized by this Section 17, whether or not such Note shall have been marked to indicate such consent. No course of dealing between the Company and the holder of any Note nor any delay in exercising any rights hereunder or under any Note shall operate as a waiver of any rights of any holder of such Note.

As used herein, the term "this Agreement" and "Notes" and references thereto shall mean this Agreement and such Notes, respectively, as they may from time to time be amended or supplemented.

17.2 Notes held by Company, etc.

Solely for the purpose of determining whether the holders of the requisite percentage of the aggregate principal amount of Notes or any Series thereof then outstanding have approved or consented to any amendment, waiver or consent to be given under this Agreement or the Notes or any Series thereof or any other Transaction Documents, or have directed the taking of any action provided herein, in the Notes or any Series thereof or in any other Transaction Documents to be taken upon the direction of the holders of a specified percentage of the aggregate principal amount of Notes or any Series thereof then outstanding, Notes or any Series thereof directly or indirectly owned by the Company or any of its Affiliates shall be deemed not to be outstanding.

18. NOTICES.

All notices and communications provided for hereunder (other than communication provided for in Section 2, which shall be provided as contemplated therein) shall be in writing and sent (a) by telefacsimile if the sender on the same day sends a confirming copy of such notice by a recognized overnight delivery service (charges prepaid), or (b) by registered or certified mail with return receipt requested (postage prepaid), or (c) by a recognized overnight delivery service (with charges prepaid). Any such notice must be sent:

(a) if to a Purchaser or its nominee, to such Person at the address specified for such communications, (i) in the case of any Existing Notes, in the applicable Purchaser Schedule attached hereto, and (ii) in the case of any Shelf Notes, in the Purchaser Schedule attached to the applicable Confirmation of Acceptance, or (iii) at such other address as such Person shall have specified to the Company in writing,

(b) if to any other holder of any Note, to such holder at such address as such other holder shall have specified to the Company in writing, or

(c) if to the Company, to the Company at One Nu Skin Plaza, 75 West Center Street, Provo, Utah 84601 to the attention of the Chief Financial Officer, or at such other address as the Company shall have specified to the holder of each Note in writing.

Notices under this Section 18 will be deemed to have been given and received when delivered at the address so specified. Any communication pursuant to Section 2 shall be made by a method specified for such communication in Section 2, and shall be effective to create any rights or obligations under this Agreement only if, in the case of a telephone communication, an Authorized Officer of the party conveying the information and of the party receiving the information are parties to the telephone call, and in the case of a telefacsimile communication, the communication is signed by an Authorized Officer of the party conveying the information, addressed to the attention of an Authorized Officer of the party receiving the information, and in fact received at the telefacsimile terminal the number of which is listed for the party receiving the communication on the Information Schedule hereto or at such other telefacsimile terminal as the party receiving the information shall have specified in writing to the party sending such information.

19. REPRODUCTION OF DOCUMENTS.

This Agreement, the other Transaction Documents and all documents relating thereto, including, without limitation, (a) consents, waivers and modifications that may hereafter be executed, (b) documents by Prudential or any Purchaser may receive on any Closing Day (except the Notes themselves), and (c) financial statements, certificates and other information previously or hereafter furnished to Prudential or any Purchaser, may be reproduced by Prudential or such Purchaser by any photographic, photostatic, microfilm, microcard, miniature photographic or other similar process and Prudential or such Purchaser may destroy any original document so reproduced. The Company agrees and stipulates that, to the extent permitted by applicable law, any such reproduction shall be admissible in evidence as the original itself in any judicial or administrative proceeding (whether or not the original is in existence and whether or not such reproduction was made in the regular course of business) and any enlargement, facsimile or further reproduction of such reproduction shall likewise be admissible in evidence. This Section 19 shall not prohibit the Company or any other holder of Notes from contesting any such reproduction to the same extent that it could contest the original, or from introducing evidence to demonstrate the inaccuracy of any such reproduction.

20. CONFIDENTIAL INFORMATION.

For the purposes of this Section 20, "Confidential Information" means information delivered to any Purchaser by or on behalf of the Company or any Subsidiary in connection with the transactions contemplated by or otherwise pursuant to this Agreement that is proprietary in nature and that was clearly marked or labeled or otherwise adequately identified when received by such Purchaser as being confidential information of the Company or such Subsidiary, provided that such term does not include information that (a) was publicly known or otherwise known to such Purchaser prior to the time of such disclosure, (b) subsequently becomes publicly known through no act or omission by such Purchaser or any person acting on its behalf, (c) otherwise becomes known to such Purchaser other than through disclosure (x) by the Company or any Subsidiary, or (y) by another Person known by such Purchaser to be bound by a confidentiality agreement with the Company, or (d) constitutes financial statements delivered to such Purchaser under Section 7.1 that are otherwise publicly available. Each Purchaser will maintain the confidentiality of such Confidential Information in accordance with procedures adopted by it in good faith to protect confidential information of third parties delivered to it, provided that each Purchaser may deliver or disclose Confidential Information to (i) its directors, officers, employees, agents, attorneys and affiliates (to the extent such disclosure reasonably relates to the administration of the investment represented by any Notes), (ii) its financial advisors and other professional advisors who agree to hold confidential the Confidential Information substantially in accordance with the terms of this Section 20, (iii) any other holder of any Note, (iv) any Institutional Investor to which such Purchaser sells or offers to sell such Note or any part thereof or any participation therein (if such Person has agreed in writing prior to its receipt of such Confidential Information to be bound by the provisions of this Section 20), (v) any Person from which such Purchaser offers to purchase any security of the Company (if such Person has agreed in writing prior to its receipt of such Confidential Information to be bound by the provisions of this Section 20), (vi) any federal or state regulatory authority having jurisdiction over such Purchaser, (vii) the National Association of Insurance Commissioners or any similar organization, or any nationally recognized rating agency that requires access to information about such Purchaser's investment portfolio or (viii) any other Person to which such delivery or disclosure may be necessary or appropriate (w) to effect compliance with any law, rule, regulation or order applicable to such Purchaser, (x) in response to any subpoena or other legal process (provided that such Purchaser give prompt notice to the Company of such subpoena or legal process to the extent such Purchaser is legally permitted to do so), (y) in connection with any litigation to which such Purchaser is a party, or (z) if an Event of Default has occurred and is continuing, to the extent such Purchaser may reasonably determine such delivery and disclosure to be necessary or appropriate in the enforcement or for the protection of the rights and remedies under its Notes, this Agreement and the other Transaction Documents. Each holder of a Note, by its acceptance of a Note, will be deemed to have agreed to be bound by and to be entitled to the benefits of this Section 20 as though it were a party to this Agreement. On reasonable request by the Company in connection with the delivery to any holder of a Note of information required to be delivered to such holder under this Agreement or requested by such holder (other than a holder that is a party to this Agreement or its nominee), such holder will enter into an agreement with the Company embodying the provisions of this Section 20.

21. [INTENTIONALLY OMITTED.]

22. JUDICIAL PROCEEDINGS.

22.1 Consent to Jurisdiction.

The Company irrevocably submits to the non-exclusive jurisdiction of any New York State or United States federal court sitting in New York City, and irrevocably waives its own forum, over any suit, action or proceeding arising out of or relating to this Agreement or any Note. The Company irrevocably waives, to the fullest extent it may effectively do so under applicable law, any objection which it may have or hereafter have to the laying of the venue of any such suit, action or proceeding brought in any such court and any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum. The Company agrees, to the fullest extent it may effectively do so under applicable law, that a final judgment in any such suit, action or proceeding brought in such court shall be conclusive and binding upon the Company may be enforced in the courts of the United States, the State of New York (or any other courts to the jurisdiction of which the Company is or may be subject) by a suit upon such judgment, provided that service of process is effected on the Company in one of the manners specified below or as otherwise permitted by law.

22.2 Service of Process.

The Company hereby consents to process being served in any suit, action or proceeding of the nature referred to in Section 22.1 by the mailing of a copy thereof by registered or certified air mail, postage prepaid, return receipt requested, to the address of the Company set forth in Section 18. The Company irrevocably waives, to the fullest extent it may effectively do so under applicable law, all claim of error by reason of any such service and agrees that such service (a) shall be deemed in every respect effective service of process upon the Company in any such suit, action or proceeding, and (b) shall, to the fullest extent permitted by law, be taken and held to be valid personal service upon the Company.

22.3 No Limitation on Service or Suit.

Nothing in this Section 22 shall affect the right of any holder of the Notes to serve process in any manner permitted by law or limit the right of any holder of the Notes to bring proceedings against the Company in the courts of any jurisdiction or jurisdictions or to enforce in any lawful manner a judgment obtained in one jurisdiction in any other jurisdiction.

23. MISCELLANEOUS.

23.1 Successors and Assigns.

All covenants and other agreements contained in this Agreement and the other Transaction Documents by or on behalf of any of the parties hereto or thereto bind and inure to the benefit of their respective successors and assigns (including, without limitation, any subsequent holder of a Note) whether so expressed or not.

23.2 Accounting Principles.

All accounting terms used herein which are not expressly defined in this Agreement have the meanings respectively given to them in accordance with GAAP. Except as otherwise specifically provided herein, (i) all computations made pursuant to this Agreement shall be made in accordance with GAAP and (ii) all accounts and financial statements shall be prepared in accordance with GAAP. Notwithstanding the foregoing, for purposes of the determination of compliance with any covenant in Section 10, or the determination of financial terms contained in this Agreement, (i) the effects of Accounting Standards Codification 825-10-25 or any similar or successor accounting standard to the extent it relates to fair value accounting shall be disregarded and (ii) the effects of Accounting Standards Codification 470-20 or any similar or successor accounting standard to the extent it would measure an item of Indebtedness in respect of convertible debt in a reduced or bifurcated manner as described therein shall be disregarded, it being agreed that for purposes of all such determinations, indebtedness shall be valued at the full stated principal amount thereof (at par).

23.3 Payments Due on Non-Business Days.

Anything in this Agreement, the Notes or the other Transaction Documents to the contrary notwithstanding, any payment of principal of or Make-Whole Amount or interest on any Note that is due on a date other than a Business Day shall be made on the next succeeding Business Day without including the additional days elapsed in the computation of the interest payable on such next succeeding Business Day; provided that if the maturity date of any Note is a date other than a Business Day, the payment otherwise due on such maturity date shall be made on the next succeeding Business Day and shall include the additional days elapsed in the computation of interest payable on such next succeeding Business Day.

23.4 Severability.

Any provision of this Agreement or the other Transaction Documents that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or thereof, and any such prohibition or unenforceability in any jurisdiction shall (to the full extent permitted by law) not invalidate or render unenforceable such provision in any other jurisdiction.

23.5 Construction.

Each covenant contained herein shall be construed (absent express provision to the contrary) as being independent of each other covenant contained herein, so that compliance with any one covenant shall not (absent such an express contrary provision) be deemed to excuse compliance with any other covenant. Where any provision herein refers to action to be taken by any Person, or which such Person is prohibited from taking, such provision shall be applicable whether such action is taken directly or indirectly by such Person.

23.6 Counterparts.

This Agreement and the other Transaction Documents may be executed in any number of counterparts, each of which shall be an original but all of which together shall constitute one instrument. Each counterpart may consist of a number of copies hereof, each signed by less than all, but together signed by all, of the parties hereto.

23.7 Governing Law.

This Agreement shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the law of the State of New York excluding choice-of-law principles of the law of such State (other than Section 5-1401 of the New York General Obligations Law) that would require the application of the laws of a jurisdiction other than such State.

23.8 Transaction References.

The Company agrees that Prudential Capital Group may (a) refer to its role in establishing this Agreement, the Notes and/or the Facility, as well as the identity of the Company and the aggregate principal amount of the Notes and the date on which the Agreement, the Notes and/or the Facility was established (as well as the date and the amount of any issuance of any of the Notes), on its internet site or in marketing materials, press releases, published "tombstone" announcements or any other print or electronic medium, and (b) display the corporate logo of Nu Skin in conjunction with any such reference

23.9 Binding Agreement.

Subject to Section 3A, when this Agreement is executed and delivered by the Company, each of the Purchasers signatory hereto and Prudential, it shall become a binding agreement among the Company, such Purchasers and Prudential. This Agreement shall also inure to the benefit of each Purchaser which shall have executed and delivered a Confirmation of Acceptance after the date hereof, and each such Purchaser shall be bound by this Agreement to the extent provided in such Confirmation of Acceptance.

23.10 **No Novation**.

This Agreement amends, restates and replaces the Original Agreements and is not intended to constitute a novation of the provisions thereunder as in effect prior to the effectiveness of this Agreement.

* * * * *

Very truly yours,

NU SKIN ENTERPRISES, INC.

By: /s/Ritch N. Wood

Name: Ritch N. Wood
Title: Chief Financial Officer

[SIGNATURE PAGE TO AMENDED AND RESTATED NOTE PURCHASE1 AND PRIVATE SHELF AGREEMENT]

The foregoing Agreement is
hereby accepted as of the
date first above written.

THE PRUDENTIAL INSURANCE COMPANY OF AMERICA, as a Purchaser

By: /s/Iris Krause
Title: Vice President

PRUDENTIAL RETIREMENT INSURANCE AND ANNUITY COMPANY, as a Purchaser

By: Prudential Investment Management, Inc.,
as investment manager

By: /s/Iris Krause
Title: Vice President

PRUCO LIFE INSURANCE COMPANY OF NEW JERSEY, as a Purchaser

By: /s/Iris Krause
Title: Vice President

PRUCO LIFE INSURANCE COMPANY,
as a Purchaser

By: /s/Iris Krause
Title: Vice President

[SIGNATURE PAGE TO AMENDED AND RESTATED NOTE PURCHASE1 AND PRIVATE SHELF AGREEMENT]

MTL INSURANCE COMPANY, as a Purchaser

By: Prudential Private Placement Investors, L.P.,
as investment advisor

By: Prudential Private Placement Investors, Inc.,
as its general partner

By: /s/Iris Krause
Vice President

GIBRALTAR LIFE INSURANCE CO., LTD.

By: Prudential Investment Management (Japan),
as investment manager

By: Prudential Investment Management, Inc.,
as sub-adviser

By: /s/Iris Krause
Vice President

PRUDENTIAL INVESTMENT MANAGEMENT, INC.

By: /s/Iris Krause
Title: Vice President

[SIGNATURE PAGE TO AMENDED AND RESTATED NOTE PURCHASE1 AND PRIVATE SHELF AGREEMENT]

Name in Which Notes are to be Registered	THE PRUDENTIAL INSURANCE COMPANY OF AMERICA
Note Registration Numbers; Original Principal Amounts	C-1 ¥ 1,985,464,000 (Japanese Yen) D-1 $12,750,000 D-2 $20,000,000 E-2 $7,300,000 E-8 $3,267,648 EE-1 ¥ 2,170,000,000 (Japanese Yen) F-1 ¥ 1,300,698,000 (Japanese Yen)
Payment on Account of Notes - Dollar Denominated Notes	Payments shall be made by wire transfer of immediately available funds for credit to: JPMorgan Chase Bank New York, NY ABA No.: In the case of payments on account of Notes D-1 and E-6: Account Name: Account No.: In the case of payments on account of Note D-2 and E-2: Account Name: Account No.: Re: (See "Accompanying information" below)
Payment on Account of Notes - Japanese Yen Denominated Notes	Payments shall be made by wire transfer of immediately available funds for credit to: JP Morgan Chase Bank, Tokyo Account Name: Account No.: Swift: FFC: IBAN #: Re: (See "Accompanying information" below)

Accompanying Information	Name of Company: Nu Skin Enterprises, Inc. Description of Security: 1.7225% Series C Senior Notes due April 30, 2014 PPN: Name of Company: Nu Skin Enterprises, Inc. Description of Security: 6.19% Series D Senior Notes due July 5, 2016 PPN: Name of Company: Nu Skin Enterprises, Inc. Description of Security: 6.14% Series E Senior Notes due January 20, 2017 PPN: Name of Company: Nu Skin Enterprises, Inc. Description of Security: 3.275% Series EE Senior Notes due January 20, 2017 PPN: Name of Company: Nu Skin Enterprises, Inc. Description of Security: 2.59% Series F Senior Notes due September 28, 2017 PPN: Each such wire transfer shall also set forth the due date and application (as among principal, interest and Make-Whole Amount) of the payment being made.
Address for Notices Related to Payments	The Prudential Insurance Company of America c/o Investment Operations Group Gateway Center Two, 10th Floor 100 Mulberry Street Newark, NJ 07102-4077 Attn: Manager, Billings and Collections with telephonic prepayment notices to: Manager, Trade Management Group Tel: Fax:
Address for All Other Notices	The Prudential Insurance Company of America c/o Prudential Capital Group Four Embarcadero Center, Suite 2700 San Francisco, California 94111-4180 Attn: Managing Director Fax:
Other Instructions	THE PRUDENTIAL INSURANCE COMPANY OF AMERICA By: _____ Name: Title: Vice President
Instructions re Delivery of Notes	Send physical security by nationwide overnight delivery service to: Prudential Capital Group Four Embarcadero Center, Suite 2700 San Francisco, CA 94111-4180 Attn: Telephone:
Tax Identification Number	

Name in Which Notes are to be Registered	PRUDENTIAL RETIREMENT INSURANCE AND ANNUITY COMPANY
Note Registration Numbers; Original Principal Amounts	C-2 ¥ 1,134,536,000 (Japanese Yen) D-4 $3,000,000 E-4 $1,100,000 F-2¥ 967,302,000 (Japanese Yen)
Payment on Account of Notes - Dollar Denominated Notes	Payments shall be made by wire transfer of immediately available funds for credit to: JPMorgan Chase Bank New York, NY ABA No.: Account Name: Account No.: Re: (See "Accompanying information" below)
Payment on Account of Notes - Japanese Yen Denominated Notes	Payments shall be made by wire transfer of immediately available funds for credit to: JP Morgan Chase Bank, Tokyo Account Name: Account No.: Swift: FFC: IBAN #: Re: (See "Accompanying information" below)
Accompanying Information	Name of Company: Nu Skin Enterprises, Inc. Description of Security: 1.7225% Series C Senior Notes due April 30, 2014 PPN: Name of Company: Nu Skin Enterprises, Inc. Description of Security: 6.19% Series D Senior Notes due July 5, 2016 PPN: Name of Company: Nu Skin Enterprises, Inc. Description of Security: 6.14% Series E Senior Notes due January 20, 2017 PPN: Name of Company: Nu Skin Enterprises, Inc. Description of Security: 2.59% Series F Senior Notes due September 28, 2017 PPN: Each such wire transfer shall also set forth the due date and application (as among principal, interest and Make-Whole Amount) of the payment being made.
Address for Notices Related to Payments	Prudential Retirement Insurance and Annuity Company c/o Prudential Investment Management, Inc. Private Placement Trade Management PRIAC Administration Gateway Center Four, 7th Floor 100 Mulberry Street Newark, NJ 07102 with telephonic prepayment notices to: Manager, Trade Management Group Tel: Fax:
Address for All Other Notices	Prudential Retirement Insurance and Annuity Company c/o Prudential Capital Group Four Embarcadero Center, Suite 2700 San Francisco, California 94111-4180 Attn: Managing Director Fax:
Other Instructions	PRUDENTIAL RETIREMENT INSURANCE AND ANNUITY COMPANY By: Prudential Investment Management, Inc., investment manager By: _____ Name: Title: Vice President
Instructions re Delivery of Notes	Send physical security by nationwide overnight delivery service to: Prudential Capital Group Four Embarcadero Center, Suite 2700 San Francisco, CA 94111-4180 Attn: Telephone:
Tax Identification Number	

Name in Which Notes are to be Registered	PRUCO LIFE INSURANCE COMPANY OF NEW JERSEY
Note Registration Numbers; Original Principal Amounts	D-3 $4,250,000
Payment on Account of Notes	Payments shall be made by wire transfer of immediately available funds for credit to: JPMorgan Chase Bank New York, NY ABA No.: Account No.: Account Name: Re: (see "Accompanying Information" below)
Accompanying Information	Name of Company: Nu Skin Enterprises, Inc. Description of Security: 6.19% Series D Senior Notes due July 5, 2016 PPN: Each such wire transfer shall also set forth the due date and application (as among principal, interest, and Make-Whole Amount) of the payment being made.
Address for Notices Related to Payments	Pruco Life Insurance Company of New Jersey c/o The Prudential Insurance Company of America c/o Investment Operations Group Gateway Center Two, 10th Floor 100 Mulberry Street Newark, NJ 07102-4077 Attn: Manager, Billings and Collections with telephonic prepayment notices to: Manager, Trade Management Group Tel: Fax:
Address for All Other Notices	Pruco Life Insurance Company of New Jersey c/o Prudential Capital Group Four Embarcadero Center, Suite 2700 San Francisco, California 94111-4180 Attn: Managing Director Fax:
Other Instructions	PRUCO LIFE INSURANCE COMPANY OF NEW JERSEY By: _____ Name: Title: Vice President
Instructions re Delivery of Notes	Send physical security by nationwide overnight delivery service to: Prudential Capital Group Four Embarcadero Center, Suite 2700 San Francisco, CA 94111-4180 Attn: Telephone:

Tax Identification Number

Name in Which Notes are to be Registered	PRUCO LIFE INSURANCE COMPANY
Note Registration Numbers; Original Principal Amounts	E-3 $3,100,000
Payment on Account of Notes	Payments shall be made by wire transfer of immediately available funds for credit to: JPMorgan Chase Bank New York, NY ABA No.: Account No.: Account Name: Re: (see "Accompanying Information" below)
Accompanying Information	Name of Company: Nu Skin Enterprises, Inc. Description of Security: 6.14% Series E Senior Notes due January 20, 2017 PPN: Each such wire transfer shall also set forth the due date and application (as among principal, interest, and Make-Whole Amount) of the payment being made.
Address for Notices Related to Payments	Pruco Life Insurance Company c/o The Prudential Insurance Company of America c/o Investment Operations Group Gateway Center Two, 10th Floor 100 Mulberry Street Newark, NJ 07102-4077 Attn: Manager, Billings and Collections with telephonic prepayment notices to: Manager, Trade Management Group Tel: Fax: (
Address for All Other Notices	Pruco Life Insurance Company c/o Prudential Capital Group Four Embarcadero Center, Suite 2700 San Francisco, California 94111-4180 Attn: Managing Director Fax:
Other Instructions	PRUCO LIFE INSURANCE COMPANY By: _____ Name: Title: Vice President
Instructions re Delivery of Notes	Send physical security by nationwide overnight delivery service to: Prudential Capital Group Four Embarcadero Center, Suite 2700 San Francisco, CA 94111-4180 Attn: Telephone:
Tax Identification Number	

Name in Which Notes are to be Registered	MTL INSURANCE COMPANY
Note Registration Numbers; Original Principal Amounts	E-5 $3,000,000
Payment on Account of Notes	Payments shall be made by wire transfer of immediately available funds for credit to: Northern Chgo/Trust ABA No.: Credit Wire Account No.: FFC: Insurance Company - Prudential Re: (See "Accompanying information" below)
Accompanying Information	Name of Company: Nu Skin Enterprises, Inc. Description of Security: 6.14% Series E Senior Notes due January 20, 2017 PPN: Each such wire transfer shall also set forth the due date and application (as among principal, interest, and Make-Whole Amount) of the payment being made.
Address for Notices Related to Payments and Written Confirmations of such Wire Transfers:	MTL Insurance Company 1200 Jorie Blvd. Oak Brook, IL 60522-9060 Attention:
Address for All Other Notices	Prudential Private Placement Investors, L.P. c/o Prudential Capital Group Four Embarcadero Center, Suite 2700 San Francisco, California 94111-4180 Attn: Managing Director Fax:

Other Instructions	MTL INSURANCE COMPANY By: Prudential Private Placement Investors, L.P., as investment advisor By: Prudential Private Placement Investors, Inc., as its general partner By: _____ Name: Title: Vice President
Instructions re Delivery of Notes	(a) Send physical security by nationwide overnight delivery service to: The Northern Trust Company of New York Harborside Financial Center 10, Suite 1401 3 Second Street Northern Acct. Insurance Company - Prudential Jersey City, NJ 07311 Attn: Please include in the cover letter accompanying the Note a reference to the Purchaser's account number (MTL Insurance Company-Prudential; Account Number:) (b) Send copy by nationwide overnight delivery service to: Prudential Capital Group Gateway Center 4 100 Mulberry, 7th Floor Newark, NJ 07102 Attention: Trade Management, Manager Telephone:
Tax Identification Number	

Name in Which Notes are to be Registered	THE GIBRALTAR LIFE INSURANCE CO., LTD.
Note Registration Numbers; Original Principal Amounts	E-9 $2,232,352
All principal, interest and Make-Whole Amount payments on account of Notes	Payments shall be made by wire transfer of immediately available funds for credit to: JPMorgan Chase Bank New York, NY ABA No.: Account Name: Account No.: Re: (See "Accompanying information" below)
All payments, other than principal, interest or Make-Whole Amount, on account of Notes	Payments shall be made by wire transfer of immediately available funds for credit to: JPMorgan Chase Bank New York, NY ABA No. Account No. Account Name: Re: (See "Accompanying information" below)
Accompanying Information	Name of Company: Nu Skin Enterprises, Inc. Description of Security: 6.14% Series E Senior Notes due January 20, 2017 PPN: Each such wire transfer shall also set forth the due date and application (e.g., as among principal, interest and Make-Whole Amount, or type of fee, as applicable) of the payment being made.
Address for Notices Related to Payments	The Gibraltar Life Insurance Co., Ltd. 2-13-10, Nagata-cho Chiyoda-ku, Tokyo 100-8953, Japan Telephone: Facsimile: E-mail: Attention:
Address for All Other Notices	Prudential Private Placement Investors, L.P. c/o Prudential Capital Group Four Embarcadero Center, Suite 2700 San Francisco, California 94111-4180 Attn: Managing Director Fax:

Other Instructions	GIBRALTAR LIFE INSURANCE CO., LTD. By: Prudential Investment Management (Japan), as Investment Manager By: Prudential Investment Management, Inc., as Sub-Adviser By:_____ Name: Title:Vice President
Instructions re Delivery of Notes	Send physical security by nationwide overnight delivery service to: Prudential Capital Group Four Embarcadero Center, Suite 2700 San Francisco, CA 94111-4180 Attn: Telephone:

Tax Identification Number

DEFINED TERMS

As used herein, the following terms have the respective meanings set forth below or set forth in the Section hereof following such term:

"**2003 Agreement**" is defined in Section 1A.

"**2009 Agreement**" is defined in Section 1A.

"**Acceptanc**e" is defined in Section 2B(5).

"**Acceptance Day**" is defined in Section 2B(5).

"**Accepted Note**" is defined in Section 2B(5).

"**Acceptance Window**" means, with respect to any Quotation, the time period designated by Prudential during which the Company and Prudential shall be in live communication and the Company may elect to accept such Quotation.

"**Affiliate**" means, at any time, (a) with respect to any Person, any other Person that at such time directly or indirectly through one or more intermediaries Controls, or is Controlled by, or is under common Control with, such first Person, and (b) with respect to the Company and its Subsidiaries, any Person beneficially owning or holding, directly or indirectly, 5% or more of any class of voting or equity interests of the Company or any of its Subsidiaries or any corporation of which the Company and its Subsidiaries beneficially own or hold, in the aggregate, directly or indirectly, 5% or more of any class of voting or equity interests. Unless the context otherwise clearly requires, any reference to an "Affiliate" is a reference to an Affiliate of the Company.

"**Affiliated Entity**" means any of the Subsidiaries of the Company and any of their or the Company's respective Controlled Affiliates.

"**Anti-Money Laundering Laws**" is defined in Section 5.16(c).

"**Available Cash**" is defined in Section 10.11.

"**Authorized Officer**" means (i) in the case of the Company, its President, Chief Financial Officer, and Treasurer thereof designated as an "Authorized Officer" of the Company in the Information Schedule or designated as an "Authorized Officer" of the Company for purposes of this Agreement in an Officer's Certificate executed by the Company's President, Chief Financial Officer or Treasurer, and (ii) in the case of Prudential, any officer of Prudential designated as its "Authorized Officer" in the Information Schedule or any officer of Prudential designated as its "Authorized Officer" for the purpose of this Agreement in a certificate executed by one of its Authorized Officers. Any action taken under this Agreement on behalf of the Company by any individual who on or after the date of this Agreement shall have been an Authorized Officer of the Company and whom Prudential in good faith believes to be an

Authorized Officer of the Company at the time of such action shall be binding on the Company even though such individual shall have ceased to be an Authorized Officer of the Company, and any action taken under this Agreement on behalf of Prudential by any individual who on or after the date of this Agreement shall have been an Authorized Officer of Prudential, and whom the Company in good faith believes to be an Authorized Officer of Prudential at the time of such action shall be binding on Prudential even though such individual shall have ceased to be an Authorized Officer of Prudential.

"**Available Currencies**" means British Pounds, Canadian Dollars, Dollars, Euros, and Yen.

"**Available Facility Amount**" is defined in Section 2B(1).

"**Bank Credit Agreement**" is defined in Section 3A.

"**Blocked Person**" is defined in Section 5.16.

"**Bloomberg**" is defined in Section 8.6.

"**British Pounds**" and the symbol "**£**" means the lawful currency of the United Kingdom.

"**Business Day**" means (i) other than as provided in clauses (ii) and (iii) below, any day other than a Saturday, a Sunday or a day on which commercial banks in New York City are authorized or required to be closed, (ii) for purposes of Section 2B(3) only, any day which is both a New York Business Day and a day on which Prudential is open for business and (iii) for purposes of Sections 8.6 and 23.3 only, (a) if with respect to Notes denominated in British Pounds, any day which is both a New York Business Day and a day on which commercial banks are not required or authorized to be closed in London, (b) if with respect to Notes denominated in Canadian Dollars, any day which is both a New York Business Day and a day on which commercial banks are not required or authorized to be closed in Toronto, (c) if with respect to Notes denominated in Dollars, a New York Business Day, (d) if with respect to Notes denominated in Euros, any day which is both a New York Business Day and a day on which commercial banks are not required or authorized to be closed in Frankfurt and Brussels, and (e) if with respect to Notes denominated in Yen, any day which is both a New York Business Day and a day on which commercial banks are not required or authorized to be closed in Tokyo, Japan.

"**Canadian Dollars**" means the lawful currency of Canada.

"**Cancellation Date**" is defined in Section 2B(8)(iv).

"**Cancellation Fee**" is defined in Section 2B(8)(iv).

"**Capital Lease**" means, at any time, a lease with respect to which the lessee is required concurrently to recognize the acquisition of an asset and the incurrence of a liability in accordance with GAAP.

"**Change of Control**" means an event or series of events by which:

(a) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act) becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act, except that a person shall be deemed to have "beneficial ownership" of all securities that such person has the right to acquire, whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of 30% or more of the equity interests of the Company; or

(b) during any period of 12 consecutive months, a majority of the members of the Board of Directors or other equivalent governing body of the Company cease to be composed of individuals (i) who were members of that board or equivalent governing body on the first day of such period, (ii) whose election or nomination to that board or equivalent governing body was approved by individuals referred to in clause (i) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body or (iii) whose election or nomination to that board or other equivalent governing body was approved by individuals referred to in clauses (i) and (ii) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body.

"**Closing Day**" means, with respect to any Accepted Note, the Business Day specified for the closing of the purchase and sale of such Accepted Note in the Confirmation of Acceptance with respect to such Accepted Note, provided that (i) if the Company and the Purchaser which is obligated to purchase such Accepted Note agree on an earlier Business Day for such closing, the "Closing Day" for such Accepted Note shall be such earlier Business Day, and (ii) if the closing of the purchase and sale of such Accepted Note is rescheduled pursuant to Section 2B(7), the Closing Day for such Accepted Note, for all purposes of this Agreement except references to "original Closing Day" in Section 2B(8)(iii), shall mean the Rescheduled Closing Day with respect to such Accepted Note.

"**Code**" means the Internal Revenue Code of 1986, as amended from time to time, and the rules and regulations promulgated thereunder from time to time.

"**Company**" means Nu Skin Enterprises, Inc., a Delaware corporation.

"**Confidential Information**" is defined in Section 20.

"**Confirmation of Acceptance**" is defined in Section 2B(5).

"**Consolidated Income Available for Fixed Charges**" means, with respect to any period, Consolidated Net Income for such period plus all amounts deducted in the computation thereof on account of (a) Fixed Charges, and (b) taxes imposed on or measured by income or excess profits of the Company and the Restricted Subsidiaries.

"**Consolidated Net Income**" means, with respect to any period, the net income (or loss) of the Company and the Restricted Subsidiaries for such period (taken as a cumulative whole), as determined in accordance with GAAP, after eliminating all offsetting debits and credits between the Company and the Restricted Subsidiaries and all other items required to be eliminated in the course of the preparation of consolidated financial statements of the Company and the Restricted Subsidiaries in accordance with GAAP.

"**Consolidated Net Worth**" means, at any time, (a) the consolidated stockholders' equity of the Company and the Restricted Subsidiaries, as determined according to GAAP, less (b) the sum of (i) to the extent included in clause (a), all amounts attributable to minority interests, if any, in the securities of Restricted Subsidiaries, and (ii) the amount by which Restricted Investments exceed 20% of the amount determined in clause (a).

"**Consolidated Total Assets**" means, at any date of determination, on a consolidated basis for the Company and the Restricted Subsidiaries, total assets, determined in accordance with GAAP.

"**Control**" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise. "**Controlling**" and "**Controlled**" have meanings correlative thereto.

"**Credit Facility**" means any credit facility providing for the borrowing of money or the issuance of letters of credit (a) for the Company or (b) for any Restricted Subsidiary, if its obligations under such credit facility are guaranteed by the Company.

"**Default**" means an event or condition the occurrence or existence of which would, with the lapse of time or the giving of notice or both, become an Event of Default.

"**Default Rate**" means (i) in the case of any Note denominated in Dollars, the greater of 2% over the interest rate expressed in such Note and 2% over the rate announced from time to time in New York City by the Bank of New York as its "base" or "prime" rate and (ii) in the case of any Note denominated in a currency other than Dollars, 2% over the interest rate expressed in such Note.

"**Delayed Delivery Fee"** is defined in Section 2B(8)(iii).

"**Document Delivery Date**" means (i) the applicable Closing Day in the case of any Accepted Notes to be denominated in Dollars, (ii) one New York Business Days prior to the applicable Closing Day in the case of any Accepted Notes to be denominated in British Pounds, Canadian Dollars or Euros and (iii) two New York Business Days prior to the applicable Closing Day in the case of any Accepted Notes to be denominated in Yen.

"**Dollars**" and the symbol "**$**" mean the lawful money of the United States of America unless, in the case of "Dollars" or "$", if immediately preceded by the name of another country (e.g. "Canadian Dollars").

"**Domestic Subsidiary**" means, at any time, each Subsidiary of the Company (a) which is created, organized or domesticated in the United States or under the laws of the United States or any state or territory thereof, (b) which was included as a member of the Company's affiliated group in the Company's most recent consolidated United States federal income tax return, or (c) the earnings of which were includable in the taxable income of the Company or any other Domestic Subsidiary (to the extent of the Company's and/or such other Domestic Subsidiary's ownership interest of such Subsidiary) in the Company's most recent consolidated United States federal income tax return.

"**EBITDA**" means, with respect to any period, the sum of (i) Consolidated Net Income for such period without giving effect to extraordinary gains and losses, gains and losses resulting from changes in GAAP or one time non-recurring income and expenses resulting from acquisitions, plus (ii) to the extent deducted in the calculation of Consolidated Net Income, the amount of all interest expense, depreciation expense, amortization expense, and income tax expense; provided that EBITDA will include or exclude, as applicable, acquisitions and divestitures of Restricted Subsidiaries or other business units on a pro forma basis as if such acquisitions or divestitures occurred on the first day of the applicable period.

"**Environmental Laws**" means any and all Federal, state, local, and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or governmental restrictions relating to pollution and the protection of the environment or the release of any materials into the environment, including but not limited to those related to hazardous substances or wastes, air emissions and discharges to waste or public systems.

"**Equity Securities**" of any Person means (a) all common stock, Preferred Stock, participations, shares, partnership interest, membership interest or other equity interest in and of such Person (regardless of how designated and whether or not voting or non-voting), and (b) all warrants, options and other rights to acquire any of the foregoing.

"**ERISA**" means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the rules and regulations promulgated thereunder from time to time in effect.

"**ERISA Affiliate**" means any trade or business (whether or not incorporated) that is treated as a single employer together with the Company under section 414 of the Code.

"**Euros**" and the symbol "**€**"means the single currency of participating member states of the European Union.

"**Event of Default**" is defined in Section 11.

"**Exchange Act**" means the Securities Exchange Act of 1934, as amended.

"**Existing China Pledge**" means the Pledge Agreement, dated as of January 31, 2005, by and among Nu Skin Asia Investment, Inc., each other Existing Pledgor party thereto (if any) and the Existing Collateral Agreement, as may be amended, supplemented or otherwise modified through the date hereof.

"**Existing Collateral**" means "Collateral" as defined in the Existing Intercreditor Agreement.

"**Existing Collateral Agent**" means U.S. Bank National Association, as successor to State Street Bank and Trust Company of California, N.A., acting in its capacity as collateral agent under the Existing Intercreditor Agreement, together with its successors and assigns.

"**Existing Collateral Documents**" means (a) the Existing Pledge Agreement, (b) the Existing China Pledge Agreement, (c) each of the Existing Subsidiary Guaranties, (d) the Existing Intercreditor Agreement, and all other documents existing on the date hereof securing the Notes, the payment of the indebtedness evidenced by the Notes and all other amounts due from the Company or any Restricted Subsidiary under the Original Agreements, the Existing Notes or the Existing Collateral Documents.

"**Existing Intercreditor Agreement**" means the Amended and Restated Collateral Agency and Intercreditor Agreement, dated as of August 26, 2003, by and among the Existing Collateral Agent, certain of the Purchasers and each of the other "Benefitted Parties" and "Additional Benefitted Parties" (as such terms are defined therein), and acknowledged by the Company and the Subsidiary guarantors, as such agreement may be amended, supplemented or otherwise modified through the date hereof.

"**Existing Notes**" means each of the Notes described in Section 1B, existing on the date hereof.

"**Existing Pledge Agreement**" means the Pledge Agreement, dated as of October 12, 2000, by and between the Existing Pledgors and the Existing Collateral Agent, as may be amended, supplemented or otherwise modified through the date hereof.

"**Existing Pledged Securities**" means (a) the Equity Securities described in (i) Schedule I attached to the Existing Pledge Agreement or (ii) the Existing China Pledge, as the case may be, and (b) the Equity Securities (together with their attendant rights, interests, documents, certificates, instruments, dividends, distributions, returns, cash, warrants, option, proceeds and other property) of each Person pledged under the Existing Pledge Agreement or the Existing China Pledge, as the case may be, pursuant to any of the Original Agreements or Existing Collateral Documents.

"**Existing Pledgor**" means each Person who has pledged Existing Pledged Securities under the Existing Pledge Agreement or the Existing China Pledge, as the case may be.

"**Existing Subordination Agreement**" means the Second Amended and Restated Subordination Agreement, dated as of October 1, 2009, by and among the subordinated creditors and senior creditors named therein, as may be amended, supplemented or otherwise modified through the date hereof.

"**Existing Subsidiary Guaranties**" means each "Subsidiary Guaranty" (as defined in each of the Original Agreements) executed and delivered prior to the date hereof by the respective Existing Subsidiary Guarantors, in favor of certain of the Purchasers, in connection with, and pursuant to, its respective Original Agreement, in each case, as may be amended, supplemented or otherwise modified through the date hereof.

"**Existing Subsidiary Guarantors**" means, as the context may require, the "Subsidiary Guarantors" (as defined in each of the Original Agreements), existing on the date hereof.

"**Facility**" is defined in Section 2B(1).

"**Fixed Charges**" means, with respect to any period, the sum of (i) Interest Expense for such period, and (ii) Lease Rentals for such period.

"**Foreign Subsidiary**" means, at any time, each Subsidiary of the Company that is not a Domestic Subsidiary.

"**GAAP**" means generally accepted accounting principles as in effect from time to time in the United States of America.

"**Governmental Authority**" means

(a) the government of

(i) the United States of America or any State or other political subdivision thereof, or

(ii) Japan or any political subdivision thereof, or

(ii) any jurisdiction in which the Company or any Subsidiary conducts all or any part of its business, or which asserts jurisdiction over any properties of the Company or any Subsidiary, or

(b) any entity exercising executive, legislative, judicial, regulatory or administrative functions of, or pertaining to, any such government.

"**Guaranty**" means, with respect to any Person, any obligation (except the endorsement in the ordinary course of business of negotiable instruments for deposit or collection) of such Person guaranteeing or in effect guaranteeing any indebtedness, dividend or other obligation of any other Person in any manner, whether directly or indirectly, including (without limitation) obligations incurred through an agreement, contingent or otherwise, by such Person:

(a) to purchase such indebtedness or obligation or any property constituting security therefor;

(b) to advance or supply funds (i) for the purchase or payment of such indebtedness or obligation, or (ii) to maintain any working capital or other balance sheet condition or any income statement condition of any other Person or otherwise to advance or make available funds for the purchase or payment of such indebtedness or obligation;

(c) to lease properties or to purchase properties or services primarily for the purpose of assuring the owner of such indebtedness or obligation of the ability of any other Person to make payment of the indebtedness or obligation; or

(d) otherwise to assure the owner of such indebtedness or obligation against loss in respect thereof.

In any computation of the indebtedness or other liabilities of the obligor under any Guaranty, the indebtedness or other obligations that are the subject of such Guaranty shall be assumed to be direct obligations of such obligor.

"**Hazardous Material**" means any and all pollutants, toxic or hazardous wastes or any other substances that might pose a hazard to health or safety, the removal of which may be required or the generation, manufacture, refining, production, processing, treatment, storage, handling, transportation, transfer, use, disposal, release, discharge, spillage, seepage, or filtration of which is or shall be restricted, prohibited or penalized by any applicable law (including, without limitation, asbestos, urea formaldehyde foam insulation and polychlorinated biphenyls).

"**Hedge Treasury Note(s)**" means, with respect to any Accepted Note, the United States Treasury Note or Notes whose cash flow duration (as determined by Prudential) most closely matches the duration of such Accepted Note.

"**holder**" means, with respect to any Note, the Person in whose name such Note is registered in the register maintained by the Company pursuant to Section 13.1.

"**Hostile Tender Offer**" means, with respect to the use of proceeds of any Note, any offer to purchase, or any purchase of, shares of capital stock of any corporation or equity interests in any other entity, or securities convertible into or representing the beneficial ownership of, or rights to acquire, any such shares or equity interests, if such shares, equity interests, securities or rights are of a class which is publicly traded on any securities exchange or in any over-the-counter market, other than purchases of such shares, equity interests, securities or rights representing less than 5% of the equity interests or beneficial ownership of such corporation or other entity for portfolio investment purposes, and such offer or purchase has not been duly approved by the board of directors of such corporation or the equivalent governing body of such other entity prior to the date on which the Company makes the Request for Purchase of such Note.

"**Indebtedness**" with respect to any Person means, at any time, without duplication,

(a) its liabilities for borrowed money and its redemption obligations in respect of mandatorily redeemable Preferred Stock;

(b) its liabilities for the deferred purchase price of property acquired by such Person (excluding accounts payable arising in the ordinary course of business but including all liabilities created or arising under any conditional sale or other title retention agreement with respect to any such property);

(c) all liabilities appearing on its balance sheet in accordance with GAAP in respect of Capital Leases;

(d) all liabilities for borrowed money secured by any Lien with respect to any property owned by such Person (whether or not it has assumed or otherwise become liable for such liabilities);

(e) Securitization Debt; and

(f) any Guaranty of such Person with respect to liabilities of a type described in any of clauses (a) through (e) hereof.

Indebtedness of any Person shall include all obligations of such Person of the character described in clauses (a) through (f) to the extent such Person remains legally liable in respect thereof notwithstanding that any such obligation is deemed to be extinguished under GAAP.

"**INHAM Exemption**" is defined in Section 6.2(e).

"**Institutional Investor**" means (a) any original purchaser of a Note, and (b) any bank, trust company, savings and loan association or other financial institution, any pension plan, any investment company, any insurance company, any broker or dealer, or any other similar financial institution or entity, regardless of legal form, holding more than $2,000,000 (or its equivalent in another Available Currency) in of the aggregate principal amount of the Notes then outstanding or more than 20% of the aggregate principal amount of the Notes then outstanding.

"**Interest Expense**" means, with respect to the Company and the Restricted Subsidiaries for any period, the sum, determined on a consolidated basis in accordance with GAAP, of (a) all interest paid, accrued or scheduled for payment on the Indebtedness of the Company and the Restricted Subsidiaries during such period (including interest attributable to Capital Leases), plus (b) all fees in respect of outstanding letters of credit paid, accrued or scheduled for payment by the Company and the Restricted Subsidiaries during such period.

"**Investment**" means any investment, made in cash or by delivery of property, by the Company or any Restricted Subsidiary (a) in any Person, whether by acquisition of stock, Indebtedness or other obligation or Security, or by loan, Guaranty, advance, capital contribution or otherwise; or (b) in any property.

"**Issuance Period**" is defined in Section 2B(2).

"**Issuance Fee**" is defined in Section 2B(8)(ii).

"**Lease Rentals**" means, with respect to any period, the sum of the rental and other obligations required to be paid during such period by the Company or any Restricted Subsidiary as lessee under all leases of real or personal property (other than Capital Leases) as determined on a consolidated basis for the Company and the Restricted Subsidiaries in accordance with GAAP.

"**Lien**" means, with respect to any Person, any mortgage, lien, pledge, charge, security interest or other encumbrance, or any interest or title of any vendor, lessor, lender or other secured party to or of such Person under any conditional sale or other title retention agreement or Capital Lease, upon or with respect to any property or asset of such Person (including in the case of stock, stockholder agreements, voting trust agreements and all similar arrangements).

"**Make-Whole Amount**" is defined in Section 8.6.

"**Material**" or "**Materially**" means material or materially, as the case may be, in relation to the business, operations, affairs, financial condition, assets, properties or prospects of the Company and the Restricted Subsidiaries taken as a whole.

"**Material Adverse Effect**" means a material adverse effect on (a) the business, operations, affairs, financial condition, assets or properties of the Company and the Restricted Subsidiaries taken as a whole, or (b) the ability of the Company to perform its obligations under this Agreement, the Notes or the other Transaction Documents, or (c) the validity or enforceability of this Agreement, the Notes or any of the other Transaction Documents.

"**Material Credit Facility**" means (a) the Bank Credit Agreement, (b) any debt securities of the Company or of any Restricted Subsidiary (if such Restricted Subsidiary's obligations thereunder are guaranteed by the Company) that are publically offered or privately placed in the United States if the aggregate amount available to be borrowed and/or outstanding under such debt securities exceeds $25,000,000 at any time, and (c) any Credit Facility entered into by the Company or any Restricted Subsidiary organized under the laws of any state or territory of the United States if the aggregate amount available to be borrowed and/or outstanding under such Credit Facility exceeds $25,000,000 at any time.

"**Material Domestic Subsidiary**" means each Domestic Subsidiary of the Company that also is a Material Subsidiary.

"**Material Subsidiaries**" means, at any time, each Subsidiary of the Company which (i) had revenues during the four most recently ended fiscal quarters equal to or greater than 5.0% of the consolidated total revenues of the Company and its Subsidiaries during such period, or (ii) is an obligor under any Guaranty with respect to the Indebtedness of the Company under any Material Credit Facility.

"Multiemployer Plan" means any Plan that is a "multiemployer plan" (as such term is defined in section 4001(a)(3) of ERISA).

"**NAIC Annual Statement**" is defined in Section 6.2(a).

"**New York Business Day**" means any day other than a Saturday, a Sunday or a day on which commercial banks in New York are required or authorized to be closed.

"**Notes**" is defined in Section 1C.

"**OFAC**" is defined in Section 5.16.

"**OFAC Listed Person**" is defined in Section 5.16.

"**Officer's Certificate**" means a certificate of a Senior Financial Officer or of any other officer of the Company whose responsibilities extend to the subject matter of such certificate.

"**Original Agreements**" is defined in Section 1A.

"**Overnight Interest Rate**" means with respect to an Accepted Note denominated in a currency other than Dollars, the actual rate of interest, if any, received by the Purchaser which intends to purchase such Accepted Note on the overnight deposit of the funds intended to be used for the purchase of such Accepted Note, it being understood that reasonable efforts will be made by or on behalf of the Purchaser to make any such deposit in an interest bearing account.

"**PBGC**" means the Pension Benefit Guaranty Corporation referred to and defined in ERISA or any successor thereto.

"**Permitted Liens**" is defined in Section 10.3.

"**Permitted Securitization Program**" means any transaction or series of transactions that may be entered into by the Company or any Restricted Subsidiary pursuant to which the Company or any Restricted Subsidiary may sell, convey or otherwise transfer to (i) a Securitization Entity (in the case of a transfer by the Company or any Restricted Subsidiary) and (ii) any other Person (in the case of a transfer by a Securitization Entity), or may grant a security interest in, any receivables (whether now existing or arising or acquired in the future) of the Company or any Restricted Subsidiary, and any assets related thereto including (A) all collateral securing such receivables, (B) all contracts and contract rights and all guarantees or other obligations in respect of such receivables, (C) proceeds of such receivables, and (D) other assets (including contract rights) that are customarily transferred or in respect of which security interests are customarily granted in connection with asset securitization transactions involving receivables; provided that the resultant Securitization Debt, together with all other Priority Indebtedness then outstanding, shall not exceed the amount of Priority Indebtedness permitted by Section 10.5(a)(ii).

"**Person**" means an individual, partnership, corporation, limited liability company, association, trust, unincorporated organization, or a government or agency or political subdivision thereof.

"**Plan**" means an "employee benefit plan" (as defined in section 3(3) of ERISA) subject to Title I of ERISA that is or, within the preceding five years, has been established or maintained, or to which contributions are or, within the preceding five years, have been made or required to be made, by the Company or any ERISA Affiliate or with respect to which the Company or any ERISA Affiliate may have any liability.

"**Preferred Stock**" means any class of capital stock of a corporation that is preferred over any other class of capital stock of such corporation as to the payment of dividends or the payment of any amount upon liquidation or dissolution of such corporation.

"**Priority Indebtedness**" means (without duplication) the sum of (a) any unsecured Indebtedness of the Restricted Subsidiaries other than Indebtedness owed to the Company or any other Restricted Subsidiary, and (b) any Indebtedness of the Company and its Restricted Subsidiaries secured by a Lien not permitted by paragraphs (a) through (m) of Section 10.3, and (c) Securitization Debt.

"**property**" or "**properties**" means and includes each and every interest in any property or asset, whether tangible or intangible and whether real, personal or mixed.

"**Prudential**" means Prudential Investment Management, Inc., and any successor thereto.

"**Prudential Affiliate**" means (i) any corporation or other entity controlling, controlled by, or under common control with, Prudential and (ii) any managed account or investment fund which is managed by Prudential or a Prudential Affiliate described in clause (i) of this definition. For purposes of this definition the terms "control", "controlling" and "controlled" shall mean the ownership, directly or through subsidiaries, of a majority of a corporation's or other Person's voting stock or equivalent voting securities or interests.

"**PTE**" is defined in Section 6.2(a).

"**Purchasers**" means (i) each of the Persons listed in the Purchaser Schedule as an existing holder of Notes, (ii) with respect to any Accepted Notes, Prudential and/or the Prudential Affiliate(s) which are purchasing such Accepted Notes, and (iii) the permitted transferees of such Persons described in the foregoing clauses (i) and (ii).

"**QPAM Exemption**" is defined in Section 6.2(d).

"**Quotation**" is defined in Section 2B(4).

"**Request for Purchase**" is defined in Section 2B(3).

"**Required Holder(s)**" means the holder or holders of at least 51% of the aggregate principal amount of the Notes or of a Series of Notes, as the context may require, from time to time outstanding (exclusive of Notes then owned by the Company, any Subsidiary or any of their respective Affiliates) and, if no Notes are outstanding, shall mean Prudential. In the absence of an explicit specification to the contrary, the "Required Holders" shall refer to the holder or holders of a majority of the aggregate principal amount of the Notes.

"**Rescheduled Closing Day**" shall have the meaning specified in Section 2B(7)

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"**Responsible Officer**" means any Senior Financial Officer and any other officer of the Company or its Subsidiaries with responsibility for the administration of the relevant portion of this Agreement or the other Transaction Documents.

"**Restricted Investments**" means all Investments except any of the following: (i) property to be used in the ordinary course of business; (ii) assets arising from the sale of goods and services in the ordinary course of business; (iii) Investments in one or more Restricted Subsidiaries or any Person that immediately becomes a Restricted Subsidiary; (iv) Investments existing at the date of this Agreement; (v) Investments in obligations, maturing within one year, issued by or guaranteed by the United States of America, or an agency thereof, or Canada, or any province thereof; (vi) Investments in tax-exempt obligations, maturing within one year, which are rated in one of the top two rating classifications by at least one national rating agency; (vii) Investments in certificates of deposit or banker's acceptances maturing within one year issued by Bank of America or other commercial banks which are rated in one of the top two rating classifications by at least one national rating agency; (viii) Investments in commercial paper, maturing within 270 days, rated in one of the top two rating classifications by at least one national rating agency; (ix) Investments in repurchase agreements; (x) treasury stock; (xi) Investments in money market instrument programs which are classified as current assets in accordance with GAAP; (xii) Investments in foreign currency risk hedging contracts used in the ordinary course of business; and (xiii) Investments in Securitization Entities.

"**Restricted Subsidiary**" means any Subsidiary (a) at least a majority of the voting securities of which are owned by the Company and/or one or more Wholly-Owned Restricted Subsidiaries, and (b) which the Company has not designated as an Unrestricted Subsidiary in accordance with Section 10.8; provided that upon any Unrestricted Subsidiary becoming a Material Subsidiary, it shall immediately be deemed to be a Restricted Subsidiary (and shall remain a Restricted Subsidiary so long as it a Material Subsidiary).

"**Securities Act**" means the Securities Act of 1933, as amended from time to time.

"**Security**" has the meaning set forth in section 2(l) of the Securities Act.

"**Securitization Debt**" for the Company and the Restricted Subsidiaries shall mean, in connection with any Permitted Securitization Program, (a) any amount as to which any Securitization Entity or other Person has recourse to the Company or any Restricted Subsidiary with respect to such Permitted Securitization Program by way of a Guaranty and (b) the amount of any reserve account or similar account or asset shown as an asset of the Company or a Restricted Subsidiary under GAAP that has been pledged to any Securitization Entity or any other Person in connection with such Permitted Securitization Program.

"**Securitization Entity**" means a wholly-owned Subsidiary (other than a Restricted Subsidiary) of the Company (or another Person in which the Company or any of its Subsidiaries makes an investment and to which the Company or any of its Subsidiaries transfers receivables and related assets) that engages in no activities other than in connection with the

financing of receivables and that is designated by the Board of Directors of the Company (as provided below) as a Securitization Entity (i) no portion of the Indebtedness or any other obligations (contingent or otherwise) of which (A) is guaranteed by the Company or any of its Subsidiaries (excluding guarantees of obligations (other than the principal of, and interest on, Indebtedness) pursuant to Standard Securitization Undertakings), (B) is recourse to or obligates the Company or any of its Subsidiaries in any way other than pursuant to Standard Securitization Undertakings, or (C) subjects any property or asset of the Company or any other Subsidiary of the Company, directly or indirectly, continently or otherwise, to the satisfaction thereof, other than pursuant to Standard Securitization Undertakings, (ii) with which neither the Company nor any of its Subsidiaries has any material contract, agreement, arrangement or understanding other than on terms no less favorable to the Company or such Subsidiary than those that might be obtained at the time from Persons that are not Affiliates of the Company, other than fees payable in the ordinary course of business in connection with servicing receivables of such entity, and (iii) to which neither the Company nor any of its Subsidiaries has any obligation to maintain or preserve such entity's financial condition or cause such entity to achieve certain levels of operating results.

"**Senior Financial Officer**" means the chief financial officer, principal accounting officer, treasurer or comptroller of the Company.

"**Series**" shall have the meaning specified in Section 1C.

"Series C Note" and **"Series C Notes"** is defined in Section 1B.

"Series D Note" and **"Series D Notes"** is defined in Section 1B.

"Series E Note" and **"Series E Notes"** is defined in Section 1B.

"Series EE Note" and **"Series EE Notes"** is defined in Section 1B.

"Series F Note" and **"Series F Notes"** is defined in Section 1B.

"**Shelf Note**" and "**Shelf Notes**" is defined in Section 1C.

"**Source**" is defined in Section 6.2.

"**Standard Securitization Undertakings**" means representations, warranties, covenants and indemnities entered into by the Company or any of its Subsidiaries that are reasonably customary in a receivables securitization transaction.

"**Structuring Fee**" is defined in Section 2B(8)(i).

"**Subsidiary**" means, as to any Person, (a) any corporation of which more than 50% of the issued and outstanding Equity Securities having ordinary voting power to elect a majority of the Board of Directors of such corporation (irrespective of whether at the time capital stock of any other class or classes of such corporation shall or might have voting power upon the occurrence of any contingency) is at the time directly or indirectly owned or controlled by such Person, by such Person and one or more of its Subsidiaries or by one or more of such Person's other Subsidiaries, (b) any partnership, joint venture, limited liability company or other association of which more than 50% of the equity interest having the power to vote, direct or control the management of such partnership, joint venture, limited liability company or other association is at the time owned and controlled by such Person, by such Person and one or more of the other Subsidiaries or by one or more of such Person's other Subsidiaries, or (c) any other Person included in the financial statements of such Person on a consolidated basis. Unless the context otherwise clearly requires, any reference to a "Subsidiary" is a reference to a Subsidiary of the Company.

"**Swap Agreement**" means (a) any and all rate swap transactions, basis swaps, forward rate transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), provided that any such transaction is governed by or subject to a Master Agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., or any other master agreement published by any successor organization thereto (any such master agreement, together with any related schedules, as amended, restated, extended, supplemented or otherwise modified in writing from time to time, a "**Master Agreement**"), including any such obligations or liabilities under any Master Agreement.

"**Taxes**" is defined in Section 14.4(a).

"**Termination Agreement of Existing Collateral Documents and Guarantees**" is defined in Section 3A.

"**Total Indebtedness**" means, at any date of determination, the total of all Indebtedness of the Company and the Restricted Subsidiaries outstanding on such date, after eliminating all offsetting debits and credits between the Company and the Restricted Subsidiaries and all other items required to be eliminated in the course of the preparation of consolidated financial statements of the Company and the Restricted Subsidiaries in accordance with GAAP.

"**Transaction Documents**" means this Agreement, the Notes and any and all other agreements, documents, certificates and instruments from time to time executed and delivered by or on behalf of the Company related thereto.

"**Unrestricted Subsidiary**" means any Subsidiary which is designated as an Unrestricted Subsidiary on Schedule B or is designated as such in writing by the Company to each of the holders of the Notes pursuant to Section 10.8; provided that no Material Subsidiary shall be an Unrestricted Subsidiary.

"**Wholly-Owned Restricted Subsidiary**" means, at any time, (a) with respect to Domestic Subsidiaries, any Restricted Subsidiary one hundred percent (100%) of all of the equity interests (except directors' qualifying shares) and voting interests of which are owned by any one or more of the Company and the Company's other wholly-owned Restricted Subsidiaries at such time, and (b) with respect to Foreign Subsidiaries, any Restricted Subsidiary ninety-five percent (95%) of all of the equity interests (except directors' qualifying shares) and voting interests of which are owned by any one or more of the Company and the Company's other Wholly-Owned Restricted Subsidiaries at such time.

"**Yen**" and the symbol "**¥**" mean the lawful currency of Japan.

UNRESTRICTED SUBSIDIARIES

Nu Skin Argentina, Inc.

Nu Skin Israel, Inc.

Nu Skin Pharmanex (B) Sdn. Bhd.

Nu Skin Enterprises Ukraine, LLC

LIENS

None.

[FORM OF SERIES C NOTE]

NU SKIN ENTERPRISES, INC.

SERIES C SENIOR NOTE

No. C-[__]
CURRENCY AND ORIGINAL PRINCIPAL AMOUNT: [_____] Japanese Yen
ORIGINAL ISSUE DATE: [_____]
INTEREST RATE: 1.7225%
INTEREST PAYMENT DATES: April 30 and October 31
FINAL MATURITY DATE: April 30, 2014
PRINCIPAL PREPAYMENT DATES AND AMOUNTS: [_____] Japanese Yen on April 30 of 2008, 2009, 2010, 2011, 2012 and 2013

FOR VALUE RECEIVED, the undersigned, **NU SKIN ENTERPRISES, INC.** (herein called the **"Company"**), a corporation organized and existing under the laws of Delaware, hereby promises to pay to **[_____]**, or registered assigns, the principal sum of [_____] Japanese Yen, payable on the Principal Payment Dates and in the amounts specified above, and on the Final Maturity Date as specified above in an amount equal to the unpaid balance of the principal hereof, with interest (computed on the basis of a 365-day year and actual days elapsed) (a) on the unpaid balance thereof at the Interest Rate per annum specified above, payable on each Interest Payment Date specified above and on the Final Maturity Date specified above, commencing with the Interest Payment Date next succeeding the date hereof, until the principal hereof shall have become due and payable, and (b) on any overdue payment (including any overdue prepayment) of principal, any overdue payment of any Make-Whole Amount and any overdue payment of interest, payable on each Interest Payment Date as aforesaid (or, at the option of the registered holder hereof, on demand), at a rate per annum from time to time equal to the Default Rate.

Payments of principal, Make-Whole Amount, if any, and interest are to be made at JPMorgan Chase Bank in New York City or at such other place as the holder hereof shall designate to the Company in writing, in lawful money of Japan.

This Note is one of a series of Senior Notes (herein called the **"Notes"**) issued pursuant to a Private Shelf Agreement, dated as of August 26, 2003 (as from time to time amended, herein called the **"Agreement"**), between Nu Skin Enterprises, Inc. (the **"Company"**) and each Issuer Subsidiary which becomes party thereto, on the one hand, and Prudential Investment Management, Inc. and each Prudential Affiliate which becomes party thereto, on the other hand, and is entitled to the benefits thereof. Capitalized terms used and not otherwise defined herein shall have the meanings provided in the Agreement. Each holder of this Note will be deemed, by its acceptance hereof, (i) to have agreed to the confidentiality provisions set forth in Section 20 of the Agreement, and (ii) to have made the representations set forth in Section 6 of the

Agreement. This Note is secured by the Collateral Documents and is guaranteed by the Subsidiary Guarantors pursuant to the Subsidiary Guaranty.

This Note is subject to optional prepayment, in whole or from time to time in part, on the terms specified in the Agreement.

This Note is a registered Note and, as provided in the Agreement, upon surrender of this Note for registration of transfer, duly endorsed, or accompanied by a written instrument of transfer duly executed, by the registered holder hereof of such holder's attorney duly authorized in writing, a new Note for the then outstanding principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Company may treat the person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Company shall not be affected by any notice to the contrary.

In case an Event of Default shall occur and be continuing, the principal of this Note may be declared or otherwise become due and payable in the manner, at the price (including any applicable Make-Whole Amount), and with the effect provided in the Agreement.

This Note shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the law of the State of New York excluding choice-of-law principles of the law of such State (other than Section 5-1401 of the New York General Obligations Law) that would require the application of the laws of a jurisdiction other than such State.

NU SKIN ENTERPRISES, INC.

By:_____
Name:
Title:

[**FORM OF SERIES D NOTE**]

NU SKIN ENTERPRISES, INC.

SERIES D SENIOR NOTE

No. D-[__]
CURRENCY AND ORIGINAL PRINCIPAL AMOUNT: $[_____] (Dollars)
ORIGINAL ISSUE DATE: [_____]
INTEREST RATE: 6.19%
INTEREST PAYMENT DATES: January 5 and July 5
FINAL MATURITY DATE: July 5, 2016
PRINCIPAL PREPAYMENT DATES AND AMOUNTS: $[_____] (Dollars)
on July 5 of 2010, 2011, 2012, 2013, 2014 and 2015

FOR VALUE RECEIVED, the undersigned, **NU SKIN ENTERPRISES, INC**. (herein called the "**Company**"), a corporation organized and existing under the laws of Delaware, hereby promises to pay to **[_____]**, or registered assigns, the principal sum of [_____] DOLLARS, payable on the Principal Payment Dates and in the amounts specified above, and on the Final Maturity Date as specified above in an amount equal to the unpaid balance of the principal hereof, with interest (computed on the basis of a 360-day year of twelve 30-day months) (a) on the unpaid balance thereof at the Interest Rate per annum specified above, payable on each Interest Payment Date specified above and on the Final Maturity Date specified above, commencing with the Interest Payment Date next succeeding the date hereof, until the principal hereof shall have become due and payable, and (b) on any overdue payment (including any overdue prepayment) of principal, any overdue payment of any Make-Whole Amount and any overdue payment of interest, payable on each Interest Payment Date as aforesaid (or, at the option of the registered holder hereof, on demand), at a rate per annum from time to time equal to the Default Rate.

Payments of principal, Make-Whole Amount, if any, and interest are to be made at JPMorgan Chase Bank in New York City or at such other place as the holder hereof shall designate to the Company in writing, in lawful money of the United States of America.

This Note is one of a series of Senior Notes (herein called the "**Notes**") issued pursuant to a Private Shelf Agreement, dated as of August 26, 2003 (as from time to time amended, herein called the "**Agreement**"), between Nu Skin Enterprises, Inc. (the "**Company**") and each Issuer Subsidiary which becomes party thereto, on the one hand, and Prudential Investment Management, Inc. and each Prudential Affiliate which becomes party thereto, on the other hand, and is entitled to the benefits thereof. Capitalized terms used and not otherwise defined herein shall have the meanings provided in the Agreement. Each holder of this Note will be deemed, by its acceptance hereof, (i) to have agreed to the confidentiality provisions set forth in Section 20 of the Agreement, and (ii) to have made the representations set forth in Section 6 of the Agreement. This Note is secured by the Collateral Documents and is guaranteed by the Subsidiary Guarantors pursuant to the Subsidiary Guaranty.

This Note is subject to optional prepayment, in whole or from time to time in part, on the terms specified in the Agreement.

This Note is a registered Note and, as provided in the Agreement, upon surrender of this Note for registration of transfer, duly endorsed, or accompanied by a written instrument of transfer duly executed, by the registered holder hereof or such holder's attorney duly authorized in writing, a new Note for the then outstanding principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Company may treat the person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Company shall not be affected by any notice to the contrary.

In case an Event of Default shall occur and be continuing, the principal of this Note may be declared or otherwise become due and payable in the manner, at the price (including any applicable Make-Whole Amount), and with the effect provided in the Agreement.

This Note shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the law of the State of New York excluding choice-of-law principles of the law of such state (other than Section 5-1401 of the New York General Obligations Law) that would require the application of the laws of a jurisdiction other than such state.

NU SKIN ENTERPRISES, INC.

By

Name:

Title:

[**FORM OF SERIES E NOTE**]

NU SKIN ENTERPRISES, INC.

SERIES E SENIOR NOTE

No. E-[__]
CURRENCY AND ORIGINAL PRINCIPAL AMOUNT: $[_____] (Dollars)
ORIGINAL ISSUE DATE: [_____]
INTEREST RATE: 6.14%
INTEREST PAYMENT DATES: January 20 and July 20
FINAL MATURITY DATE: January 20, 2017
PRINCIPAL PREPAYMENT DATES AND AMOUNTS: $[_____] (Dollars)
on January 20 of 2011, 2012, 2013, 2014, 2015 and 2016

FOR VALUE RECEIVED, the undersigned, **NU SKIN ENTERPRISES, INC**. (herein called the "**Company**"), a corporation organized and existing under the laws of Delaware, hereby promises to pay to **[_____]**, or registered assigns, the principal sum of **[_____] DOLLARS**, payable on the Principal Payment Dates and in the amounts specified above, and on the Final Maturity Date as specified above in an amount equal to the unpaid balance of the principal hereof, with interest (computed on the basis of a 360-day year of twelve 30-day months) (a) on the unpaid balance thereof at the Interest Rate per annum specified above, payable on each Interest Payment Date specified above and on the Final Maturity Date specified above, commencing with the Interest Payment Date next succeeding the date hereof, until the principal hereof shall have become due and payable, and (b) on any overdue payment (including any overdue prepayment) of principal, any overdue payment of any Make-Whole Amount and any overdue payment of interest, payable on each Interest Payment Date as aforesaid (or, at the option of the registered holder hereof, on demand), at a rate per annum from time to time equal to the Default Rate.

Payments of principal, Make-Whole Amount, if any, and interest are to be made at JPMorgan Chase Bank in New York City or at such other place as the holder hereof shall designate to the Company in writing, in lawful money of the United States of America.

This Note is one of a series of Senior Notes (herein called the "**Notes**") issued pursuant to a Private Shelf Agreement, dated as of August 26, 2003 (as from time to time amended, herein called the "**Agreement**"), between Nu Skin Enterprises, Inc. (the "**Company**") and each Issuer Subsidiary which becomes party thereto, on the one hand, and Prudential Investment Management, Inc. and each Prudential Affiliate which becomes party thereto, on the other hand, and is entitled to the benefits thereof. Capitalized terms used and not otherwise defined herein shall have the meanings provided in the Agreement. Each holder of this Note will be deemed, by its acceptance hereof, (i) to have agreed to the confidentiality provisions set forth in Section 20 of the Agreement, and (ii) to have made the representations set forth in Section 6 of the Agreement. This Note is secured by the Collateral Documents and is guaranteed by the Subsidiary Guarantors pursuant to the Subsidiary Guaranty

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This Note is subject to optional prepayment, in whole or from time to time in part, on the terms specified in the Agreement.

This Note is a registered Note and, as provided in the Agreement, upon surrender of this Note for registration of transfer, duly endorsed, or accompanied by a written instrument of transfer duly executed, by the registered holder hereof or such holder's attorney duly authorized in writing, a new Note for the then outstanding principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Company may treat the person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Company shall not be affected by any notice to the contrary.

In case an Event of Default shall occur and be continuing, the principal of this Note may be declared or otherwise become due and payable in the manner, at the price (including any applicable Make-Whole Amount), and with the effect provided in the Agreement.

This Note shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the law of the State of New York excluding choice-of-law principles of the law of such state (other than Section 5-1401 of the New York General Obligations Law) that would require the application of the laws of a jurisdiction other than such state.

NU SKIN ENTERPRISES, INC.

By

Name:
Title:

[**FORM OF SERIES EE NOTE**]

NU SKIN ENTERPRISES, INC.

SERIES EE SENIOR NOTE

No. EE-[__]
CURRENCY AND ORIGINAL PRINCIPAL AMOUNT: [_____] Japanese Yen
ORIGINAL ISSUE DATE: [_____]
INTEREST RATE: 3.275%
INTEREST PAYMENT DATES: January 20 and July 20
FINAL MATURITY DATE: January 20, 2017
PRINCIPAL PREPAYMENT DATES AND AMOUNTS: [_____] Japanese Yen on January 20 of 2011, 2013, 2014 and 2016; and [_____] Japanese Yen on January 20 of 2012 and 2015

FOR VALUE RECEIVED, the undersigned, **NU SKIN ENTERPRISES, INC**. (herein called the "**Company**"), a corporation organized and existing under the laws of Delaware, hereby promises to pay to **[_____]**, or registered assigns, the principal sum of **[_____] JAPANESE YEN**, payable on the Principal Prepayment Dates and in the amounts specified above, and on the Final Maturity Date as specified above in an amount equal to the unpaid balance of the principal hereof, with interest (computed on the basis of a 365-day year and actual days elapsed) (a) on the unpaid balance thereof at the Interest Rate per annum specified above, payable on each Interest Payment Date specified above and on the Final Maturity Date specified above, commencing with the Interest Payment Date next succeeding the date hereof, until the principal hereof shall have become due and payable, and (b) on any overdue payment (including any overdue prepayment) of principal, any overdue payment of any Make-Whole Amount and any overdue payment of interest, payable on each Interest Payment Date as aforesaid (or, at the option of the registered holder hereof, on demand), at a rate per annum from time to time equal to the Default Rate.

Payments of principal, Make-Whole Amount, if any, and interest are to be made at JPMorgan Chase Bank in Tokyo, Japan or at such other place as the holder hereof shall designate to the Company in writing, in lawful money of Japan.

This Note is one of a series of Senior Notes (herein called the "**Notes**") issued pursuant to a Private Shelf Agreement, dated as of August 26, 2003 (as from time to time amended, herein called the "**Agreement**"), between Nu Skin Enterprises, Inc. (the "**Company**") and each Issuer Subsidiary which becomes party thereto, on the one hand, and Prudential Investment Management, Inc. and each Prudential Affiliate which becomes party thereto, on the other hand, and is entitled to the benefits thereof. Capitalized terms used and not otherwise defined herein shall have the meanings provided in the Agreement. Each holder of this Note will be deemed, by its acceptance hereof, (i) to have agreed to the confidentiality provisions set forth in Section 20 of the Agreement, and (ii) to have made the representations set forth in Section 6 of the Agreement. This Note is secured by the Collateral Documents and is guaranteed by the Subsidiary Guarantors pursuant to the Subsidiary Guaranty.

This Note is subject to optional prepayment, in whole or from time to time in part, on the terms specified in the Agreement.

This Note is a registered Note and, as provided in the Agreement, upon surrender of this Note for registration of transfer, duly endorsed, or accompanied by a written instrument of transfer duly executed, by the registered holder hereof or such holder's attorney duly authorized in writing, a new Note for the then outstanding principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Company may treat the person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Company shall not be affected by any notice to the contrary.

In case an Event of Default shall occur and be continuing, the principal of this Note may be declared or otherwise become due and payable in the manner, at the price (including any applicable Make-Whole Amount), and with the effect provided in the Agreement.

This Note shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the law of the State of New York excluding choice-of-law principles of the law of such state (other than Section 5-1401 of the New York General Obligations Law) that would require the application of the laws of a jurisdiction other than such state.

NU SKIN ENTERPRISES, INC.

By

Name:
Title:

[FORM OF SERIES F NOTE]

NU SKIN ENTERPRISES, INC.

SERIES F SENIOR NOTE

No. F-[__]
CURRENCY AND ORIGINAL PRINCIPAL AMOUNT: [_____] Japanese Yen
ORIGINAL ISSUE DATE: [_____]
INTEREST RATE: 2.59%
INTEREST PAYMENT DATES: March 28 and September 28
FINAL MATURITY DATE: September 28, 2017
PRINCIPAL PREPAYMENT DATES AND AMOUNTS: [_____] Japanese Yen on September 28 of 2011, 2012, 2013, 2014, 2015 and 2016

FOR VALUE RECEIVED, the undersigned, **NU SKIN ENTERPRISES, INC**. (herein called the "**Company**"), a corporation organized and existing under the laws of Delaware, hereby promises to pay to **[_____]**, or registered assigns, the principal sum of **[_____] JAPANESE YEN**, payable on the Principal Prepayment Dates and in the amounts specified above, and on the Final Maturity Date as specified above in an amount equal to the unpaid balance of the principal hereof, with interest (computed on the basis of a 365-day year and actual days elapsed) (a) on the unpaid balance thereof at the Interest Rate per annum specified above, payable on each Interest Payment Date specified above and on the Final Maturity Date specified above, commencing with the Interest Payment Date next succeeding the date hereof, until the principal hereof shall have become due and payable, and (b) on any overdue payment (including any overdue prepayment) of principal, any overdue payment of any Make-Whole Amount and any overdue payment of interest, payable on each Interest Payment Date as aforesaid (or, at the option of the registered holder hereof, on demand), at a rate per annum from time to time equal to the Default Rate.

Payments of principal, Make-Whole Amount, if any, and interest are to be made at JPMorgan Chase Bank in Tokyo, Japan or at such other place as the holder hereof shall designate to the Company in writing, in lawful money of Japan.

This Note is one of a series of Senior Notes (herein called the "**Notes**") issued pursuant to a Private Shelf Agreement, dated as of August 26, 2003 (as from time to time amended, herein called the "**Agreement**"), between Nu Skin Enterprises, Inc. (the "**Company**") and each Issuer Subsidiary which becomes party thereto, on the one hand, and Prudential Investment Management, Inc. and each Prudential Affiliate which becomes party thereto, on the other hand, and is entitled to the benefits thereof. Capitalized terms used and not otherwise defined herein shall have the meanings provided in the Agreement. Each holder of this Note will be deemed, by its acceptance hereof, (i) to have agreed to the confidentiality provisions set forth in Section 20 of the Agreement, and (ii) to have made the representations set forth in Section 6 of the

Agreement. This Note is secured by the Collateral Documents and is guaranteed by the Subsidiary Guarantors pursuant to the Subsidiary Guaranty.

This Note is subject to optional prepayment, in whole or from time to time in part, on the terms specified in the Agreement.

This Note is a registered Note and, as provided in the Agreement, upon surrender of this Note for registration of transfer, duly endorsed, or accompanied by a written instrument of transfer duly executed, by the registered holder hereof or such holder's attorney duly authorized in writing, a new Note for the then outstanding principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Company may treat the person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Company shall not be affected by any notice to the contrary.

In case an Event of Default shall occur and be continuing, the principal of this Note may be declared or otherwise become due and payable in the manner, at the price (including any applicable Make-Whole Amount), and with the effect provided in the Agreement.

This Note shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the law of the State of New York excluding choice-of-law principles of the law of such state (other than Section 5-1401 of the New York General Obligations Law) that would require the application of the laws of a jurisdiction other than such state.

NU SKIN ENTERPRISES, INC.

By

Name:

Title:

[FORM OF SHELF NOTE]

NU SKIN ENTERPRISES, INC.

SERIES __ SENIOR NOTE

No. _____
CURRENCY AND ORIGINAL PRINCIPAL AMOUNT:
ORIGINAL ISSUE DATE:
INTEREST RATE:
INTEREST PAYMENT DATES:
FINAL MATURITY DATE:
PRINCIPAL PREPAYMENT DATES AND AMOUNTS:

FOR VALUE RECEIVED, the undersigned, **NU SKIN ENTERPRISES, INC**. (herein called the "**Company**"), a corporation organized and existing under [the laws of Delaware] [_____], hereby promises to pay to [_____], or registered assigns, the principal sum of _____ [specify principal amount and currency] [on the Final Maturity Date specified above] [, payable on the Principal Payment Dates and in the amounts specified above, and on the Final Maturity Date as specified above in an amount equal to the unpaid balance of the principal hereof,] with interest (computed on the basis of a [360-day year of twelve 30-day months)][1] [365-day year and actual days elapsed))][2] (a) on the unpaid balance thereof at the Interest Rate per annum specified above, payable on each Interest Payment Date specified above and on the Final Maturity Date specified above, commencing with the Interest Payment Date next succeeding the date hereof, until the principal hereof shall have become due and payable, and (b) on any overdue payment (including any overdue prepayment) of principal, any overdue payment of any Make-Whole Amount and any overdue payment of interest, payable on each Interest Payment Date as aforesaid (or, at the option of the registered holder hereof, on demand), at a rate per annum from time to time equal to the Default Rate.

Payments of principal, Make-Whole Amount, if any, and interest are to be made at JPMorgan Chase Bank[, New York, New York] or at such other place as the holder hereof shall designate to the Company in writing, in lawful money of [specify country or European Union].

This Note is one of a series of Senior Notes (herein called the "**Notes**") issued pursuant to an Amended and Restated Note Purchase and Private Shelf Agreement, dated as of May 25, 2012 (as from time to time amended, herein called the "**Agreement**"), between Nu Skin Enterprises, Inc. (the "**Company**"), on the one hand, and Prudential Investment Management, Inc., the Purchasers signatory thereto and each Prudential Affiliate which becomes party thereto, on the other hand, and is entitled to the benefits thereof. Capitalized terms used and not otherwise defined herein shall have the meanings provided in the Agreement. Each holder of

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1 This option to be used for Notes denominated in Dollars and Euros.
2 This option to be used for Notes denominated in British Pounds, Canadian Dollars and Yen

this Note will be deemed, by its acceptance hereof, (i) to have agreed to the confidentiality provisions set forth in Section 20 of the Agreement, and (ii) to have made the representations set forth in Section 6 of the Agreement.

This Note is subject to optional prepayment, in whole or from time to time in part, on the terms specified in the Agreement.

This Note is a registered Note and, as provided in the Agreement, upon surrender of this Note for registration of transfer, duly endorsed, or accompanied by a written instrument of transfer duly executed, by the registered holder hereof or such holder's attorney duly authorized in writing, a new Note for the then outstanding principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Company may treat the person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Company shall not be affected by any notice to the contrary.

In the case an Event of Default shall occur and be continuing, the principal of this Note may be declared or otherwise become due and payable in the manner, at the price (including any applicable Make-Whole Amount), and with the effect provided in the Agreement.

This Note shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the law of the State of New York excluding choice-of-law principles of the law of such State (other than Section 5-1401 of the New York General Obligations Law) that would require the application of the laws of a jurisdiction other than such State.

NU SKIN ENTERPRISES, INC.

By

Name:

Title:

[FORM OF REQUEST FOR PURCHASE]

NU SKIN ENTERPRISES, INC.

Reference is made to the Amended and Restated Note Purchase and Private Shelf Agreement (as from time to time amended, the "**Agreement**") dated as of May 25, 2012 between Nu Skin Enterprises, Inc. (the "**Company**"), on the one hand, and Prudential Investment Management, Inc. ("**Prudential**"), the Purchasers signatory thereto and each Prudential Affiliate which becomes party thereto, on the other hand. Capitalized terms used and not otherwise defined herein shall have the respective meanings specified in the Agreement.

Pursuant to Section 2B(3) of the Agreement, the Company hereby makes the following Request for Purchase:

1. Aggregate principal amount of the Notes and Available Currency..... _____[3] (amount)
_____[4] (currency)

2. Individual specifications of the Notes:

Principal Amount	**Final Maturity Date**	**Principal Prepayment Dates and Amounts**	**Interest Payment Period**[5]

3. Use of proceeds of the Notes:

4. Proposed day for the closing of the purchase and sale of the Notes:

5. The purchase price of the Notes is to be transferred to:

Name, Address and Wiring Instructions of Bank	**Number of Account**

6. The Company certifies (a) that the representations and warranties contained in Section 5 of the Agreement are true on and as of the date of this Request for Purchase and (b) no Default or Event of Default exists as of the date of this Request for Purchase.

DATED: **NU SKIN ENTERPRISES, INC.**

By:

Its:

[3] With respect to the initial draw, minimum principal amount of equivalent of U.S. $10,000,000, and with respect to all subsequent draws, minimum principal amount of equivalent of U.S. $10,000,000.
[4] Dollars, British Pounds, Canadian Dollars, Euros or Yen.
[5] Specify quarterly or semi-annually.

[FORM OF CONFIRMATION OF ACCEPTANCE]

NU SKIN ENTERPRISES, INC.

Reference is made to the Amended and Restated Note Purchase and Private Shelf Agreement (as from time to time amended, the "**Agreement**"), dated as of May 25, 2012 between Nu Skin Enterprises, Inc. (the "**Company**"), on the one hand, and Prudential Investment Management, Inc. ("**Prudential**"), the Purchasers signatory thereto and each Prudential Affiliate which becomes party thereto, on the other hand. All terms used herein that are defined in the Agreement have the respective meanings specified in the Agreement.

Prudential or the Prudential Affiliate which is named below as a Purchaser of Notes hereby confirms the representations as to such Notes set forth in Section 6 of the Agreement, and agrees to be bound by the provisions of Sections 2B(5) and 2B(7) of the Agreement relating to the purchase and sale of such Notes.

Pursuant to Section 2B(5) of the Agreement, an Acceptance with respect to the following Accepted Notes is hereby confirmed:

I. Accepted Notes: Aggregate principal amount _____

A. **(a)**Name of Purchaser:
- **(b)** Principal amount and Available Currency:
- **(c)** Final Maturity date:
- **(d)** Principal prepayment dates and amounts:
- **(e)** Interest rate:
- **(f)** Interest payment period:
- **(g)** Payment and notice instructions:

B. **(a)**Name of Purchaser:
- **(b)** Principal amount and Available Currency:
- **(c)** Final Maturity date:
- **(d)** Principal prepayment dates and amounts:
- **(e)** Interest rate:
- **(f)** Interest payment period:
- **(g)** Payment and notice instructions:

[(C), (D)….same information as above.]

II. Closing Day:

DATED:

NU SKIN ENTERPRISES, INC.
By:
Its:
[PRUDENTIAL INVESTMENT MANAGEMENT, INC.]

By:
Vice President

[PRUDENTIAL AFFILIATE]

By:
Vice President

[FORM OF OPINION OF GENERAL COUNSEL TO THE COMPANY]

[Letterhead of Nu Skin Enterprises, Inc.]

[Date of Closing Day]

[Name of Each Purchaser]
c/o Prudential Capital Group
Four Embarcadero Center, Suite 2700
San Francisco, California 94111-4180

Re: Nu Skin Enterprises, Inc. - Series [__] Note Issuance

Ladies and Gentlemen:

I am the General Counsel of Nu Skin Enterprises, Inc., a Delaware corporation (the "Company"), and in such capacity have represented the Company in connection with (i) the issuance and sale by the Company on today's date of [describe Notes] (the "Notes") to the Purchaser[s] pursuant to the Amended and Restated Note Purchase and Private Shelf Agreement dated as of May 25, 2012[, as amended or otherwise modified through the date hereof] (the "Agreement") by and among the Company, on the one hand, and Prudential Investment Management, Inc. ("Prudential"), the Purchasers signatory thereto and each Prudential Affiliate which has become bound by certain provisions thereof, on the other hand[, and [(ii)] the execution and delivery of [specify other principal Transaction Documents, if relevant]]. The Agreement, together with the Notes[, and [specify other principal Transaction Documents, if relevant]] are collectively referred to in this opinion as the "Transaction Documents".

This opinion is delivered to you pursuant to Section 3B of the Agreement and with the understanding that you are purchasing the Notes in reliance hereon. Capitalized terms not otherwise defined herein are used herein with the meanings ascribed to such terms in the Agreement. "Applicable Laws" shall mean those laws, rules and regulations that in my experience, based on the nature of the transactions contemplated by the Transaction Documents and the nature of the business of the Company are normally applicable to the transactions contemplated by the Transaction Documents (provided that the term "Applicable Laws" does not include (i) state securities laws, (ii) anti-fraud laws, or (iii) any law, rule or regulation that may have become applicable to the transactions contemplated by the Transaction Documents because of any fact specifically pertaining to the Purchasers) but without having made any special investigation concerning the applicability of any other law, rule or regulation. "Charter Documents" shall mean the Articles or Certificate of Incorporation, as the case may be, and the Bylaws, of a corporate entity [and _____ [specify if relevant]].

In connection with this opinion, I have examined the following documents:

(a) counterparts of the Agreement, together with all schedules and exhibits thereto, executed by each of the parties thereto;

[(_) counterparts of [specify other principal Transaction Documents, if relevant], together with all schedules and exhibits thereto, executed by each of the parties thereto;]

(b) originals of the Notes, executed by the Company;

(c) certificates of public officials from the States of Delaware and Utah [and _____ [if applicable]] as I have deemed necessary for the purpose of rendering this opinion;

(d) the Charter Documents of the Company as amended to date;

(e) certified copies of resolutions of the Board of Directors of the Company relating to the Transaction Documents; and

(f) such other documents, instruments and certificates as I have deemed necessary for the purpose of rendering this opinion.

In my examination of the Transaction Documents, to the extent my opinions set forth below are dependent thereon, I have assumed without independent investigation that (i) each party to each Transaction Document (other than the Company) is a corporation or other entity duly incorporated or otherwise organized and validly existing under the laws of the jurisdiction of its incorporation or organization, (ii) each party to each Transaction Document (other than the Company) has full corporate power and authority to execute, deliver and perform each Transaction Document to which it is a party, (iii) the execution, delivery and performance by each party (other than the Company) of each Transaction Document to which it is a party has been duly authorized by all necessary corporate action, (iv) the genuineness of all signatures (other than those of the Company), (v) the authenticity of all documents submitted to me as originals, (vi) the conformity to originals of all such documents submitted to me as copies, and (vii) each Transaction Document has been duly executed and delivered by each of the parties thereto (other than the Company).

As to all questions of fact material to my opinions below, I have relied upon, without independent investigation, and assumed the accuracy and completeness of, the representations and warranties of the parties to the Transaction Documents contained in the Transaction Documents and the certificates of such parties or their officers, partners, or managers, as the case may be, or of public officials. I have made no independent investigation of any of the facts stated in any of the representations.

Based upon and subject to the foregoing and subject to the limitations and qualifications set forth below, I am of the opinion that:

1. The Company has been duly incorporated and is validly existing and in good standing as a corporation under the laws of the State of Delaware and is duly qualified as a foreign corporation to do business and is in good standing in the State of Utah.

2. The execution, delivery and performance by the Company of each Transaction Document to which it is a party are within its corporate powers and have been duly authorized by all necessary corporate action. The execution, delivery and performance by the Company of each Transaction Document to which it is a party do not, and will not, contravene its Charter Documents or any Applicable Laws.

3. No order, filing, consent or approval of any Governmental Authority under Applicable Laws or filing with any Governmental Authority is required on the part of the Company in connection with the execution, delivery or performance by the Company of any Transaction Document to which it is a party, except as expressly contemplated by the Transaction Documents and except such as have been made or obtained and are in full force and effect and routine governmental filings required in the ordinary course of business.

4. Each Transaction Document has been duly executed and delivered by the Company to which it is a party.

5. Each Transaction Document constitutes the legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its respective terms.

6. Neither the extension of credit evidenced by the Notes nor the use of proceeds thereof will violate Regulation T, U or X of the Board of Governors of the Federal Reserve System.

7. Assuming the accuracy of (i) the Company's representations in the first sentence of Section 5.13 of the Agreement and (ii) your representations in Section 6.1 of the Agreement, it is not necessary in connection with the execution and delivery of the Notes under the circumstances contemplated by the Agreement to register the Notes under the Securities Act of 1933, as amended or to qualify an indenture in respect thereof under the Trust Indenture Act of 1939, as amended.

8. The Company is not an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

9. Assuming that the State of New York has a sufficient relationship to the parties to the Transaction Documents or the transactions contemplated in the Transaction Documents, in any proceedings duly taken in the courts of the State of Utah or a United States court sitting in the State of Utah to enforce any Transaction Document, the choice of New York law as the substantive law governing such Transaction Document would be recognized and such law would be applied.

At your request, I also confirm to you the following:

(i) The execution and delivery by the Company of each Transaction Document to which it is a party do not, and the performance by the Company of each Transaction Document to which it is a party will not, (i) violate, breach or result in default under, or result in the imposition of any Lien upon any property of the Company or any Subsidiary pursuant to, the [describe all material credit agreements] or, to my knowledge, any existing obligation or restriction on the Company or any Subsidiary under any other agreement, instrument or indenture applicable to it, or (ii) to my knowledge, breach or otherwise violate any existing obligation of or restriction on the Company or any Subsidiary under any order, judgment or decree applicable to it.

(ii) To my knowledge, except as disclosed in the Transaction Documents, no actions, suits, proceedings or investigations are pending or threatened against the Company or any Subsidiary before any Governmental Authority or arbitrator that (a) could reasonably be expected (alone or in the aggregate) to have a Material Adverse Effect or (b) seek to enjoin, either directly or indirectly, the execution, delivery or performance by the Company of any Transaction Documents to which it is a party or the transactions contemplated thereby.

The opinions and confirmations set forth herein are predicated upon, limited by and subject to the following assumptions, qualifications, limitations and exceptions in addition to those set forth elsewhere herein:

A. I am an attorney admitted to practice in the State of Utah. Except as set forth below, the opinions expressed above are limited to the laws of the State of Utah, the State of New York (as to the opinions expressed in paragraph 5) and the federal laws of the United States, and I do not express any opinion herein concerning any other law. In rendering the opinions set forth in paragraphs 1 and 2, to the extent such opinions concern the corporations incorporated under Delaware law, such opinions are limited to the published compilations of the Delaware General Corporation Law. In rendering the opinions set forth in paragraph 1, to the extent such opinions concern Delaware corporations, I have relied solely on (i) my review of the certificates of incorporation certified by the Secretary of State of Delaware, (ii) my review of the current published compilations of the Delaware General Corporation Law regarding the required content and execution of a certificate of incorporation, (iii) Certificates of Good Standing issued by the Secretary of State of Delaware, and (iv) Section 105 of the Delaware General

Corporation Law which provides that a certificate of incorporation duly certified by the Secretary of State shall be received in all courts, public offices, and official bodies, as prima facie evidence of: (a) due execution, acknowledgment, filing and recording of the instrument; (b) observance and performance of all acts and conditions necessary to have been observed and performed precedent to the instrument becoming effective; and (c) any other facts required or permitted by law to be stated in the instrument. I note that the Transaction Documents are governed by the laws of the State of New York, and for purposes of the opinions expressed in paragraph 5, I have assumed that the laws of the State of New York are the same as the laws of the State of Utah.

B. The qualification of the confirmations requested by the words "to my knowledge" or "of which I have knowledge" is intended to indicate that I do not have current and actual knowledge of the inaccuracy of such statement. However, except as expressly indicated in the following sentence, I have not undertaken any independent investigation to determine the accuracy of such statement. I have, however, made inquiry of each of the in-house counsel of the Company with respect to each matter and have also made inquiry to the Chief Executive Officer and Chief Financial Officer of the Company with respect to each matter.

C. My opinion in paragraph 5 is subject to the effect of any applicable bankruptcy, insolvency (including, without limitation, all laws relating to fraudulent transfers), reorganization, moratorium or similar law affecting creditors' rights generally.

D. My opinion in paragraph 5 is also subject to the effect of general principles of equity, including, without limitation, concepts of materiality, reasonableness, good faith and fair dealing (regardless of whether considered in a proceeding in equity or at law) and the availability of specific performance or any other equitable remedy. Such principles of equity are of general application, and in applying such principles a court, among other things, might not allow a creditor to accelerate the maturity of a debt, or might decline to order the Company to perform covenants. Such principles applied by a court might include a requirement that creditors act with reasonableness and in good faith. Such a requirement might be applied, among other situations, to the provisions of any Transaction Document purporting to authorize conclusive determinations by any Purchaser.

E. I express no opinion as to any provision in the Transaction Documents providing for the payment or reimbursement of costs or expenses or indemnifying a party or the waiver of rights, to the extent such provisions may be held unenforceable as contrary to public policy.

F. I express no opinion as to the enforceability of Section 14.3 of the Agreement providing for the Company's payments of obligations to the Purchaser in the Available Currency in which the Notes are denominated after a court judgment in another currency.

G. I advise you that Section 22.1 of the Agreement, which provides for non-exclusive jurisdiction of the courts of the State of New York and federal courts sitting in New York City, may not be binding on federal courts sitting in New York (or any federal appellate court).

H. In addition to any other limitation by operation of law upon the scope, meaning, or purpose of this letter, this letter speaks only as of the date hereof. I have no obligation to advise the recipients of this letter of changes of law or fact that may occur after the date hereof even though the change may affect the legal analysis, a legal conclusion or any informational confirmation herein.

The opinions expressed in this letter are solely for the use of the Purchasers, and their successors and permitted transferees and assigns, in matters directly related to the Agreement and the transactions contemplated thereunder, and these opinions may not be relied on by any other persons or for any other purpose; provided, however, that a copy of this opinion may be made available to persons or entities with regulatory authority over you, including, without limitation, the National Association of Insurance Commissioners.

Very truly yours,

D. Matthew Dorny
General Counsel

**[FORM OF TERMINATION AGREEMENT OF
EXISTING COLLATERAL DOCUMENTS AND GUARANTEES]**

May 25, 2012

Nu Skin Enterprises, Inc.
One Nu Skin Plaza
75 West Center Street
Provo, Utah 84601
Attention: Chief Financial Officer

U.S. National Association, as Collateral Agent
633 West Fifth Street, 24th Floor
Los Angeles, Ca. 90071
Attention: Bradley E. Scarbrough, Vice President

Re: Release of Liens and Guarantors; Termination of Collateral Documents and Guarantees

Ladies and Gentlemen:

Reference is made to (a) the Credit Agreement dated as of May 10, 2001 (as amended or otherwise modified on or prior to the date hereof, the "**Credit Agreement**") among Nu Skin Enterprises, Inc. (the "**Company**"), JPMorgan Chase Bank, N.A. ("**JPMorgan**") and the various financial institutions party thereto (the "**Senior Lenders**") and JPMorgan (as successor to Bank One, NA), as administrative agent (in such capacity, the "**Administrative Agent**"); (b) the Subsidiary Guaranty dated as of May 10, 2001 (as amended or otherwise modified on or prior to the date hereof, the "**Bank Obligation Guaranty**") executed by the Subsidiary Guarantors (as defined in the Credit Agreement) in favor of the Senior Lenders and certain affiliates thereof; (c) the Subsidiary Guaranty dated as of December 29, 2010 (as amended or otherwise modified on or prior to the date hereof, the "**Mortgage Loan Guaranty**") executed by certain subsidiaries of the Company in favor of JPMorgan Chase Bank, N.A., London Branch ("**JPM London**") and certain affiliates thereof; (d) the Note Purchase Agreement, dated October 12, 2000 (as amended or otherwise modified on or prior to the date hereof, the "**2000 Note Purchase Agreement**"), by and between the Company and The Prudential Insurance Company of America ("**Prudential**"); (e) the Subsidiary Guaranty dated as of October 12, 2000 (as amended or otherwise modified on or prior to the date hereof, the "**2000 Note Obligation Guaranty**") executed by the Subsidiary Guarantors (as defined in the 2000 Note Purchase Agreement) in favor of the holders of notes under the 2000 Note Purchase Agreement (the "**2000 Senior Noteholders**"), (f) the Private Shelf Agreement, dated August 26, 2003 (as amended or otherwise modified on or prior to the date hereof, the "**2003 Private Shelf Agreement**"), by and among the Company, Prudential Investment Management, Inc. ("**PIM**") and certain affiliates of PIM; (g) the Subsidiary Guaranty dated as of August 26, 2003 (as amended or otherwise modified on or prior to the date hereof, the "**2003 Note Obligation Guaranty**") executed by the Subsidiary Guarantors (as defined in the 2003 Private Shelf Agreement) in favor of PIM and the holders of notes under the 2003 Private Shelf Agreement (the "**2003 Senior Noteholders**"); (h) the Private Shelf Agreement, dated October 1, 2009, by and between the Company and PIM (as amended or otherwise modified on or prior to the date hereof, the "**2009 Private**

Shelf Agreement"; and together with the Credit Agreement, the 2000 Note Purchase Agreement and the 2003 Private Shelf Agreement, collectively, the "**Senior Credit Agreements**"); (i) the Subsidiary Guaranty dated as of October 1, 2009 (as amended or otherwise modified on or prior to the date hereof, the "**2009 Note Obligation Guaranty**"; and together with the Bank Obligation Guaranty, the 2000 Note Obligation Guaranty, the 2003 Note Obligation Guaranty and the Senior Credit Agreements, collectively, the "**Senior Credit Documents**") executed by the Subsidiary Guarantors (as defined in the 2009 Private Shelf Agreement) in favor of PIM and the holders of notes under the 2009 Private Shelf Agreement (the "**2009 Senior Noteholders**"; and together with the 2000 Senior Noteholders and the 2003 Senior Noteholders, collectively, the "**Senior Noteholders**"; and the Senior Noteholders together with the Senior Lenders and the Administrative Agent, collectively, the "**Senior Creditor Parities**"); (j) the Pledge Agreement dated as of October 12, 2000 (as amended or otherwise modified on or prior to the date hereof, the "**Pledge Agreement**") among the Company, various subsidiaries thereof and U.S. Bank National Association, as successor to State Street Bank and Trust Company of California, N.A., as collateral agent (in such capacity, the "**Collateral Agent**"); (k) the Pledge Agreement dated as of January 31, 2005 between Nu Skin Asia Investment, Inc. and the Collateral Agent (as amended or otherwise modified on or prior to the date hereof, the "**Nu Skin Asia Pledge Agreement**"); (l) the Second Amended and Restated Subordination Agreement dated as of October 1, 2009 among the Company, the subordinated creditors named therein and senior creditors named therein (as amended or otherwise modified on or prior to the date hereof, the "**Subordination Agreement**"); and (m) the Amended and Restated Collateral Agency and Intercreditor Agreement dated as of August 26, 2003 (as amended or otherwise modified on or prior to the date hereof, the "**Intercreditor Agreement**") among various holders of notes, various lenders, the Administrative Agent and the Collateral Agent. Capitalized terms used but not defined herein shall have the meanings given to such terms in the Intercreditor Agreement.

1. **Release of Guarantors; Termination of Guaranties.** Upon the effectiveness of this letter agreement in accordance with Section 5 below:

(a) the undersigned Senior Lender, constituting all of the Senior Lenders, and the undersigned Administrative Agent (each such party having the requisite authority for purposes of this clause (a)), hereby (i) release each Subsidiary Guarantor (as defined in the Credit Agreement) from all of its obligations, liabilities and duties under the Bank Obligation Guaranty, and (ii) agree that the Bank Obligation Guaranty is terminated;

(b) the undersigned JPM London, having the requisite authority for purposes of this clause (b), hereby releases each subsidiary of the Company that is a guarantor under the Mortgage Loan Guaranty from all of its obligations, liabilities and duties under such guaranty, and (ii) agrees that the Mortgage Loan Guaranty is terminated;

(c) the undersigned 2000 Senior Noteholder, constituting all of the Senior Noteholders, hereby (i) releases each Subsidiary Guarantor (as defined in the 2000 Note Purchase Agreement) from all of its obligations, liabilities and duties under the 2000 Note Obligation Guaranty, and (ii) agrees that the 2000 Note Obligation Guaranty is terminated;

(d) the undersigned 2003 Senior Noteholders, constituting all of the 2003 Senior Noteholders, hereby (i) release each Subsidiary Guarantor (as defined in the 2003 Private Shelf Agreement) from all of its obligations, liabilities and duties under the 2003 Note Obligation Guaranty, and (ii) agree that the 2003 Note Obligation Guaranty is terminated;

(e) the undersigned 2009 Senior Noteholder, constituting all of the 2009 Senior Noteholders, hereby (i) releases each Subsidiary Guarantor (as defined in the 2009 Private Shelf Agreement) from all of its obligations, liabilities and duties under the 2009 Note Obligation Guaranty, and (ii) agrees that the 2009 Note Obligation Guaranty is terminated; and

(f) each of the undersigned Senior Credit Parties, constituting all of the existing "Required Creditors" and "Benefitted Parties" (including "Additional Benefitted Parties") under and as defined in the Intercreditor Agreement, hereby (i) releases each Subsidiary Guarantor (as defined in the Intercreditor Agreement) from all of its obligations, liabilities and duties under any other Subsidiary Guaranty (as defined in the Intercreditor Agreement) in favor of such Senior Credit Party, and (ii) agrees that any other Subsidiary Guaranty (as defined in the Intercreditor Agreement) in favor of such Senior Credit Party is terminated.

2. **Release of Collateral; Termination of Collateral Documents**. Upon the effectiveness of this letter agreement in accordance with Section 5 below, the undersigned Senior Creditor Parties, constituting all of the existing (i) "Required Creditors" and "Benefitted Parties" (including "Additional Benefitted Parties") under and as defined in the Intercreditor Agreement, and (ii) the "Senior Creditors" under and as defined in the Subordination Agreement, hereby:

(a) agree that the Intercreditor Agreement, the Subordination Agreement and the Existing Collateral Documents (as defined below) are terminated; and

(b) authorize the Collateral Agent to release its lien on, and security interest in, (i) all "Pledged Collateral" under and as defined in the Pledge Agreement and the Nu Skin Asia Pledge Agreement, and (ii) all other collateral granted by the Company or any Subsidiary to the Collateral Agent pursuant to any other agreement (together with the Pledge Agreement and the Nu Skin Asia Pledge Agreement, the "**Existing Collateral Documents**") to secure the obligations of the Company or any Subsidiary under or in connection with the Senior Credit Documents.

3. **Limitation of Agreements.** The foregoing agreements in Sections 1 and 2 above shall be limited precisely as written and shall not be deemed to be (i) an amendment, waiver, release or other modification of any other terms or conditions of any Senior Credit Agreements or any other agreement or document related to such agreements, or (ii) a consent to any future amendment, consent, waiver, release or other modification. Except as expressly set forth in this letter agreement, each of the Senior Credit Agreements and the other agreements and documents related to such Senior Credit Agreements shall continue in full force and effect.

4. **Representations, Warranties and Covenants**. In order to induce the undersigned Lenders to enter into this letter agreement, the Company hereby represents, warrants and covenants that:

(a) each of the representations and warranties of the Company set forth each of the Senior Credit Agreements is true, correct and complete in all material respects, except to the extent any such representation and warranty expressly relates to an earlier date, in which case such representation and warranty is true, correct and complete in all material respects as of such earlier date; and

(b) no "Default", "Event of Default" or "Unmatured Event of Default" (as defined in each of the Senior Credit Agreements, as applicable) is in existence.

5. **Effectiveness**. This letter agreement and the releases, terminations, agreements and authorizations set forth herein shall be effective, subject to the accuracy of the above representations and warranties, when the Administrative Agent and the Senior Noteholders have received counterparts of this letter agreement executed by the Company and each of the Senior Creditor Parties identified on the signature pages hereto.

6. **Counterparts**. This document may be executed in multiple counterparts, which together shall constitute a single document.

7. **Governing Law**. This letter agreement shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the internal laws of the State of New York, excluding choice-of-law principles of the law of such state that would require the application of the laws of a jurisdiction other than such state.

[Signature pages follow.]

Sincerely,

SENIOR CREDITOR PARTIES:

SENIOR LENDERS:

JPMORGAN CHASE BANK, N.A. (as successor to Bank One, NA), as Administrative Agent and as Senior Lender

By: _____
Name: _____
Title: _____

2000 SENIOR NOTEHOLDERS:

THE PRUDENTIAL INSURANCE COMPANY OF AMERICA

By: _____
Name: _____
Title: _____

2003 SENIOR NOTEHOLDERS:

THE PRUDENTIAL INSURANCE COMPANY OF AMERICA

By: _____
Name: _____
Title: _____

PRUDENTIAL RETIREMENT INSURANCE AND ANNUITY COMPANY

By: Prudential Investment Management, Inc.,
as investment manager

By: _____
Name: _____
Title: _____

2003 SENIOR NOTEHOLDERS (cont.):

PRUCO LIFE INSURANCE COMPANY OF NEW JERSEY

By: _____
Name: _____
Title: _____

PRUCO LIFE INSURANCE COMPANY

By: _____
Name: _____
Title: _____

MTL INSURANCE COMPANY

By: Prudential Private Placement Investors, L.P.,
as investment advisor

By: Prudential Private Placement Investors, Inc.,
as its general partner

By: _____
Name: _____
Title: _____

GIBRALTAR LIFE INSURANCE CO., LTD.

By: Prudential Investment Management (Japan),
as investment manager

By: Prudential Investment Management, Inc.,
as sub-adviser

By: _____
Name: _____
Title: _____

2003 SENIOR NOTEHOLDERS (cont.):

PRUDENTIAL INVESTMENT MANAGEMENT, INC.

By: _____
Name: _____
Title: _____

2009 SENIOR NOTEHOLDERS:

PRUDENTIAL INVESTMENT MANAGEMENT, INC.

By: _____
Name: _____
Title: _____

COMPANY:

Accepted and agreed to effective
the date first appearing above:

NU SKIN ENTERPRISES, INC.,
a Delaware corporation

By:
Name: _____
Title: _____

JPM LONDON:

JPMORGAN CHASE BANK, N.A.,
LONDON BRANCH

By: _____
Name: _____
Title: _____

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (this "***Agreement***") is entered into effective as of August 1, 2012 (the "***Effective Date***") by and between Nu Skin Enterprises, Inc., a Delaware corporation (the "***Company***") and M. Truman Hunt, an individual (the "***Executive***").

WHEREAS, the Executive has been employed by the Company or one of its affiliates; and

WHEREAS, the Company and the Executive desire to establish the terms and conditions of the Executive's employment with the Company and designated affiliates.

NOW, THEREFORE, in consideration of the covenants and agreements hereinafter set forth, the parties hereto agree as follows:

1. Duties and Responsibilities.

A. The Executive shall serve as the Company's President and Chief Executive Officer, reporting directly to the Company's Board. The Executive shall have the duties and powers at the Company that are customary for an individual holding such positions.

B. The Executive agrees to use the Executive's best efforts to advance the business and welfare of the Company, to render the Executive's services under this Agreement faithfully, diligently and to the best of the Executive's ability.

C. Except as may otherwise be approved in advance by the Nominating and Corporate Governance Committee (the "***Nominating and Corporate Governance Committee***") of the Company's Board of Directors (the "***Board***"), and except during vacation periods and reasonable periods of absence due to sickness, personal injury or other disability, the Executive shall devote the Executive's full working time to the services required of him hereunder, and shall use the Executive's best efforts, judgment and energy to improve and advance the business and interests of the Company in a manner consistent with the duties of the Executive's position. The Executive may participate in charitable, civic and professional activities as long as the activities do not interfere with the performance of the Executive's duties hereunder. The Executive shall not serve on the board of directors of any entity, other than an affiliate of the Company, without the approval of the Nominating and Corporate Governance Committee.

2. Employment Period. The Executive shall be employed by the Company under the terms of this Agreement for the period commencing on the Effective Date and ending on December 31, 2015 (the "***Employment Period***"). Notwithstanding the foregoing, the Executive and the Company may terminate the Employment Period and this Agreement prior to December 31, 2015 in accordance with Section 7 hereof. Notwithstanding the termination of this Agreement, the provisions of Sections 7 and 8 shall survive the termination of this Agreement and shall remain in full force and effect in accordance with the terms thereof unless otherwise agreed to by the parties in writing.

3. Cash Compensation.

A. Annual Salary. The Executive's annual base salary (the "***Annual Salary***") shall be determined by the Compensation Committee of the Board (the "***Compensation Committee***"), and shall be payable in accordance with the Company's standard payroll schedule for its executive officers (but in no event less frequent than on a monthly basis). The Compensation Committee shall review the Executive's Annual Salary at least annually and shall make a determination regarding any changes to the Annual Salary. Any changed annual salary shall thereupon be the "***Annual Salary***" for the purposes hereof.

B. **Bonus**. The Executive shall be eligible to participate in the Company's cash incentive plan as adopted by the Compensation Committee at levels and upon attainment of such corporate and/or individual performance targets as shall be established by the Compensation Committee from time to time. The Executive shall be entitled to receive bonuses, cash or otherwise, in the discretion of the Compensation Committee, from time to time.

C. **Applicable Withholdings**. The Company shall deduct and withhold from the compensation payable to the Executive under this Agreement any and all applicable federal, state and local income and employment withholding taxes and any other amounts required to be deducted or withheld by the Company under applicable statutes, regulations, ordinances or orders governing or requiring the withholding or deduction of amounts otherwise payable as compensation or wages to employees.

4. **Equity Compensation**. The Executive shall be eligible to participate in any equity incentive plans of the Company in which other executive officers of the Company are eligible to participate. All options or other equity awards granted under the equity incentive plans will be made at the discretion of the Compensation Committee pursuant and subject to the terms and conditions of the applicable equity incentive plan. To the extent the Company grants any time-based equity awards (i.e., equity that vests with the passage of time) to the Executive during the Employment Period, the grant documentation for such equity awards shall provide that if a Change in Control (as defined below) is consummated during the Employment Period, and within six months prior to and in connection with such Change in Control or within two years following such Change in Control, the Executive's employment is terminated (i) by the Company without Cause (as defined in Section 7) or (ii) by the Executive for Good Reason (as defined in Section 7), then all of such equity awards shall vest in full. The vesting of any performance-based equity awards shall be determined in accordance with the applicable equity incentive plan and grant documentation. For purposes of this Agreement, "***Change in Control***" shall mean the consummation of any of the following transactions effecting a change in ownership or control of the Company:

(i) During any 24 month period, individuals who, as of the beginning of such period, constitute the Board (the "***Incumbent Directors***") cease for any reason to constitute at least a majority of the Board, provided that any person becoming a director subsequent to the beginning of such period whose election or nomination for election was approved by a vote of at least a majority of the Incumbent Directors then on the Board (either by a specific vote or by approval of the proxy statement of the Company in which such person is named as a nominee for director, without written objection to such nomination) shall be an Incumbent Director; provided, however, that no individual initially elected or nominated as a director of the Company as a result of an actual or threatened election contest with respect to directors or as a result of any other actual or threatened solicitation of proxies by or on behalf of any person other than the Board shall be deemed to be an Incumbent Director;

(ii) Any "person" (as such term is defined in the Exchange Act and as used in Sections 13(d)(3) and 14(d)(2) of the Exchange Act) is or becomes a "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 50% or more of the combined voting power of the Company's then outstanding securities eligible to vote for the election of the Board ("***Company Voting Securities***"); provided, however, that the event described in this paragraph (ii) shall not be deemed to be a Change in Control by virtue of any of the following acquisitions: (A) by the Company or any Subsidiary, (B) by any employee benefit plan (or related trust) sponsored or maintained by the Company or any Subsidiary, (C) by any underwriter temporarily holding securities pursuant to an offering of such securities, (D) pursuant to a Non-Qualifying Transaction, as defined in paragraph (iii), or (E) by any person of Company Voting Securities from the Company, if a majority of the Incumbent Board approves in advance the acquisition of beneficial ownership of 50% or more of Company Voting Securities by such person;

(iii) The consummation of a merger, consolidation, statutory share exchange or similar form of corporate transaction involving the Company or any of its Subsidiaries that requires the approval of the Company's stockholders, whether for such transaction or the issuance of securities in the transaction (a "***Business Combination***"), unless immediately following such Business Combination: (A) more than 50% of the total voting power of (x) the corporation resulting from such Business Combination (the "***Surviving Corporation***"), or (y) if applicable, the ultimate parent corporation that directly or indirectly has beneficial ownership of at least 90% of the voting securities eligible to elect directors of the Surviving Corporation (the "***Parent Corporation***"), is represented by Company Voting Securities that were outstanding immediately prior to such Business Combination (or, if applicable, is represented by shares into which such Company Voting Securities were converted pursuant to such Business Combination), and such voting power among the holders thereof is in substantially the same proportion as the voting power of such Company Voting Securities among the holders thereof immediately prior to the Business Combination, (B) no person (other than any employee benefit plan (or related trust) sponsored or maintained by the Surviving Corporation or the Parent Corporation), is or becomes the beneficial owner, directly or indirectly, of 50% or more of the total voting power of the outstanding voting securities eligible to elect directors of the Parent Corporation (or, if there is no Parent Corporation, the Surviving Corporation) and (C) at least a majority of the members of the board of directors of the Parent Corporation (or, if there is no Parent Corporation, the Surviving Corporation) following the consummation of the Business Combination were Incumbent Directors at the time of the Board's approval of the execution of the initial agreement providing for such Business Combination (any Business Combination which satisfies all of the criteria specified in (A), (B) and (C) above shall be deemed to be a "***Non-Qualifying Transaction***"); or

(iv) The stockholders of the Company approve a plan of complete liquidation or dissolution of the Company or the consummation of a sale of all or substantially all of the Company's assets.

"***Subsidiary***" shall mean any corporation (other than the Company) in an unbroken chain of corporations beginning with the Company if, at the relevant time each of the corporations other than the last corporation in the unbroken chain owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in the chain.

5. **Expense Reimbursement**. In addition to the compensation specified in Section 3, the Executive shall be entitled to receive reimbursement from the Company for all reasonable business expenses incurred by the Executive in the performance of the Executive's duties hereunder, provided that the Executive furnishes the Company with vouchers, receipts and other details of such expenses in the form reasonably required by the Company to substantiate a deduction for such business expenses under all applicable rules and regulations of federal and state taxing authorities.

6. **Employee Benefits**. The Executive shall, throughout the Employment Period, be eligible to participate in all of the life insurance plans, health plans, accidental death and dismemberment plans, short-term disability programs, retirement plans, profit sharing plans or other employee benefit plans that are available to the executive officers of the Company, for which the Executive qualifies as provided under the terms of such plans.

7. **Termination of Employment**. During the Employment Period, the Executive's employment with the Company may be terminated by either the Company or the Executive at any time, and for any reason. Upon such termination, the Executive (or, in the case of the Executive's death, the Executive's estate and beneficiaries) shall have no further rights to any other compensation or benefits from the Company on or after the termination of employment except as follows:

A. **Termination For Cause**. If, during the Employment Period, the Company terminates the Executive's employment with the Company for Cause (as defined below), or the Executive resigns after engaging in conduct that constitutes Cause, the Company shall pay to the Executive the following: (i) the Executive's unpaid Annual Salary that has been earned through the termination date of the Executive's employment; (ii) any accrued expenses pursuant to Section 5 above, (iii) the employee benefits, if any, to which the Executive may be entitled under the terms of the Company's employee benefit plans and (iv) any other payments as may be required under applicable law (collectively the "***Accrued Obligations***"). For purposes of this Agreement, "***Cause***" shall mean that the Executive has engaged in any one of the following: (a) a material breach of this Agreement or the Company's Key Employee Covenants attached hereto as Exhibit A, which breach is not cured within any applicable cure period set forth in this Agreement or the Key Employee Covenants; and (b) any willful violation by the Executive of any material law or regulation applicable to the business of the Company or any of its Subsidiaries; (c) the Executive's conviction of, or a plea of guilty or nolo contendere to, a felony or any willful perpetration of common law fraud; or (d) any other willful misconduct by the Executive that is materially injurious to the financial condition or business reputation of, or is otherwise materially injurious to, the Company or any of its Subsidiaries. For purposes of the foregoing, in determining whether a "material breach" has occurred, or whether there has been a willful violation of a "material" law or regulation, the standard shall be a breach or violation that is, or will reasonably likely be, materially injurious to the financial condition or business reputation of, or is, or will reasonably likely be, otherwise materially injurious to, the Company or any of its Subsidiaries.

B. **Termination Upon Death or Disability**. If the Executive dies during the Employment Period, the Executive's employment with the Company shall be deemed terminated as of the date of death, and the obligations of the Company to or with respect to the Executive shall terminate in their entirety upon such date except as otherwise provided under this Section 7B. If the Executive becomes subject to a Disability (as defined below), then the Company shall have the right, to the extent permitted by law, to terminate the employment of the Executive upon 30 days prior written notice to the Executive. Upon termination of employment due to death or Disability, the Executive (or the Executive's estate or beneficiaries in the case of the death of the Executive) shall be entitled to receive: (i) the Accrued Obligations; (ii) a lump sum amount equal to the pro-rata portion of Executive's target bonus for each outstanding bonus cycle as of the date on which termination of employment occurs (determined by multiplying the amount of the target bonus for the bonus cycle by a fraction, the numerator of which is the number of days during the bonus cycle that Executive is employed by the Company and the denominator of which is the full number of days in the bonus cycle) (the "***Pro-Rata Target Bonus***") ; and (iii) in the case of Executive's Disability, continuation of the Executive's Annual Salary (which shall be payable in accordance with the Company's standard pay policies) until the Executive is eligible for short-term disability payments under the Company's group disability policies; provided however, that in no event shall such period of continued Annual Salary exceed 90 days following the Executive's termination of employment. For the purposes of this Agreement, "***Disability***" shall mean a physical or mental impairment which, the Compensation Committee determines, after consideration and implementation of reasonable accommodations, precludes the Executive from performing the Executive's essential job functions for a period longer than three consecutive months or a total of 120 days in any twelve month period. The definition of Disability in this agreement shall not apply to, alter, or amend the definition of disability in any of the Executive's equity award grant documentation.

C. **Resignation for Good Reason; Other Termination**. If, during the Employment Period, (i) the Executive resigns from the Company for Good Reason (as defined in Section 7D below), or (ii) the Company terminates the Executive's employment for any reason other than for Cause, as a result of the Executive's Death or Disability or in connection with a Change in Control (as provided in Section 7D below), then, subject to Sections 7F and 7G below, the Company shall pay to the Executive: (a) the Accrued Obligations; (b) a lump sum amount equal to the cost of twelve months of health care continuation coverage; (c) a lump sum amount equal to the pro-rata portion of the Executive's earned bonus, if any, for each outstanding bonus cycle as of the date on which termination of employment occurs, based upon attainment of such corporate targets, and disregarding any individual performance targets, as shall be established by the Compensation Committee for such bonus cycle (determined by multiplying the amount of the actual bonus that would be payable for the bonus cycle by a fraction, the numerator of which is the number of days during the bonus cycle that the Executive is employed by the Company and the denominator of which is the full number of days in the bonus cycle) (the "***Pro-Rata Earned Bonus***") , which shall be paid at the same time as bonuses are paid to other executive officers of the Company; and (d) continuation of the Executive's Annual Salary (disregarding any reduction that would constitute Good Reason) for a period of 24 months, which shall be payable in accordance with the Company's standard pay policies.

D. **Termination in Connection with Change in Control**. If a Change in Control is consummated during the Employment Period, and within six months prior to and in connection with such Change in Control or within two years following such Change in Control, the Executive's employment is terminated (i) by the Company without Cause or (ii) by the Executive for Good Reason, then, subject to Sections 7F and 7G below, the Company shall pay the Executive the following: (i) the Accrued Obligations; (ii) a lump sum amount equal to the cost of twelve months of health care continuation coverage; (iii) a lump sum amount equal to the Pro-Rata Target Bonus; and (iv) a lump sum amount equal to two times (a) the Executive's Annual Salary (disregarding any reduction that would constitute Good Reason) and (b) the Executive's target bonus for the fiscal year in which termination of employment occurs. The amounts provided in clauses (i), (ii), (iii) and (iv) of the preceding sentence shall be paid within 10 business days following the Executive's termination date. For the purposes of this Agreement, "***Good Reason***" shall mean the Executive's voluntary resignation for any of the following events that result in a material negative change to the Executive: (i) without the Executive's consent, a material reduction in the scope of the Executive's duties and responsibilities or the level of management to which he reports, other than the removal of the Executive as Chairman of the Board if he continues to serve as Chief Executive Officer; (ii) without the Executive's consent, a reduction in Annual Salary (other than an across-the-board reduction of not more than 10% applicable to all senior executive officers); (iii) without the Executive's consent, a material reduction in the Executive's benefits in the aggregate (in terms of benefit levels) from those provided to the Executive under any employee benefit plan, program and practice in which the Executive participates; (iv) without the Executive's consent, a relocation of the Executive's principal place of employment of more than 50 miles from the Executive's primary residence, (v) a material breach of any provision of this Agreement by the Company, or (vi) the failure of the Company to have a successor entity specifically assume this Agreement within 10 business days after the Change in Control. Notwithstanding the foregoing, Good Reason shall only be found to exist if the Executive, not later than 90 days after the initial occurrence of an event deemed to give rise to a right to terminate for Good Reason, has provided 30 days written notice to the Company prior to the Executive's resignation indicating and describing the event resulting in such Good Reason, and the Company does not cure such event (other than the event in clause vi), which shall not be subject to cure) within 90 days following the receipt of such notice from the Executive.

E. **Other Resignation**. If, during the Employment Period, the Executive resigns from the Company, except where the Executive has engaged in conduct that constitutes Cause, for any reason other than Good Reason (as defined in Section 7D above), then, subject to Sections 7F and 7G below, the Company shall pay to the Executive: (i) the Accrued Obligations; and (ii) continuation of 100% of the Executive's Annual Salary during the Restricted Period, which shall be payable in accordance with the Company's standard pay policies.

F. **Section 409A Limitations**. Notwithstanding the provisions of Section 7B, 7C, 7D or 7E to the contrary, the following provisions shall apply to the extent that payments under such provisions are subject to Section 409A of the Internal Revenue Code (the "***Code***"):

(i) The aggregate amount of continuation payments of Annual Salary under Section 7B(iii), 7C(d) or 7E(ii) made during the first six months following the Executive's termination of employment (other than a termination due to the death of the Executive) shall not exceed the applicable dollar limit provided under Treasury Regulations section 1.409A-1(b)(9)(iii)(A). The amount, if any, that exceeds the applicable dollar limit shall be paid with the first installment of Annual Salary continuation that occurs on or after the first day of the seventh month following the Executive's termination.

(ii) Section 7D is intended to qualify as an involuntary separation pay arrangement that is exempt from application of Section 409A of the Code because all severance payments are treated as paid on account of an involuntary separation (including a separation for Good Reason) and paid in a lump sum within the "short-term deferral" period following the time the Executive obtains a vested right to such payments. Accordingly, and without limiting the generality of the foregoing, and notwithstanding any provision of this Agreement to the contrary, with respect to any payments and benefits under this Agreement to which Code Section 409A applies or to which it may apply, all references in this Agreement to the termination of the Executive's employment are intended to mean the Executive's "separation from service," within the meaning of Code Section 409A(a)(2)(A)(i). If any portion of the severance payments in Section 7D represents an equivalent amount of severance that replaces (as opposed to supplements) salary continuation or similar severance benefit available to the Executive under Sections 7C and 7E and that is subject to Section 409A of the Code, notwithstanding anything to the contrary in this Agreement, such equivalent amount (and only that equivalent amount) shall be delayed until the first day of the seventh month following the Executive's termination, but only to the extent that such equivalent amount exceeds the applicable dollar limit provided under Treasury Regulations section 1.409A-1(b)(9)(iii)(A). The portion of the lump sum under this Section 7F that supplements the benefits under Section 7C and 7E shall not be subject to or affected by such limitation. Furthermore, notwithstanding the provisions of Sections 7F(i) and 7F(ii), to the extent allowed under Section 409A and the Treasury Regulations promulgated thereunder, if the Executive dies following the Executive's separation from service, but prior to the seventh month anniversary of the Executive's termination of service, then any payments delayed in accordance with this Section 7F will be payable in a lump sum as soon as administratively practicable after the date of the Executive's death.

(iii) If required by Section 409A of the Code, notwithstanding anything to the contrary in this Agreement, the payments to be made to the Executive (except for: (i) the Executive's unpaid Annual Salary that has been earned through the termination date of the Executive's employment; and (ii) reimbursement for any accrued expenses) shall be paid no sooner than the first day of the month that is six months after the Executive's termination date.

(iv) The parties intend that this Agreement be deemed to be amended to the extent necessary to comply with the requirements of Code Section 409A and to avoid or mitigate the imposition of additional taxes under Code Section 409A, while preserving to the maximum extent possible the essential economics of the Executive's rights under this Agreement.

G. **Conditions to Additional Severance Payments**. If the Executive's employment terminates pursuant to Section 7C, 7D or 7E, then in consideration for the severance payments to be made by the Company to the Executive pursuant to Sections 7C(b), (c) and (d); 7D(ii), (iii) and (iv); and 7E(ii) of this Agreement (the "***Additional Severance Payments***"), the Executive agrees to execute and deliver to the Company within 21 days after the Executive's employment termination date, the separation and release agreement, in substantially the form attached hereto as Exhibit B (collectively, the "***Separation Agreement***"). Notwithstanding anything to the contrary in this Agreement, the Company shall have no obligation to make any Additional Severance Payments to the Executive until the date that is 10 business days after the date that the Executive executes and delivers the Separation Agreement. The failure of the Executive to execute and deliver the Separation Agreement within 21 days after the Executive's employment termination date shall result in a forfeiture of all Additional Severance Payments, and permanently release the Company from its obligation to make any and all Additional Severance Payments to the Executive. The Executive acknowledges that the Additional Severance Payments are consideration for the restrictive covenants set forth in Section 8 and that the Executive is bound by Section 8 of this Agreement. The Executive's rights to receive any Additional Severance Payments are expressly subject to the Executive's compliance with Section 8.

H. **Reduction in Change in Control Severance Payments**. Notwithstanding the provisions of Section 7D to the contrary, the payments to the Executive under Section 7D are subject to reduction, if applicable under Exhibit C.

8. **Key-Employee Covenants**. The Executive agrees to perform the Executive's obligations and duties and to be bound by the terms of the Key-Employee Covenants attached hereto as Exhibit A which are incorporated into this Section 8 by reference, and which may be modified from time to time. Paragraphs 7, 9, 10, 11 and 13 of the Key Employee Covenants, are hereby replaced and superseded in their entirety by the following restrictive covenants set forth in this Section 8 and the remedies and dispute resolution provisions in Sections 13 and 14.

A. **Definitions**. For purposes of this Agreement, the following defined terms shall have the meaning indicated:

(i) "***Restricted Period***" shall be the period commencing on the date of this Agreement and continuing until two years following the termination of the Executive's employment. Provided, however, that the Restricted Period may be terminated (a) at any time within 15 days following the termination of the Executive's employment at the election of the Company; or (b) at any other time as agreed by both the Executive and the Company.

(ii) "***Competitive Business***" shall mean Direct Selling.

(iii) "***Competing Entity***" shall mean any entity or person that is engaged, directly or indirectly, in a Competitive Business.

(iv) "***Direct Selling***" means (i) the multi-level marketing channel through which products and services are marketed directly to consumers through a sales force of independent contractors (including, without limitation, through person to person contact, via the telephone or through the Internet) who receive rewards or commissions based upon a compensation plan which contemplates a genealogical sales force of multiple levels, with such commissions paid for by (A) sales of products and services by such contractor, and/or (B) sales of products and services by other independent contractors in such contractor's genealogical downline, and (ii) a home-based business opportunity focused on selling products directly to the consumers.

(v) "***Territory***" shall mean those countries where the Company, or any of its affiliates, engages in business or sells products or plans to conduct business at the time of the termination of the Executive's employment or consulting arrangement, as the case may be. This definition is intended to reflect the Executive's knowledge about and influence over the operations and activities of the Company as a whole.

B. **Non-Solicitation**. During the longer of (i) any period for which the Executive is receiving Additional Severance Payments from the Company or (ii) the Restricted P
eriod, the Executive agrees that during such period of time the Executive shall not, directly or indirectly, solicit any employee, independent contractor, consultant or other person or entity in the employment or service of the Company or any of its respective subsidiaries or affiliates (each of the preceding, a "***Group Company***"), at the time of such solicitation, in any case to (i) terminate such employment or service, and/or (ii) accept employment, or enter into any consulting or other service arrangement, with any person or entity other than a Group Company.

C. **Non-Competition**. In consideration for the compensation payable hereunder, the Executive agrees that, during the Restricted Period, the Executive shall not, directly or indirectly, in the Territory: (i) engage in any Competitive Business; (ii) undertake to plan or organize any Competing Entity; (iii) become associated or connected in any way with, participate in, be employed by, render services to, or consult with, any Competing Entity (nor shall the Executive discuss the possibility of employment or other relationship with any Competing Entity); or (iv) own any direct or indirect interest in any other Competing Entity; provided, however, this limitation shall not be interpreted as prohibiting the Executive from investing in a Competing Entity that is a public company so long as such investment does not exceed 1% of the outstanding securities of such public company and the Employee discloses in writing to the Company (a) the name of the public company and the number of shares which he owns, and (b) any material change in the Executive's ownership. Notwithstanding the foregoing, at the discretion of the Nominating and Corporate Governance Committee, after one year following the termination of the Executive's employment, the Executive may serve on the board of directors of a Competitive Business that pays 20% or less of its revenue in commissions. This Section 8C shall not restrict the right of the Employee to practice law in violation of any applicable rules of professional conduct.

D. **Non-Endorsement**. The Executive shall not in any way, directly or indirectly, at any time during the Restricted Period endorse any Competitive Business or competing product, promote or speak on behalf of any Competitive Business or competing product, or allow the Executive's name or likeness to be used in any way to promote any Competitive Business or competing product.

E. **Cooperation**. The Executive agrees that, upon the Company's reasonable request, the Executive in good faith and using diligent efforts shall cooperate and assist the Company in any dispute, controversy or litigation in which the Company may be involved including, without limitation, the Executive's participation in any court or arbitration proceedings, the giving of testimony, the signing of affidavits or such other personal cooperation as counsel for the Company may reasonably request. Such cooperation shall not be unreasonably burdensome without reasonable compensation.

F. **Reformation**. The Company intends to restrict the activities of the Executive under this Section 8 only to the extent necessary for the protection of the legitimate business interests of the Company. It is the intention and agreement of the parties that all of the terms and conditions hereof be enforced to the fullest extent permitted by law. If the provisions of this Section 8 should ever be deemed or adjudged by a court of competent jurisdiction to exceed the time or geographical limitations permitted by applicable law, then such provisions shall nevertheless be valid and enforceable to the extent necessary for such protection as determined by such court, and such provisions will be reformed to the maximum time or geographic limitations as determined by such court.

G. **Acknowledgement**. The Executive acknowledges that the Executive's position and work activities with the Company are critical and vital to the on-going success of the Company's operation in each product category and in each geographic location in which the Company operates. In addition, the Executive acknowledges that the Executive's involvement in, experience with, and influence over the Company's operations as a whole constitute skills and knowledge which are special, unique and extraordinary with respect to the Executive's service for the Company. Therefore, the Executive acknowledges that the non-solicitation, non-endorsement, and non-competition covenants hereunder are fair, reasonable and necessary to protect the legitimate business interests of the Company. These covenants, and each of them, should be construed to apply to the fullest extent possible by applicable laws. The Executive has carefully read this Agreement, has consulted with independent legal counsel to the extent the Executive deems appropriate, and has given careful consideration to the restraints imposed by this Agreement. The Executive acknowledges that the terms of this Agreement are enforceable regardless of the manner in which the Executive's employment is terminated, whether voluntary or involuntary.

9. **Successors and Assigns**. This Agreement is personal in its nature and the Executive shall not assign or transfer the Executive's rights under this Agreement. The provisions of this Agreement shall inure to the benefit of, and shall be binding on, each successor of the Company whether by merger, consolidation, transfer of all or substantially all assets, or otherwise, and the heirs and legal representatives of the Executive.

10. **Notices**. Any notices, demands or other communications required or desired to be given by any party shall be in writing and shall be validly given to another party if served either personally or via an overnight delivery service such as Federal Express, postage prepaid, return receipt requested. If such notice, demand or other communication shall be served personally, service shall be conclusively deemed made at the time of such personal service. If such notice, demand or other communication is given by overnight delivery, such notice shall be conclusively deemed given two business days after the deposit thereof with such service, properly addressed to the party to whom such notice, demand or other communication is to be given as hereinafter set forth:

To the Company:	Nu Skin Enterprises, Inc.
	75 West Center Street
	Provo, Utah 84601
	Attn: General Counsel
To the Executive:	At the Executive's last residence as provided by the Executive to the Company for payroll records.

Any party may change such party's address for the purpose of receiving notices, demands and other communications by providing written notice to the other party in the manner described in this Section 10.

11. **Governing Documents**. This Agreement, along with the documents expressly referenced in this Agreement, including the Key Employee Covenants and equity incentive plans and grant documents, constitute the entire agreement and understanding of the Company and the Executive with respect to the terms and conditions of the Executive's employment with the Company and the payment of severance benefits, and supersedes all prior and contemporaneous written or verbal agreements and understandings (including any offer letter and any other existing employment agreements or arrangements, and any amendments thereto) between the Executive and the Company relating to such subject matter. Any and all other prior agreements, understandings or representations relating to the Executive's employment with the Company are terminated and cancelled in their entirety and are of no further force or effect. This Agreement may only be amended by written instrument signed by the Executive and an authorized officer of the Company.

12. **Governing Law**. The provisions of this Agreement will be construed and interpreted under the laws of the State of Utah, without regard to principles of conflict of laws. If any provision of this Agreement as applied to any party or to any circumstance should be adjudged by a court of competent jurisdiction to be void or unenforceable for any reason, the invalidity of that provision shall in no way affect (to the maximum extent permissible by law) the application of such provision under circumstances different from those adjudicated by the court, the application of any other provision of this Agreement, or the enforceability or invalidity of this Agreement as a whole. Should any provision of this Agreement become or be deemed invalid, illegal or unenforceable in any jurisdiction by reason of the scope, extent or duration of its coverage, then such provision shall be deemed amended to the extent necessary to conform to applicable law so as to be valid and enforceable or, if such provision cannot be so amended without materially altering the intention of the parties, then such provision will be stricken and the remainder of this Agreement shall continue in full force and effect.

13. **Remedies**. The parties to this Agreement agree that: (i) the Executive's services are unique because of the particular skill, knowledge, experience and reputation of the Executive; (ii) if the Executive breaches this Agreement, the damage to the Company will be substantial and difficult to ascertain, and further, that money damages will not afford the Company an adequate remedy. Consequently, if the Executive is in breach of any provision of this Agreement, or threatens a breach of this Agreement, the Company shall be entitled, in addition to all other rights and remedies as may be provided by law, to seek specific performance and injunctive and other equitable relief to prevent or restrain a breach of any provision of this Agreement notwithstanding Section 14 hereof. All rights and remedies provided pursuant to this Agreement or by law shall be cumulative, and no such right or remedy shall be exclusive of any other. All claims for damages for a breach of this Agreement shall be submitted to mediation and arbitration in accordance with Section 14 of this Agreement.

14. **Dispute Resolution**. Except for the right of the Company to seek specific performance and injunctive and other equitable relief in court as set forth in Section 13 hereof, any controversy, claim or dispute of any type arising out of, in connection with, or in relation to the interpretation, performance or breach of this Agreement shall be resolved in accordance with this Section 14 of this Agreement, regarding resolution of disputes. This Agreement shall be enforced in accordance with the Federal Arbitration Act, the enforcement provisions of which are incorporated by this reference.

A. **Mediation**. The Company and the Executive will make a good faith attempt to resolve any and all claims and disputes under this Agreement through good faith negotiations. If such claims and disputes cannot be settled through negotiation, the Company and the Executive agree to submit them to mediation in Salt Lake City, Utah before resorting to arbitration or any other dispute resolution procedure. The mediation of any such claim or dispute must be conducted in accordance with the then-current American Arbitration Association ("***AAA***") procedures for the resolution of disputes by mediation, by a mediator ("***Mediator***") who has had both training and experience as a mediator of general non-competition and commercial matters. If the parties to this Agreement cannot agree on a Mediator, then the Mediator will be selected by AAA in accordance with AAA's strike list method. Within 30 days after the selection of the Mediator, the Company and the Executive and their respective attorneys will meet with the Mediator for one mediation session of at least four (4) hours. If the claim or dispute cannot be settled during such mediation session or mutually agreed continuation of the session, either the Company or the Executive may give the Mediator and the other party to the claim or dispute written notice declaring the end of the mediation process. All discussions connected with this mediation provision will be confidential and treated as compromise and settlement discussions. Nothing disclosed in such discussions, which is not independently discoverable, may be used for any purpose in any later proceeding. If the mediation process is ended without resolution, the Mediator's fees will be paid in equal portions by the Company and the Executive.

B. **Arbitration**. If a claim or dispute under this Agreement has not been resolved in accordance with Section 14A above, then the claim or dispute will be determined by arbitration in accordance with the then-current AAA comprehensive arbitration rules and procedures, except as modified herein. The arbitration will be conducted in Salt Lake City, Utah by a sole neutral arbitrator ("***Arbitrator***") who has had both training and experience as an arbitrator of general non-competition and commercial matters and who is, and for at least 10 years has been, a partner, a shareholder, or a member in a law firm. If the Company and the Executive cannot agree on an Arbitrator, then the Arbitrator will be selected by AAA in accordance with AAA's comprehensive arbitration rules and procedures. No person who has served as a Mediator under the mediation provision, however, may be selected as the Arbitrator for the same claim or dispute. Reasonable discovery will be permitted and the Arbitrator may decide any issue as to discovery. The Arbitrator may decide any issue as to whether or as to the extent to which a dispute is subject to the dispute resolution provisions in this Section 14 and the Arbitrator may award any relief permitted by law. The Arbitrator must base the arbitration award on the provisions of this Section 14B and applicable law and must render the award in writing, including an explanation of the reasons for the award. Judgment upon the award may be entered by any court having jurisdiction of the matter. The statute of limitations applicable to the commencement of a lawsuit will apply to the commencement of an arbitration under this Section 14B. At the request of any party, the Arbitrator, attorneys, parties to the arbitration, witnesses, experts, court reporters or other persons present at the arbitration shall agree in writing to maintain the strict confidentiality of the arbitration proceedings. The Arbitrator's fee will be paid in full by the Company, unless the Executive agrees in writing to pay some or all of the fee.

C. **Interim Actions**. Notwithstanding the foregoing, a party may apply to a court of competent jurisdiction within the State of Utah for relief in the form of a temporary restraining order or preliminary injunction, pending appointment of an Arbitrator or pending determination of a claim through arbitration in accordance with this Section 14. If a dispute is submitted to arbitration hereunder during the term of this Agreement, the parties shall continue to perform their respective obligations hereunder, subject to any interim relief that may be ordered by the Arbitrator or by a court of competent jurisdiction pursuant to the previous sentence.

D. **Fees**. Unless otherwise agreed, the prevailing party (if a prevailing party is determined to exist by the Arbitrator or judge) will be entitled to its costs and attorneys' fees incurred in any arbitration or other proceeding under this Section 14 relating to the interpretation or enforcement of this Agreement.

E. **Acknowledgement**. EXECUTIVE HAS READ AND UNDERSTANDS THIS SECTION 14, WHICH DISCUSSES MEDIATION AND ARBITRATION. EXECUTIVE UNDERSTANDS THAT BY SIGNING THIS AGREEMENT, EXECUTIVE AGREES TO SUBMIT ANY CLAIMS ARISING OUT OF, RELATING TO, OR IN CONNECTION WITH THIS AGREEMENT, OR THE INTERPRETATION, VALIDITY, CONSTRUCTION, PERFORMANCE, BREACH OR TERMINATION THEREOF TO MEDIATION AND ARBITRATION, AND THAT THE DISPUTE RESOLUTION PROVISIONS SET FORTH IN THIS AGREEMENT CONSTITUTE A WAIVER OF EXECUTIVE'S RIGHT TO A JURY TRIAL.

15. **No Waiver**. The waiver by either party of a breach of any provision of this Agreement shall not operate as, or be construed as, a waiver of any later breach of that provision.

16. **Taxes**. Except as otherwise provided under Section 3C, each party agrees to be responsible for its own taxes and penalties.

17. **Counterparts**. This Agreement may be executed in more than one counterpart, each of which shall be deemed an original, but all of which together shall constitute but one and the same instrument.

18. **Representation of the Executive; Interpretation of this Agreement**. The Executive represents and warrants to the Company that the Executive has read and understands this Agreement, has consulted with independent counsel of the Executive's choice prior to agreeing to the terms of this Agreement and is entering into this Agreement, knowingly, willingly and voluntarily. The parties agree that this Agreement shall not be construed for or against either party in any interpretation thereof.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

NU SKIN ENTERPRISES, INC.

/s/ D. Matthew Dorny

D. Matthew Dorny

Vice President and General Counsel

EXECUTIVE

/s/ M. Truman Hunt

M. Truman Hunt

[Signature Page to Employment Agreement]

EXHIBIT A

KEY EMPLOYEE COVENANTS

KEY-EMPLOYEE COVENANTS
("AGREEMENT")

_____ ("Employee")
(PRINT NAME)

Nu Skin Enterprises, Inc. and its affiliated companies ("Company") operate in a highly competitive direct sales, multilevel marketplace competing for product market share as well as recruitment and retention of independent distributors. The success of Company depends on maintaining a competitive edge in this industry through the introduction of innovative products and attracting and retaining distributors. Accordingly, as a condition of and in consideration of employment or continued employment with Company, the parties hereby acknowledge and agree as follows:

1. **Confidential Information**: Employee acknowledges that during the term of employment with Company he / she may develop, learn and be exposed to information about Company and its business, including but not limited to formulas, business plans, financial data, vendor lists, product and marketing plans, distributor lists and training in Company's manner of doing business in both product categories and direct selling and multi-level marketing strategies, and other trade secrets which information is secret, confidential and vital to the continued success of Company ("Confidential Information"). Employee agrees that he / she will not at any Time (whether during employment or after termination of employment with Company), without the express written consent of Company, disclose, copy, retain, remove from Company's premises or make any use of such Confidential Information except as may be required in the course of his / her employment with Company.

2. **Conflict of Interest**: During employment with Company, Employee shall not have any personal interest that is incompatible with the loyalty and responsibility owed to Company. Employee must discharge his / her responsibility solely on the basis of what is in the best interest of Company and independent of personal considerations or relationships. Although it is difficult to identify every activity that might give rise to a conflict of interest, and not by way of making an all inclusive list, some of the more common circumstances and practices that might result in such conflicts are set forth below. Should Employee have any questions regarding this matter, Employee should consult with and receive written permission from his / her director or supervisor.
   a. Employee shall maintain impartial relationships with vendors, suppliers and distributors.
   b. Employee shall not have a direct or indirect ownership interest in vendors of Company nor any company doing or seeking to do business with Company.
   c. Employee shall not have a direct or indirect ownership in any company which competes with Company in any product category or any direct selling or multi-level marketing company, unless such company's securities are publicly traded on either the NYSE, American or NASDAQ stock exchanges and the Employee's ownership interest is less than 1% of the total outstanding securities of such company.
   d. Employee shall not perform services of any kind for any entity doing or seeking to do business with Company. As to employment with or service to another company, Employee shall not allow any such activity to detract from his / her job performance, use Company's time, resources, or personnel, or require such long hours to affect his / her physical or mental effectiveness.
   e. While employed and for a period of three (3) months after termination of an employment relationship with Company, Employee shall not directly or indirectly own any interest in a Company distributorship. Additionally, during the course of employment, neither the Employee, nor the Employee's spouse or an immediate family member living in the same household shall own any interest in a Company distributorship or any other multi-level distributorship. Employee's spouse or immediate family member living in the same household will not, without the prior written consent of the Company, own any interest in another direct sales distributorship or be employed by another direct sales or multi-level marketing company. Any pre-existing ownership interests or employment covered in this paragraph must be disclosed to the Company at the time of the execution of this Agreement.
   f. Employee shall disclose to his/her immediate director or supervisor any and all areas posing a potential or actual conflict of interest. Said disclosure shall be made as promptly as possible after such conflict arises.

3. **Work Product**: Company shall have the sole proprietary interest in the work product of Employee during his / her employment with Company ("Work Product"), and Employee expressly assigns to Company or its designee all rights, title and interest in and to all copyrights, patents, trade secrets, improvements, inventions, sketches, models and all documents related thereto, manufacturing processes and innovations, special calibration techniques, software, service code, systems designs and any other Work Product developed by Employee, either solely or jointly with others, where said Work Product relates to any business activity or research and development activity in which Company is involved or plans to be involved at the time of or prior to Employee's creating such Work Product, or where such Work Product is developed with the use of Company's time, material, or facilities; and Employee further agrees to disclose any and all such Work Product to Company without delay.

4. **Ethical Standards**: Employee agrees to maintain the highest ethical and legal standards in his / her conduct, to be scrupulously honest and straight-forward in all of his / her dealings and to avoid all situations which might project the appearance of being unethical or illegal.

5. **Product Resale**: As an employee of Company, Employee may receive Company products and materials either at no charge or at a discount as specified from time to time by Company in its sole discretion. Employee agrees that the products received from Company are strictly limited to Employee's personal use and that of Employee's immediate family and may not be resold, given or disposed of to any other person or entity in a manner inconsistent with the personal use herein described.

6. **Gratuities**: Employee shall neither seek nor retain gifts, gratuities, entertainment or other forms of compensation, benefit, or persuasion from suppliers, distributors, vendors or their representatives without the consent of a Company Vice President with the exception of meals provided in the ordinary course of business on an infrequent basis.

7. **Non-Solicitation**: Employee shall not in any way, directly or indirectly, at any time during employment or within two (2) years after either a voluntary or involuntary employment termination: (a) solicit, divert, or take away Company's distributors; (b) solicit in any manner Company's employees, or vendors; or (c) assist any other person in any manner or persons in an attempt to do any of the foregoing.

8. **Non-Disparagement**: Employee shall not in any way, directly or indirectly at any time during employment or after either voluntary or involuntary employment termination, commercially disparage Company, Company products or Company Distributors.

9. **Non-Endorsement**: Employee shall not in any way, directly or indirectly, at any time during employment or within one (1) year after either a voluntary or involuntary employment termination endorse any product that competes with products of Company, promote or speak on behalf of any company whose products compete with those of Company, allow Employee's name or likeness to be used in any way to promote any company or product that competes with Company or any products of Company.

10. **Non-Competition**: In exchange for the benefits of continued employment by Company, Employee shall not accept employment with, engage in or participate, directly or indirectly, individually or as an officer, director, employee, shareholder, consultant, partner, joint venturer, agent, equity owner, distributor or in any other capacity whatsoever, with any direct sales or multi-level marketing company including any direct or indirect affiliate or subsidiary of such company that competes with the business of Company whether for market share of products or for independent distributors in a territory in which Company is doing business. The restrictions set forth in this paragraph shall remain in effect during the Employee's employment with Company and during a period of six months following the Employee's termination of employment. Within fifteen days of termination of Employee's employment, Company shall notify Employee whether it elects to enforce Employee's obligation set forth in this paragraph. In the event Company decides to enforce employees non-competition obligation set forth herein, Company shall pay Employee a sum equal to seventy-five percent of the Employee's base salary at termination of employment, less applicable withholding taxes and excluding all incentive compensation and other benefit payments, for the period following the termination of employment during which the restrictive covenants in this paragraph remain in effect. Payment may be made in periodic installments in accordance with Company's regular payroll practices.

11. **Acknowledgement**: Employee acknowledges that his / her position and work activities with Company are "key" and vital to the on-going success of Company's operation in each product category and in each geographic location in which Company operates. In addition, Employee acknowledges that his / her employment or involvement with any other direct selling or multi-level marketing company in particular would create the impression that Employee has left Company for a "better opportunity," which could damage Company by this perception in the minds of Company's employees or independent distributors. Therefore, Employee acknowledges that his / her confidentiality, non-solicitation, non-disparagement, non-endorsement, and non-competition covenants hereunder are fair and reasonable and should be construed to apply to the fullest extent possible by applicable laws. Employee has carefully read this Agreement, has consulted with independent legal counsel to the extent Employee deems appropriate, and has given careful consideration to the restraints imposed by the Agreement. Employee acknowledges that the terms of this Agreement are enforceable regardless of the manner in which Employee's employment is terminated, whether voluntary or involuntary. In the event that Employee is to be employed as an attorney for a competitive business, Company and Employee acknowledge that paragraph 10 is not intended to restrict the right of the Employee to practice law in violation of any applicable rules of professional conduct.

12. **Terminations**: Upon termination of employment, Employee shall return to Company all assets and equipment of Company along with any Confidential Information and Work Product including any distributor and vendor contact information and notes or summaries of all of the above.

13. **Remedies**: The Employee acknowledges: (a) that compliance with the restrictive covenants contained in this Agreement are necessary to protect the business and goodwill of Company and (b) that a breach will result in irreparable and continuing damage to Company, for which money damages may not provide adequate relief. Consequently, Employee agrees that, in the event that he/she breaches or threatens to breach these restrictive covenants, Company shall be entitled to both: (1) a preliminary or permanent injunction to prevent the continuation of harm and (2) money damages insofar as they can be determined. Nothing in this Agreement shall be construed to prohibit Company from also pursuing any other remedy, the parties having agreed that all remedies are cumulative. It is further recognized and agreed that the covenants set forth herein are for the purpose of restricting Employee's activities to the extent necessary for the protection of the legitimate business interests of Company and that Employee agrees that said covenants do not and will not preclude him / her from engaging in activities sufficient for the purposes of earning a living.

14. **Attorney's Fees**: If any party to this Agreement breaches any of the terms of this Agreement, then that party shall pay to the non-defaulting party all of the non-defaulting party's costs and expenses, including reasonable attorney's fees, incurred by that party in enforcing the terms of this Agreement.

15. **Court's Right to Modify Restriction**: The parties have attempted to limit Employee's right to compete only to the extent necessary to protect Company from unfair competition. The parties recognize, however, that reasonable people may differ in making such a determination. Consequently, the parties agree that, if the scope or enforceability of the restrictive covenants contained in this Agreement are in any way disputed at any time, a court or other trier of fact may modify and enforce the covenants to the extent that it believes to be reasonable under the circumstances existing at that time.

16. **Severability**: If any provision, paragraph, or subparagraph of this Agreement is adjudged by any court or administrative agency to be void or unenforceable in whole or in part, this adjudication shall not affect the validity of the remainder of the Agreement, including any other provision, paragraph, or subparagraph. Each provision, paragraph, and subparagraph of this Agreement is severable from every other provision, paragraph, and subparagraph and constitutes a separate and distinct covenant.

17. **Governing Law and Forum**: This Agreement shall be governed and enforced in accordance with the laws of the State of Utah, and any litigation between the parties relating to this Agreement shall be conducted in the courts of Utah County or Salt Lake City where necessary for federal court matters.

18. **Employment at Will**: Employee understands that employment with Company is at will, meaning that employment with Company is completely voluntary and for an indefinite term and that either Employee or Company is free to terminate the employment relationship at any time, with or without cause or advance notice, provided that termination is not done for an unlawful or discriminatory purpose.

19. **Entire Agreement**: Company and Employee understand and agree that this Agreement shall constitute the entire agreement between them regarding the subject matter contained herein, and that all prior understandings or agreements regarding these matters are hereby superseded and replaced, including, without limitation, the Key-Employee Covenants Agreement previously signed by the parties. Any amendment to or modification of this Agreement must be in writing signed by the parties hereto and stating the intent of the parties to amend or modify this Agreement.

THIS AGREEMENT HAS BEEN READ, UNDERSTOOD AND FREELY ACCEPTED BY:

_____ Dated: _____

"Employee"

EXHIBIT B

SEPARATION AND RELEASE AGREEMENT

EXHIBIT C

BEST NET PROVISION

(a) Anything in this Agreement to the contrary notwithstanding, if it shall be determined that (i) any payment, award, benefit or distribution (or any acceleration of any payment, award, benefit or distribution) by the Company (or any of its affiliates) or any entity which effectuates a Change in Control (or any of its affiliates) to or for the benefit of the Executive (whether pursuant to the terms of this Agreement or otherwise) (the "***Payments***") would be subject to the excise tax imposed by Section 4999 of the Code, together with any state and local income or excise taxes imposed thereby, (the "***Excise Tax***"), and (ii) the reduction of the amounts payable to the Executive under this Agreement to the maximum amount that could be paid to the Executive without giving rise to the Excise Tax (the "***Safe Harbor Cap***") would provide the Executive with a greater after-tax amount than if such amounts were not reduced, then the amounts payable to the Executive under this Agreement shall be reduced (but not below zero) to the Safe Harbor Cap. The reduction of the amounts payable hereunder, if applicable, shall be made to the extent necessary in the following order: the acceleration of vesting of stock options and other equity awards with an exercise price that exceeds the then fair market value of the stock subject to the award, the payments under Section 7D (iii) and (iv), and the acceleration of vesting of all other stock options and equity awards. For purposes of reducing the Payments to the Safe Harbor Cap, only amounts payable under this Agreement (and no other Payments) shall be reduced. If the reduction of the amounts payable hereunder would not result in a greater after-tax result to the Executive, no amounts payable under this Agreement shall be reduced pursuant to this provision.

(b) All determinations required to be made under this Exhibit C shall be made by the public accounting firm that is retained by the Company as of the date immediately prior to the Change in Control (the "***Accounting Firm***") which shall provide detailed supporting calculations both to the Company and the Executive within 15 business days of the receipt of notice from the Company or the Executive that there has been a Payment, or such earlier time as is requested by the Company. Notwithstanding the foregoing, if (i) the Audit Committee of the Board (the "***Audit Committee***") shall determine prior to the Change in Control that the Accounting Firm is precluded from performing such services under applicable auditor independence rules or (ii) the Audit Committee of the Board determines that it does not want the Accounting Firm to perform such services because of auditor independence concerns or (iii) the Accounting Firm is serving as accountant or auditor for the person(s) effecting the Change in Control, the Audit Committee shall appoint another nationally recognized public accounting firm to make the determinations required hereunder (which accounting firm shall then be referred to as the Accounting Firm hereunder). All fees, costs and expenses (including, but not limited to, the costs of retaining experts) of the Accounting Firm shall be borne by the Company. If payments are reduced to the Safe Harbor Cap or the Accounting Firm determines that no Excise Tax is payable by the Executive without a reduction in payments, the Accounting Firm shall provide a written opinion to the Executive to such effect, that the Executive is not required to report any Excise Tax on the Executive's federal income tax return, and that the failure to report the Excise Tax, if any, on the Executive's applicable federal income tax return will not result in the imposition of a negligence or similar penalty. For purposes of making the calculations and determinations under this Exhibit C, after taking into account the information provided by the Company and the Executive, the Accounting Firm may make reasonable, good faith assumptions and approximations concerning the application of Code Sections 280G and 4999. The Company and the Executive shall furnish the Accounting Firm with such information and documents as said Accounting Firm may reasonably request to assist the Accounting Firm in making calculations and determinations under this Exhibit C. The determination by the Accounting Firm shall be binding upon the Company and the Executive (except as provided in paragraph (c) below).

(c) If it is established pursuant to a final determination of a court or an Internal Revenue Service (the "***IRS***") proceeding which has been finally and conclusively resolved, that Payments have been made to, or provided for the benefit of, the Executive by the Company, which are in excess of the limitations provided in this Section (referred to hereinafter as an "***Excess Payment***"), the Executive shall repay the Excess Payment to the Company on demand, together with interest on the Excess Payment at the applicable federal rate (as defined in Section 1274(d) of the Code) from the date of the Executive's receipt of such Excess Payment until the date of such repayment. As a result of the uncertainty in the application of Section 4999 of the Code at the time of the determination, it is possible that Payments which will not have been made by the Company should have been made (an "***Underpayment***"), consistent with the calculations required to be made under this Section. If it is determined (i) by the Accounting Firm, the Company (which shall include the position taken by the Company, or together with its consolidated group, on its federal income tax return) or the IRS or (ii) pursuant to a determination by a court, that an Underpayment has occurred, the Company shall pay an amount equal to such Underpayment to the Executive within 10 business days of such determination together with interest on such amount at the applicable federal rate from the date such amount would have been paid to the Executive until the date of payment. The Executive shall cooperate, to the extent the Executive's expenses are reimbursed by the Company, with any reasonable requests by the Company in connection with any contests or disputes with the IRS in connection with the Excise Tax or the determination of the Excess Payment. Notwithstanding the foregoing, if amounts payable under this Agreement were reduced pursuant to paragraph (a) and the value of stock options is subsequently re-determined by the Accounting Firm within the context of Treasury Regulation §1.280G-1 Q/A 33 that reduces the value of the Payments attributable to such options, the Company shall promptly pay to the Executive any amounts payable under this Agreement that were not previously paid solely as a result of paragraph (a), subject to the Safe Harbor Cap.

APPENDIX A

PRO-RATA BONUS CALCULATION EXAMPLES

Pro-Rata Earned Bonus

Assumptions:

1. Executive's total fiscal year target bonus is $1,000,000.
    (a) $125,000 (12.5%) is allocated to each quarter and is earned based on that quarter's performance.
    (b) $500,000 (50%) is allocated to the fiscal year and is earned based on fiscal year performance.
2. Executive's employment is terminated on 5/15/12.
3. Based on actual performance, second quarter bonus was 125% of target bonus and annual bonus was 150% of target bonus.

Calculations:

1. Second quarter:
    (a) The second quarter bonus based on actual performance was 125% of target:
    $125,000 x 125% = $156,250
    (b) Days in quarter = 91; days worked in quarter = 45
    45/91 = 0.4945
    (c) Second quarter bonus = $156,250 x 0.4945 = $77,266
2. Fiscal year:
    (a) The fiscal year bonus based on actual performance was 150% of target:
    $500,000 x 150% = $750,000
    (b) Days in fiscal year = 366; days worked in year = 136
    136/366 = 0.3716
    (c) Annual bonus = $750,000 x 0.3716 = $278,700
3. Total Pro-Rata Earned Bonus: $77,266 + $278,700 = $355,966

Pro-Rata Target Bonus

Assumptions:

1. Executive's total fiscal year target bonus is $1,000,000.
    (a) $125,000 (12.5%) is allocated to each quarter and is earned based on that quarter's performance.
    (b) $500,000 (50%) is allocated to the fiscal year and is earned based on fiscal year performance.
2. Executive's employment is terminated on 7/31/12.

Pro Rata Target Bonus:

1. Third quarter:
    (a) Days in quarter = 92; days worked in quarter = 31
    31/92 = 0.3370
    (b) Third quarter bonus = $125,000 x 0.3370 = $42,125
2. Fiscal year:
    (a) Day in fiscal year = 366; days worked in year = 213
    213/366 = 0.5820
    (b) Annual bonus = $500,000 x 0.5820 = $291,000
3. Total Pro-Rata Target Bonus: $42,125 + 291,000 = $333,125

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (this "***Agreement***") is entered into effective as of August 1, 2012 (the "***Effective Date***") by and between Nu Skin Enterprises, Inc., a Delaware corporation (the "***Company***") and [NAME], an individual (the "***Executive***").

WHEREAS, the Executive has been employed by the Company or one of its affiliates; and

WHEREAS, the Company and the Executive desire to establish the terms and conditions of the Executive's employment with the Company and designated affiliates.

NOW, THEREFORE, in consideration of the covenants and agreements hereinafter set forth, the parties hereto agree as follows:

1. Duties and Responsibilities.

A. The Executive shall serve as the Company's [TITLE], Global Sales and Operations, reporting directly to the Company's President. The Executive shall have the duties and powers at the Company that are customary for an individual holding such positions.

B. The Executive agrees to use the Executive's best efforts to advance the business and welfare of the Company, to render the Executive's services under this Agreement faithfully, diligently and to the best of the Executive's ability.

C. Except as may otherwise be approved in advance by the Nominating and Corporate Governance Committee (the "***Nominating and Corporate Governance Committee***") of the Company's Board of Directors (the "***Board***"), and except during vacation periods and reasonable periods of absence due to sickness, personal injury or other disability, the Executive shall devote the Executive's full working time to the services required of him hereunder, and shall use the Executive's best efforts, judgment and energy to improve and advance the business and interests of the Company in a manner consistent with the duties of the Executive's position. The Executive may participate in charitable, civic and professional activities as long as the activities do not interfere with the performance of the Executive's duties hereunder. The Executive shall not serve on the board of directors of any entity, other than an affiliate of the Company, without the approval of the Nominating and Corporate Governance Committee.

2. Employment Period. The Executive shall be employed by the Company under the terms of this Agreement for the period commencing on the Effective Date and ending on December 31, 2015 (the "***Employment Period***"). Notwithstanding the foregoing, the Executive and the Company may terminate the Employment Period and this Agreement prior to December 31, 2015 in accordance with Section 7 hereof. Notwithstanding the termination of this Agreement, the provisions of Sections 7 and 8 shall survive the termination of this Agreement and shall remain in full force and effect in accordance with the terms thereof unless otherwise agreed to by the parties in writing.

3. Cash Compensation.

A. Annual Salary. The Executive's annual base salary (the "***Annual Salary***") shall be determined by the Compensation Committee of the Board (the "***Compensation Committee***"), and shall be payable in accordance with the Company's standard payroll schedule for its executive officers (but in no event less frequent than on a monthly basis). The Compensation Committee shall review the Executive's Annual Salary at least annually and shall make a determination regarding any changes to the Annual Salary. Any changed annual salary shall thereupon be the "***Annual Salary***" for the purposes hereof.

B. **Bonus**. The Executive shall be eligible to participate in the Company's cash incentive plan as adopted by the Compensation Committee at levels and upon attainment of such corporate and/or individual performance targets as shall be established by the Compensation Committee from time to time. The Executive shall be entitled to receive bonuses, cash or otherwise, in the discretion of the Compensation Committee, from time to time.

C. **Applicable Withholdings**. The Company shall deduct and withhold from the compensation payable to the Executive under this Agreement any and all applicable federal, state and local income and employment withholding taxes and any other amounts required to be deducted or withheld by the Company under applicable statutes, regulations, ordinances or orders governing or requiring the withholding or deduction of amounts otherwise payable as compensation or wages to employees.

4. **Equity Compensation**. The Executive shall be eligible to participate in any equity incentive plans of the Company in which other executive officers of the Company are eligible to participate. All options or other equity awards granted under the equity incentive plans will be made at the discretion of the Compensation Committee pursuant and subject to the terms and conditions of the applicable equity incentive plan. To the extent the Company grants any time-based equity awards (i.e., equity that vests with the passage of time) to the Executive during the Employment Period, the grant documentation for such equity awards shall provide that if a Change in Control (as defined below) is consummated during the Employment Period, and within six months prior to and in connection with such Change in Control or within two years following such Change in Control, the Executive's employment is terminated (i) by the Company without Cause (as defined in Section 7) or (ii) by the Executive for Good Reason (as defined in Section 7), then all of such equity awards shall vest in full. The vesting of any performance-based equity awards shall be determined in accordance with the applicable equity incentive plan and grant documentation. For purposes of this Agreement, "***Change in Control***" shall mean the consummation of any of the following transactions effecting a change in ownership or control of the Company:

(i) During any 24 month period, individuals who, as of the beginning of such period, constitute the Board (the "***Incumbent Directors***") cease for any reason to constitute at least a majority of the Board, provided that any person becoming a director subsequent to the beginning of such period whose election or nomination for election was approved by a vote of at least a majority of the Incumbent Directors then on the Board (either by a specific vote or by approval of the proxy statement of the Company in which such person is named as a nominee for director, without written objection to such nomination) shall be an Incumbent Director; provided, however, that no individual initially elected or nominated as a director of the Company as a result of an actual or threatened election contest with respect to directors or as a result of any other actual or threatened solicitation of proxies by or on behalf of any person other than the Board shall be deemed to be an Incumbent Director;

(ii) Any "person" (as such term is defined in the Exchange Act and as used in Sections 13(d)(3) and 14(d)(2) of the Exchange Act) is or becomes a "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 50% or more of the combined voting power of the Company's then outstanding securities eligible to vote for the election of the Board ("***Company Voting Securities***"); provided, however, that the event described in this paragraph (ii) shall not be deemed to be a Change in Control by virtue of any of the following acquisitions: (A) by the Company or any Subsidiary, (B) by any employee benefit plan (or related trust) sponsored or maintained by the Company or any Subsidiary, (C) by any underwriter temporarily holding securities pursuant to an offering of such securities, (D) pursuant to a Non-Qualifying Transaction, as defined in paragraph (iii), or (E) by any person of Company Voting Securities from the Company, if a majority of the Incumbent Board approves in advance the acquisition of beneficial ownership of 50% or more of Company Voting Securities by such person;

(iii) The consummation of a merger, consolidation, statutory share exchange or similar form of corporate transaction involving the Company or any of its Subsidiaries that requires the approval of the Company's stockholders, whether for such transaction or the issuance of securities in the transaction (a "***Business Combination***"), unless immediately following such Business Combination: (A) more than 50% of the total voting power of (x) the corporation resulting from such Business Combination (the "***Surviving Corporation***"), or (y) if applicable, the ultimate parent corporation that directly or indirectly has beneficial ownership of at least 90% of the voting securities eligible to elect directors of the Surviving Corporation (the "***Parent Corporation***"), is represented by Company Voting Securities that were outstanding immediately prior to such Business Combination (or, if applicable, is represented by shares into which such Company Voting Securities were converted pursuant to such Business Combination), and such voting power among the holders thereof is in substantially the same proportion as the voting power of such Company Voting Securities among the holders thereof immediately prior to the Business Combination, (B) no person (other than any employee benefit plan (or related trust) sponsored or maintained by the Surviving Corporation or the Parent Corporation), is or becomes the beneficial owner, directly or indirectly, of 50% or more of the total voting power of the outstanding voting securities eligible to elect directors of the Parent Corporation (or, if there is no Parent Corporation, the Surviving Corporation) and (C) at least a majority of the members of the board of directors of the Parent Corporation (or, if there is no Parent Corporation, the Surviving Corporation) following the consummation of the Business Combination were Incumbent Directors at the time of the Board's approval of the execution of the initial agreement providing for such Business Combination (any Business Combination which satisfies all of the criteria specified in (A), (B) and (C) above shall be deemed to be a "***Non-Qualifying Transaction***"); or

(iv) The stockholders of the Company approve a plan of complete liquidation or dissolution of the Company or the consummation of a sale of all or substantially all of the Company's assets.

"***Subsidiary***" shall mean any corporation (other than the Company) in an unbroken chain of corporations beginning with the Company if, at the relevant time each of the corporations other than the last corporation in the unbroken chain owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in the chain.

5. **Expense Reimbursement**. In addition to the compensation specified in Section 3, the Executive shall be entitled to receive reimbursement from the Company for all reasonable business expenses incurred by the Executive in the performance of the Executive's duties hereunder, provided that the Executive furnishes the Company with vouchers, receipts and other details of such expenses in the form reasonably required by the Company to substantiate a deduction for such business expenses under all applicable rules and regulations of federal and state taxing authorities.

6. **Employee Benefits**. The Executive shall, throughout the Employment Period, be eligible to participate in all of the life insurance plans, health plans, accidental death and dismemberment plans, short-term disability programs, retirement plans, profit sharing plans or other employee benefit plans that are available to the executive officers of the Company, for which the Executive qualifies as provided under the terms of such plans.

7. **Termination of Employment**. During the Employment Period, the Executive's employment with the Company may be terminated by either the Company or the Executive at any time, and for any reason. Upon such termination, the Executive (or, in the case of the Executive's death, the Executive's estate and beneficiaries) shall have no further rights to any other compensation or benefits from the Company on or after the termination of employment except as follows:

A. **Termination For Cause**. If, during the Employment Period, the Company terminates the Executive's employment with the Company for Cause (as defined below), or the Executive resigns after engaging in conduct that constitutes Cause, the Company shall pay to the Executive the following: (i) the Executive's unpaid Annual Salary that has been earned through the termination date of the Executive's employment; (ii) any accrued expenses pursuant to Section 5 above, (iii) the employee benefits, if any, to which the Executive may be entitled under the terms of the Company's employee benefit plans and (iv) any other payments as may be required under applicable law (collectively the "***Accrued Obligations***"). For purposes of this Agreement, "***Cause***" shall mean that the Executive has engaged in any one of the following: (a) a material breach of this Agreement or the Company's Key Employee Covenants attached hereto as Exhibit A, which breach is not cured within any applicable cure period set forth in this Agreement or the Key Employee Covenants; and (b) any willful violation by the Executive of any material law or regulation applicable to the business of the Company or any of its Subsidiaries; (c) the Executive's conviction of, or a plea of guilty or nolo contendere to, a felony or any willful perpetration of common law fraud; or (d) any other willful misconduct by the Executive that is materially injurious to the financial condition or business reputation of, or is otherwise materially injurious to, the Company or any of its Subsidiaries. For purposes of the foregoing, in determining whether a "material breach" has occurred, or whether there has been a willful violation of a "material" law or regulation, the standard shall be a breach or violation that is, or will reasonably likely be, materially injurious to the financial condition or business reputation of, or is, or will reasonably likely be, otherwise materially injurious to, the Company or any of its Subsidiaries.

B. **Termination Upon Death or Disability**. If the Executive dies during the Employment Period, the Executive's employment with the Company shall be deemed terminated as of the date of death, and the obligations of the Company to or with respect to the Executive shall terminate in their entirety upon such date except as otherwise provided under this Section 7B. If the Executive becomes subject to a Disability (as defined below), then the Company shall have the right, to the extent permitted by law, to terminate the employment of the Executive upon 30 days prior written notice to the Executive. Upon termination of employment due to death or Disability, the Executive (or the Executive's estate or beneficiaries in the case of the death of the Executive) shall be entitled to receive: (i) the Accrued Obligations; (ii) a lump sum amount equal to the pro-rata portion of Executive's target bonus for each outstanding bonus cycle as of the date on which termination of employment occurs (determined by multiplying the amount of the target bonus for the bonus cycle by a fraction, the numerator of which is the number of days during the bonus cycle that Executive is employed by the Company and the denominator of which is the full number of days in the bonus cycle) (the "***Pro-Rata Target Bonus***") ; and (iii) in the case of Executive's Disability, continuation of the Executive's Annual Salary (which shall be payable in accordance with the Company's standard pay policies) until the Executive is eligible for short-term disability payments under the Company's group disability policies; provided however, that in no event shall such period of continued Annual Salary exceed 90 days following the Executive's termination of employment. For the purposes of this Agreement, "***Disability***" shall mean a physical or mental impairment which, the Compensation Committee determines, after consideration and implementation of reasonable accommodations, precludes the Executive from performing the Executive's essential job functions for a period longer than three consecutive months or a total of 120 days in any twelve month period. The definition of Disability in this agreement shall not apply to, alter, or amend the definition of disability in any of the Executive's equity award grant documentation.

C. **Resignation for Good Reason; Other Termination**. If, during the Employment Period, (i) the Executive resigns from the Company for Good Reason (as defined in Section 7D below), or (ii) the Company terminates the Executive's employment for any reason other than for Cause, as a result of the Executive's Death or Disability or in connection with a Change in Control (as provided in Section 7D below), then, subject to Sections 7F and 7G below, the Company shall pay to the Executive: (a) the Accrued Obligations; (b) a lump sum amount equal to the cost of twelve months of health care continuation coverage; (c) a lump sum amount equal to the pro-rata portion of the Executive's earned bonus, if any, for each outstanding bonus cycle as of the date on which termination of employment occurs, based upon attainment of such corporate targets, and disregarding any individual performance targets, as shall be established by the Compensation Committee for such bonus cycle (determined by multiplying the amount of the actual bonus that would be payable for the bonus cycle by a fraction, the numerator of which is the number of days during the bonus cycle that the Executive is employed by the Company and the denominator of which is the full number of days in the bonus cycle) (the "***Pro-Rata Earned Bonus***") , which shall be paid at the same time as bonuses are paid to other executive officers of the Company; and (d) continuation of the Executive's Annual Salary (disregarding any reduction that would constitute Good Reason) for a period of 15 months, which shall be payable in accordance with the Company's standard pay policies.

D. **Termination in Connection with Change in Control**. If a Change in Control is consummated during the Employment Period, and within six months prior to and in connection with such Change in Control or within two years following such Change in Control, the Executive's employment is terminated (i) by the Company without Cause or (ii) by the Executive for Good Reason, then, subject to Sections 7F and 7G below, the Company shall pay the Executive the following: (i) the Accrued Obligations; (ii) a lump sum amount equal to the cost of twelve months of health care continuation coverage; (iii) a lump sum amount equal to the Pro-Rata Target Bonus; and (iv) a lump sum amount equal to 1.25 times (a) the Executive's Annual Salary (disregarding any reduction that would constitute Good Reason) and (b) the Executive's target bonus for the fiscal year in which termination of employment occurs. The amounts provided in clauses (i), (ii), (iii) and (iv) of the preceding sentence shall be paid within 10 business days following the Executive's termination date. For the purposes of this Agreement, "***Good Reason***" shall mean the Executive's voluntary resignation for any of the following events that result in a material negative change to the Executive: (i) without the Executive's consent, a material reduction in the scope of the Executive's duties and responsibilities or the level of management to which he reports; (ii) without the Executive's consent, a reduction in Annual Salary (other than an across-the-board reduction of not more than 10% applicable to all senior executive officers); (iii) without the Executive's consent, a material reduction in the Executive's benefits in the aggregate (in terms of benefit levels) from those provided to the Executive under any employee benefit plan, program and practice in which the Executive participates; (iv) without the Executive's consent, a relocation of the Executive's principal place of employment of more than 50 miles from the Executive's primary residence, (v) a material breach of any provision of this Agreement by the Company, or (vi) the failure of the Company to have a successor entity specifically assume this Agreement within 10 business days after the Change in Control. Notwithstanding the foregoing, Good Reason shall only be found to exist if the Executive, not later than 90 days after the initial occurrence of an event deemed to give rise to a right to terminate for Good Reason, has provided 30 days written notice to the Company prior to the Executive's resignation indicating and describing the event resulting in such Good Reason, and the Company does not cure such event (other than the event in clause vi), which shall not be subject to cure) within 90 days following the receipt of such notice from the Executive.

E. **Other Resignation**. If, during the Employment Period, the Executive resigns from the Company, except where the Executive has engaged in conduct that constitutes Cause, for any reason other than Good Reason (as defined in Section 7D above), then, subject to Sections 7F and 7G below, the Company shall pay to the Executive: (i) the Accrued Obligations; and (ii) continuation of 75% of the Executive's Annual Salary during the Restricted Period, which shall be payable in accordance with the Company's standard pay policies.

F. **Section 409A Limitations**. Notwithstanding the provisions of Section 7B, 7C, 7D or 7E to the contrary, the following provisions shall apply to the extent that payments under such provisions are subject to Section 409A of the Internal Revenue Code (the "***Code***"):

(i) The aggregate amount of continuation payments of Annual Salary under Section 7B(iii), 7C(d) or 7E(ii) made during the first six months following the Executive's termination of employment (other than a termination due to the death of the Executive) shall not exceed the applicable dollar limit provided under Treasury Regulations section 1.409A-1(b)(9)(iii)(A). The amount, if any, that exceeds the applicable dollar limit shall be paid with the first installment of Annual Salary continuation that occurs on or after the first day of the seventh month following the Executive's termination.

(ii) Section 7D is intended to qualify as an involuntary separation pay arrangement that is exempt from application of Section 409A of the Code because all severance payments are treated as paid on account of an involuntary separation (including a separation for Good Reason) and paid in a lump sum within the "short-term deferral" period following the time the Executive obtains a vested right to such payments. Accordingly, and without limiting the generality of the foregoing, and notwithstanding any provision of this Agreement to the contrary, with respect to any payments and benefits under this Agreement to which Code Section 409A applies or to which it may apply, all references in this Agreement to the termination of the Executive's employment are intended to mean the Executive's "separation from service," within the meaning of Code Section 409A(a)(2)(A)(i). If any portion of the severance payments in Section 7D represents an equivalent amount of severance that replaces (as opposed to supplements) salary continuation or similar severance benefit available to the Executive under Sections 7C and 7E and that is subject to Section 409A of the Code, notwithstanding anything to the contrary in this Agreement, such equivalent amount (and only that equivalent amount) shall be delayed until the first day of the seventh month following the Executive's termination, but only to the extent that such equivalent amount exceeds the applicable dollar limit provided under Treasury Regulations section 1.409A-1(b)(9)(iii)(A). The portion of the lump sum under this Section 7F that supplements the benefits under Sections 7C and 7E shall not be subject to or affected by such limitation. Furthermore, notwithstanding the provisions of Sections 7F(i) and 7F(ii), to the extent allowed under Section 409A and the Treasury Regulations promulgated thereunder, if the Executive dies following the Executive's separation from service, but prior to the seventh month anniversary of the Executive's termination of service, then any payments delayed in accordance with this Section 7F will be payable in a lump sum as soon as administratively practicable after the date of the Executive's death.

(iii) If required by Section 409A of the Code, notwithstanding anything to the contrary in this Agreement, the payments to be made to the Executive (except for: (i) the Executive's unpaid Annual Salary that has been earned through the termination date of the Executive's employment; and (ii) reimbursement for any accrued expenses) shall be paid no sooner than the first day of the month that is six months after the Executive's termination date.

(iv) The parties intend that this Agreement be deemed to be amended to the extent necessary to comply with the requirements of Code Section 409A and to avoid or mitigate the imposition of additional taxes under Code Section 409A, while preserving to the maximum extent possible the essential economics of the Executive's rights under this Agreement.

G. **Conditions to Additional Severance Payments**. If the Executive's employment terminates pursuant to Section 7C, 7D or 7E, then in consideration for the severance payments to be made by the Company to the Executive pursuant to Sections 7C(b), (c) and (d); 7D(ii), (iii) and (iv); and 7E(ii) of this Agreement (the "***Additional Severance Payments***"), the Executive agrees to execute and deliver to the Company within 21 days after the Executive's employment termination date, the separation and release agreement, in substantially the form attached hereto as Exhibit B (collectively, the "***Separation Agreement***"). Notwithstanding anything to the contrary in this Agreement, the Company shall have no obligation to make any Additional Severance Payments to the Executive until the date that is 10 business days after the date that the Executive executes and delivers the Separation Agreement. The failure of the Executive to execute and deliver the Separation Agreement within 21 days after the Executive's employment termination date shall result in a forfeiture of all Additional Severance Payments, and permanently release the Company from its obligation to make any and all Additional Severance Payments to the Executive. The Executive acknowledges that the Additional Severance Payments are consideration for the restrictive covenants set forth in Section 8 and that the Executive is bound by Section 8 of this Agreement. The Executive's rights to receive any Additional Severance Payments are expressly subject to the Executive's compliance with Section 8.

H. **Reduction in Change in Control Severance Payments**. Notwithstanding the provisions of Section 7D to the contrary, the payments to the Executive under Section 7D are subject to reduction, if applicable under Exhibit C.

8. **Key-Employee Covenants**. The Executive agrees to perform the Executive's obligations and duties and to be bound by the terms of the Key-Employee Covenants attached hereto as Exhibit A which are incorporated into this Section 8 by reference, and which may be modified from time to time. Paragraphs 7, 9, 10, 11 and 13 of the Key Employee Covenants, are hereby replaced and superseded in their entirety by the following restrictive covenants set forth in this Section 8 and the remedies and dispute resolution provisions in Sections 13 and 14.

A. **Definitions**. For purposes of this Agreement, the following defined terms shall have the meaning indicated:

(i) "***Restricted Period***" shall be the period commencing on the date of this Agreement and continuing until one year following the termination of the Executive's employment. Provided, however, that the Restricted Period may be terminated (a) at any time within 15 days following the termination of the Executive's employment at the election of the Company; or (b) at any other time as agreed by both the Executive and the Company.

(ii) "***Competitive Business***" shall mean Direct Selling.

(iii) "***Competing Entity***" shall mean any entity or person that is engaged, directly or indirectly, in a Competitive Business.

(iv) "***Direct Selling***" means (i) the multi-level marketing channel through which products and services are marketed directly to consumers through a sales force of independent contractors (including, without limitation, through person to person contact, via the telephone or through the Internet) who receive rewards or commissions based upon a compensation plan which contemplates a genealogical sales force of multiple levels, with such commissions paid for by (A) sales of products and services by such contractor, and/or (B) sales of products and services by other independent contractors in such contractor's genealogical downline, and (ii) a home-based business opportunity focused on selling products directly to the consumers.

(v) "***Territory***" shall mean those countries where the Company, or any of its affiliates, engages in business or sells products or plans to conduct business at the time of the termination of the Executive's employment or consulting arrangement, as the case may be. This definition is intended to reflect the Executive's knowledge about and influence over the operations and activities of the Company as a whole.

B. **Non-Solicitation**. During the longer of (i) any period for which the Executive is receiving Additional Severance Payments from the Company or (ii) the Restricted Period, the Executive agrees that during such period of time the Executive shall not, directly or indirectly, solicit any employee, independent contractor, consultant or other person or entity in the employment or service of the Company or any of its respective subsidiaries or affiliates (each of the preceding, a "***Group Company***"), at the time of such solicitation, in any case to (i) terminate such employment or service, and/or (ii) accept employment, or enter into any consulting or other service arrangement, with any person or entity other than a Group Company.

C. **Non-Competition**. In consideration for the compensation payable hereunder, the Executive agrees that, during the Restricted Period, the Executive shall not, directly or indirectly, in the Territory: (i) engage in any Competitive Business; (ii) undertake to plan or organize any Competing Entity; (iii) become associated or connected in any way with, participate in, be employed by, render services to, or consult with, any Competing Entity (nor shall the Executive discuss the possibility of employment or other relationship with any Competing Entity); or (iv) own any direct or indirect interest in any other Competing Entity; provided, however, this limitation shall not be interpreted as prohibiting the Executive from investing in a Competing Entity that is a public company so long as such investment does not exceed 1% of the outstanding securities of such public company and the Employee discloses in writing to the Company (a) the name of the public company and the number of shares which he owns, and (b) any material change in the Executive's ownership. This Section 8C shall not restrict the right of the Employee to practice law in violation of any applicable rules of professional conduct.

D. **Non-Endorsement**. The Executive shall not in any way, directly or indirectly, at any time during the Restricted Period endorse any Competitive Business or competing product, promote or speak on behalf of any Competitive Business or competing product, or allow the Executive's name or likeness to be used in any way to promote any Competitive Business or competing product.

E. **Cooperation**. The Executive agrees that, upon the Company's reasonable request, the Executive in good faith and using diligent efforts shall cooperate and assist the Company in any dispute, controversy or litigation in which the Company may be involved including, without limitation, the Executive's participation in any court or arbitration proceedings, the giving of testimony, the signing of affidavits or such other personal cooperation as counsel for the Company may reasonably request. Such cooperation shall not be unreasonably burdensome without reasonable compensation.

F. **Reformation**. The Company intends to restrict the activities of the Executive under this Section 8 only to the extent necessary for the protection of the legitimate business interests of the Company. It is the intention and agreement of the parties that all of the terms and conditions hereof be enforced to the fullest extent permitted by law. If the provisions of this Section 8 should ever be deemed or adjudged by a court of competent jurisdiction to exceed the time or geographical limitations permitted by applicable law, then such provisions shall nevertheless be valid and enforceable to the extent necessary for such protection as determined by such court, and such provisions will be reformed to the maximum time or geographic limitations as determined by such court.

G. **Acknowledgement**. The Executive acknowledges that the Executive's position and work activities with the Company are critical and vital to the on-going success of the Company's operation in each product category and in each geographic location in which the Company operates. In addition, the Executive acknowledges that the Executive's involvement in, experience with, and influence over the Company's operations as a whole constitute skills and knowledge which are special, unique and extraordinary with respect to the Executive's service for the Company. Therefore, the Executive acknowledges that the non-solicitation, non-endorsement, and non-competition covenants hereunder are fair, reasonable and necessary to protect the legitimate business interests of the Company. These covenants, and each of them, should be construed to apply to the fullest extent possible by applicable laws. The Executive has carefully read this Agreement, has consulted with independent legal counsel to the extent the Executive deems appropriate, and has given careful consideration to the restraints imposed by this Agreement. The Executive acknowledges that the terms of this Agreement are enforceable regardless of the manner in which the Executive's employment is terminated, whether voluntary or involuntary.

9. **Successors and Assigns**. This Agreement is personal in its nature and the Executive shall not assign or transfer the Executive's rights under this Agreement. The provisions of this Agreement shall inure to the benefit of, and shall be binding on, each successor of the Company whether by merger, consolidation, transfer of all or substantially all assets, or otherwise, and the heirs and legal representatives of the Executive.

10. **Notices**. Any notices, demands or other communications required or desired to be given by any party shall be in writing and shall be validly given to another party if served either personally or via an overnight delivery service such as Federal Express, postage prepaid, return receipt requested. If such notice, demand or other communication shall be served personally, service shall be conclusively deemed made at the time of such personal service. If such notice, demand or other communication is given by overnight delivery, such notice shall be conclusively deemed given two business days after the deposit thereof with such service, properly addressed to the party to whom such notice, demand or other communication is to be given as hereinafter set forth:

To the Company:	Nu Skin Enterprises, Inc.
	75 West Center Street
	Provo, Utah 84601
	Attn: General Counsel
To the Executive:	At the Executive's last residence as provided by the Executive to the Company for payroll records.

Any party may change such party's address for the purpose of receiving notices, demands and other communications by providing written notice to the other party in the manner described in this Section 10.

11. **Governing Documents**. This Agreement, along with the documents expressly referenced in this Agreement, including the Key Employee Covenants and equity incentive plans and grant documents, constitute the entire agreement and understanding of the Company and the Executive with respect to the terms and conditions of the Executive's employment with the Company and the payment of severance benefits, and supersedes all prior and contemporaneous written or verbal agreements and understandings (including any offer letter and any other existing employment agreements or arrangements, and any amendments thereto) between the Executive and the Company relating to such subject matter. Any and all other prior agreements, understandings or representations relating to the Executive's employment with the Company are terminated and cancelled in their entirety and are of no further force or effect. This Agreement may only be amended by written instrument signed by the Executive and an authorized officer of the Company.

12. **Governing Law**. The provisions of this Agreement will be construed and interpreted under the laws of the State of Utah, without regard to principles of conflict of laws. If any provision of this Agreement as applied to any party or to any circumstance should be adjudged by a court of competent jurisdiction to be void or unenforceable for any reason, the invalidity of that provision shall in no way affect (to the maximum extent permissible by law) the application of such provision under circumstances different from those adjudicated by the court, the application of any other provision of this Agreement, or the enforceability or invalidity of this Agreement as a whole. Should any provision of this Agreement become or be deemed invalid, illegal or unenforceable in any jurisdiction by reason of the scope, extent or duration of its coverage, then such provision shall be deemed amended to the extent necessary to conform to applicable law so as to be valid and enforceable or, if such provision cannot be so amended without materially altering the intention of the parties, then such provision will be stricken and the remainder of this Agreement shall continue in full force and effect.

13. **Remedies**. The parties to this Agreement agree that: (i) the Executive's services are unique because of the particular skill, knowledge, experience and reputation of the Executive; (ii) if the Executive breaches this Agreement, the damage to the Company will be substantial and difficult to ascertain, and further, that money damages will not afford the Company an adequate remedy. Consequently, if the Executive is in breach of any provision of this Agreement, or threatens a breach of this Agreement, the Company shall be entitled, in addition to all other rights and remedies as may be provided by law, to seek specific performance and injunctive and other equitable relief to prevent or restrain a breach of any provision of this Agreement notwithstanding Section 14 hereof. All rights and remedies provided pursuant to this Agreement or by law shall be cumulative, and no such right or remedy shall be exclusive of any other. All claims for damages for a breach of this Agreement shall be submitted to mediation and arbitration in accordance with Section 14 of this Agreement.

14. **Dispute Resolution**. Except for the right of the Company to seek specific performance and injunctive and other equitable relief in court as set forth in Section 13 hereof, any controversy, claim or dispute of any type arising out of, in connection with, or in relation to the interpretation, performance or breach of this Agreement shall be resolved in accordance with this Section 14 of this Agreement, regarding resolution of disputes. This Agreement shall be enforced in accordance with the Federal Arbitration Act, the enforcement provisions of which are incorporated by this reference.

A. **Mediation**. The Company and the Executive will make a good faith attempt to resolve any and all claims and disputes under this Agreement through good faith negotiations. If such claims and disputes cannot be settled through negotiation, the Company and the Executive agree to submit them to mediation in Salt Lake City, Utah before resorting to arbitration or any other dispute resolution procedure. The mediation of any such claim or dispute must be conducted in accordance with the then-current American Arbitration Association ("***AAA***") procedures for the resolution of disputes by mediation, by a mediator ("***Mediator***") who has had both training and experience as a mediator of general non-competition and commercial matters. If the parties to this Agreement cannot agree on a Mediator, then the Mediator will be selected by AAA in accordance with AAA's strike list method. Within 30 days after the selection of the Mediator, the Company and the Executive and their respective attorneys will meet with the Mediator for one mediation session of at least four (4) hours. If the claim or dispute cannot be settled during such mediation session or mutually agreed continuation of the session, either the Company or the Executive may give the Mediator and the other party to the claim or dispute written notice declaring the end of the mediation process. All discussions connected with this mediation provision will be confidential and treated as compromise and settlement discussions. Nothing disclosed in such discussions, which is not independently discoverable, may be used for any purpose in any later proceeding. If the mediation process is ended without resolution, the Mediator's fees will be paid in equal portions by the Company and the Executive.

B. **Arbitration**. If a claim or dispute under this Agreement has not been resolved in accordance with Section 14A above, then the claim or dispute will be determined by arbitration in accordance with the then-current AAA comprehensive arbitration rules and procedures, except as modified herein. The arbitration will be conducted in Salt Lake City, Utah by a sole neutral arbitrator ("***Arbitrator***") who has had both training and experience as an arbitrator of general non-competition and commercial matters and who is, and for at least 10 years has been, a partner, a shareholder, or a member in a law firm. If the Company and the Executive cannot agree on an Arbitrator, then the Arbitrator will be selected by AAA in accordance with AAA's comprehensive arbitration rules and procedures. No person who has served as a Mediator under the mediation provision, however, may be selected as the Arbitrator for the same claim or dispute. Reasonable discovery will be permitted and the Arbitrator may decide any issue as to discovery. The Arbitrator may decide any issue as to whether or as to the extent to which a dispute is subject to the dispute resolution provisions in this Section 14 and the Arbitrator may award any relief permitted by law. The Arbitrator must base the arbitration award on the provisions of this Section 14B and applicable law and must render the award in writing, including an explanation of the reasons for the award. Judgment upon the award may be entered by any court having jurisdiction of the matter. The statute of limitations applicable to the commencement of a lawsuit will apply to the commencement of an arbitration under this Section 14B. At the request of any party, the Arbitrator, attorneys, parties to the arbitration, witnesses, experts, court reporters or other persons present at the arbitration shall agree in writing to maintain the strict confidentiality of the arbitration proceedings. The Arbitrator's fee will be paid in full by the Company, unless the Executive agrees in writing to pay some or all of the fee.

C. **Interim Actions**. Notwithstanding the foregoing, a party may apply to a court of competent jurisdiction within the State of Utah for relief in the form of a temporary restraining order or preliminary injunction, pending appointment of an Arbitrator or pending determination of a claim through arbitration in accordance with this Section 14. If a dispute is submitted to arbitration hereunder during the term of this Agreement, the parties shall continue to perform their respective obligations hereunder, subject to any interim relief that may be ordered by the Arbitrator or by a court of competent jurisdiction pursuant to the previous sentence.

D. **Fees**. Unless otherwise agreed, the prevailing party (if a prevailing party is determined to exist by the Arbitrator or judge) will be entitled to its costs and attorneys' fees incurred in any arbitration or other proceeding under this Section 14 relating to the interpretation or enforcement of this Agreement.

E. **Acknowledgement**. EXECUTIVE HAS READ AND UNDERSTANDS THIS SECTION 14, WHICH DISCUSSES MEDIATION AND ARBITRATION. EXECUTIVE UNDERSTANDS THAT BY SIGNING THIS AGREEMENT, EXECUTIVE AGREES TO SUBMIT ANY CLAIMS ARISING OUT OF, RELATING TO, OR IN CONNECTION WITH THIS AGREEMENT, OR THE INTERPRETATION, VALIDITY, CONSTRUCTION, PERFORMANCE, BREACH OR TERMINATION THEREOF TO MEDIATION AND ARBITRATION, AND THAT THE DISPUTE RESOLUTION PROVISIONS SET FORTH IN THIS AGREEMENT CONSTITUTE A WAIVER OF EXECUTIVE'S RIGHT TO A JURY TRIAL.

15. **No Waiver**. The waiver by either party of a breach of any provision of this Agreement shall not operate as, or be construed as, a waiver of any later breach of that provision.

16. **Taxes**. Except as otherwise provided under Section 3C, each party agrees to be responsible for its own taxes and penalties.

17. **Counterparts**. This Agreement may be executed in more than one counterpart, each of which shall be deemed an original, but all of which together shall constitute but one and the same instrument.

18. **Representation of the Executive; Interpretation of this Agreement**. The Executive represents and warrants to the Company that the Executive has read and understands this Agreement, has consulted with independent counsel of the Executive's choice prior to agreeing to the terms of this Agreement and is entering into this Agreement, knowingly, willingly and voluntarily. The parties agree that this Agreement shall not be construed for or against either party in any interpretation thereof.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

NU SKIN ENTERPRISES, INC.

M. Truman Hunt

President and Chief Executive Officer

EXECUTIVE

[NAME]

[Signature Page to Employment Agreement]

EXHIBIT A

KEY EMPLOYEE COVENANTS

KEY-EMPLOYEE COVENANTS
("AGREEMENT")

_____ ("Employee")
(PRINT NAME)

Nu Skin Enterprises, Inc. and its affiliated companies ("Company") operate in a highly competitive direct sales, multilevel marketplace competing for product market share as well as recruitment and retention of independent distributors. The success of Company depends on maintaining a competitive edge in this industry through the introduction of innovative products and attracting and retaining distributors. Accordingly, as a condition of and in consideration of employment or continued employment with Company, the parties hereby acknowledge and agree as follows:

1. **Confidential Information**: Employee acknowledges that during the term of employment with Company he / she may develop, learn and be exposed to information about Company and its business, including but not limited to formulas, business plans, financial data, vendor lists, product and marketing plans, distributor lists and training in Company's manner of doing business in both product categories and direct selling and multi-level marketing strategies, and other trade secrets which information is secret, confidential and vital to the continued success of Company ("Confidential Information"). Employee agrees that he / she will not at any Time (whether during employment or after termination of employment with Company), without the express written consent of Company, disclose, copy, retain, remove from Company's premises or make any use of such Confidential Information except as may be required in the course of his / her employment with Company.

2. **Conflict of Interest**: During employment with Company, Employee shall not have any personal interest that is incompatible with the loyalty and responsibility owed to Company. Employee must discharge his / her responsibility solely on the basis of what is in the best interest of Company and independent of personal considerations or relationships. Although it is difficult to identify every activity that might give rise to a conflict of interest, and not by way of making an all inclusive list, some of the more common circumstances and practices that might result in such conflicts are set forth below. Should Employee have any questions regarding this matter, Employee should consult with and receive written permission from his / her director or supervisor.
   a. Employee shall maintain impartial relationships with vendors, suppliers and distributors.
   b. Employee shall not have a direct or indirect ownership interest in vendors of Company nor any company doing or seeking to do business with Company.
   c. Employee shall not have a direct or indirect ownership in any company which competes with Company in any product category or any direct selling or multi-level marketing company, unless such company's securities are publicly traded on either the NYSE, American or NASDAQ stock exchanges and the Employee's ownership interest is less than 1% of the total outstanding securities of such company.
   d. Employee shall not perform services of any kind for any entity doing or seeking to do business with Company. As to employment with or service to another company, Employee shall not allow any such activity to detract from his / her job performance, use Company's time, resources, or personnel, or require such long hours to affect his / her physical or mental effectiveness.
   e. While employed and for a period of three (3) months after termination of an employment relationship with Company, Employee shall not directly or indirectly own any interest in a Company distributorship. Additionally, during the course of employment, neither the Employee, nor the Employee's spouse or an immediate family member living in the same household shall own any interest in a Company distributorship or any other multi-level distributorship. Employee's spouse or immediate family member living in the same household will not, without the prior written consent of the Company, own any interest in another direct sales distributorship or be employed by another direct sales or multi-level marketing company. Any pre-existing ownership interests or employment covered in this paragraph must be disclosed to the Company at the time of the execution of this Agreement.
   f. Employee shall disclose to his/her immediate director or supervisor any and all areas posing a potential or actual conflict of interest. Said disclosure shall be made as promptly as possible after such conflict arises.

3. **Work Product**: Company shall have the sole proprietary interest in the work product of Employee during his / her employment with Company ("Work Product"), and Employee expressly assigns to Company or its designee all rights, title and interest in and to all copyrights, patents, trade secrets, improvements, inventions, sketches, models and all documents related thereto, manufacturing processes and innovations, special calibration techniques, software, service code, systems designs and any other Work Product developed by Employee, either solely or jointly with others, where said Work Product relates to any business activity or research and development activity in which Company is involved or plans to be involved at the time of or prior to Employee's creating such Work Product, or where such Work Product is developed with the use of Company's time, material, or facilities; and Employee further agrees to disclose any and all such Work Product to Company without delay.

4. **Ethical Standards**: Employee agrees to maintain the highest ethical and legal standards in his / her conduct, to be scrupulously honest and straight-forward in all of his / her dealings and to avoid all situations which might project the appearance of being unethical or illegal.

5. **Product Resale**: As an employee of Company, Employee may receive Company products and materials either at no charge or at a discount as specified from time to time by Company in its sole discretion. Employee agrees that the products received from Company are strictly limited to Employee's personal use and that of Employee's immediate family and may not be resold, given or disposed of to any other person or entity in a manner inconsistent with the personal use herein described.

6. **Gratuities**: Employee shall neither seek nor retain gifts, gratuities, entertainment or other forms of compensation, benefit, or persuasion from suppliers, distributors, vendors or their representatives without the consent of a Company Vice President with the exception of meals provided in the ordinary course of business on an infrequent basis.

7. **Non-Solicitation**: Employee shall not in any way, directly or indirectly, at any time during employment or within two (2) years after either a voluntary or involuntary employment termination: (a) solicit, divert, or take away Company's distributors; (b) solicit in any manner Company's employees, or vendors; or (c) assist any other person in any manner or persons in an attempt to do any of the foregoing.

8. **Non-Disparagement**: Employee shall not in any way, directly or indirectly at any time during employment or after either voluntary or involuntary employment termination, commercially disparage Company, Company products or Company Distributors.

9. **Non-Endorsement**: Employee shall not in any way, directly or indirectly, at any time during employment or within one (1) year after either a voluntary or involuntary employment termination endorse any product that competes with products of Company, promote or speak on behalf of any company whose products compete with those of Company, allow Employee's name or likeness to be used in any way to promote any company or product that competes with Company or any products of Company.

10. **Non-Competition**: In exchange for the benefits of continued employment by Company, Employee shall not accept employment with, engage in or participate, directly or indirectly, individually or as an officer, director, employee, shareholder, consultant, partner, joint venturer, agent, equity owner, distributor or in any other capacity whatsoever, with any direct sales or multi-level marketing company including any direct or indirect affiliate or subsidiary of such company that competes with the business of Company whether for market share of products or for independent distributors in a territory in which Company is doing business. The restrictions set forth in this paragraph shall remain in effect during the Employee's employment with Company and during a period of six months following the Employee's termination of employment. Within fifteen days of termination of Employee's employment, Company shall notify Employee whether it elects to enforce Employee's obligation set forth in this paragraph. In the event Company decides to enforce employees non-competition obligation set forth herein, Company shall pay Employee a sum equal to seventy-five percent of the Employee's base salary at termination of employment, less applicable withholding taxes and excluding all incentive compensation and other benefit payments, for the period following the termination of employment during which the restrictive covenants in this paragraph remain in effect. Payment may be made in periodic installments in accordance with Company's regular payroll practices.

11. **Acknowledgement**: Employee acknowledges that his / her position and work activities with Company are "key" and vital to the on-going success of Company's operation in each product category and in each geographic location in which Company operates. In addition, Employee acknowledges that his / her employment or involvement with any other direct selling or multi-level marketing company in particular would create the impression that Employee has left Company for a "better opportunity," which could damage Company by this perception in the minds of Company's employees or independent distributors. Therefore, Employee acknowledges that his / her confidentiality, non-solicitation, non-disparagement, non-endorsement, and non-competition covenants hereunder are fair and reasonable and should be construed to apply to the fullest extent possible by applicable laws. Employee has carefully read this Agreement, has consulted with independent legal counsel to the extent Employee deems appropriate, and has given careful consideration to the restraints imposed by the Agreement. Employee acknowledges that the terms of this Agreement are enforceable regardless of the manner in which Employee's employment is terminated, whether voluntary or involuntary. In the event that Employee is to be employed as an attorney for a competitive business, Company and Employee acknowledge that paragraph 10 is not intended to restrict the right of the Employee to practice law in violation of any applicable rules of professional conduct.

12. **Terminations**: Upon termination of employment, Employee shall return to Company all assets and equipment of Company along with any Confidential Information and Work Product including any distributor and vendor contact information and notes or summaries of all of the above.

13. **Remedies**: The Employee acknowledges: (a) that compliance with the restrictive covenants contained in this Agreement are necessary to protect the business and goodwill of Company and (b) that a breach will result in irreparable and continuing damage to Company, for which money damages may not provide adequate relief. Consequently, Employee agrees that, in the event that he/she breaches or threatens to breach these restrictive covenants, Company shall be entitled to both: (1) a preliminary or permanent injunction to prevent the continuation of harm and (2) money damages insofar as they can be determined. Nothing in this Agreement shall be construed to prohibit Company from also pursuing any other remedy, the parties having agreed that all remedies are cumulative. It is further recognized and agreed that the covenants set forth herein are for the purpose of restricting Employee's activities to the extent necessary for the protection of the legitimate business interests of Company and that Employee agrees that said covenants do not and will not preclude him / her from engaging in activities sufficient for the purposes of earning a living.

14. **Attorney's Fees**: If any party to this Agreement breaches any of the terms of this Agreement, then that party shall pay to the non-defaulting party all of the non-defaulting party's costs and expenses, including reasonable attorney's fees, incurred by that party in enforcing the terms of this Agreement.

15. **Court's Right to Modify Restriction**: The parties have attempted to limit Employee's right to compete only to the extent necessary to protect Company from unfair competition. The parties recognize, however, that reasonable people may differ in making such a determination. Consequently, the parties agree that, if the scope or enforceability of the restrictive covenants contained in this Agreement are in any way disputed at any time, a court or other trier of fact may modify and enforce the covenants to the extent that it believes to be reasonable under the circumstances existing at that time.

16. **Severability**: If any provision, paragraph, or subparagraph of this Agreement is adjudged by any court or administrative agency to be void or unenforceable in whole or in part, this adjudication shall not affect the validity of the remainder of the Agreement, including any other provision, paragraph, or subparagraph. Each provision, paragraph, and subparagraph of this Agreement is severable from every other provision, paragraph, and subparagraph and constitutes a separate and distinct covenant.

17. **Governing Law and Forum**: This Agreement shall be governed and enforced in accordance with the laws of the State of Utah, and any litigation between the parties relating to this Agreement shall be conducted in the courts of Utah County or Salt Lake City where necessary for federal court matters.

18. **Employment at Will**: Employee understands that employment with Company is at will, meaning that employment with Company is completely voluntary and for an indefinite term and that either Employee or Company is free to terminate the employment relationship at any time, with or without cause or advance notice, provided that termination is not done for an unlawful or discriminatory purpose.

19. **Entire Agreement**: Company and Employee understand and agree that this Agreement shall constitute the entire agreement between them regarding the subject matter contained herein, and that all prior understandings or agreements regarding these matters are hereby superseded and replaced, including, without limitation, the Key-Employee Covenants Agreement previously signed by the parties. Any amendment to or modification of this Agreement must be in writing signed by the parties hereto and stating the intent of the parties to amend or modify this Agreement.

THIS AGREEMENT HAS BEEN READ, UNDERSTOOD AND FREELY ACCEPTED BY:

_____ Dated: _____

"Employee"

EXHIBIT B

SEPARATION AND RELEASE AGREEMENT

EXHIBIT C

BEST NET PROVISION

(a) Anything in this Agreement to the contrary notwithstanding, if it shall be determined that (i) any payment, award, benefit or distribution (or any acceleration of any payment, award, benefit or distribution) by the Company (or any of its affiliates) or any entity which effectuates a Change in Control (or any of its affiliates) to or for the benefit of the Executive (whether pursuant to the terms of this Agreement or otherwise) (the "***Payments***") would be subject to the excise tax imposed by Section 4999 of the Code, together with any state and local income or excise taxes imposed thereby, (the "***Excise Tax***"), and (ii) the reduction of the amounts payable to the Executive under this Agreement to the maximum amount that could be paid to the Executive without giving rise to the Excise Tax (the "***Safe Harbor Cap***") would provide the Executive with a greater after-tax amount than if such amounts were not reduced, then the amounts payable to the Executive under this Agreement shall be reduced (but not below zero) to the Safe Harbor Cap. The reduction of the amounts payable hereunder, if applicable, shall be made to the extent necessary in the following order: the acceleration of vesting of stock options and other equity awards with an exercise price that exceeds the then fair market value of the stock subject to the award, the payments under Section 7D (iii) and (iv), and the acceleration of vesting of all other stock options and equity awards. For purposes of reducing the Payments to the Safe Harbor Cap, only amounts payable under this Agreement (and no other Payments) shall be reduced. If the reduction of the amounts payable hereunder would not result in a greater after-tax result to the Executive, no amounts payable under this Agreement shall be reduced pursuant to this provision.

(b) All determinations required to be made under this Exhibit C shall be made by the public accounting firm that is retained by the Company as of the date immediately prior to the Change in Control (the "***Accounting Firm***") which shall provide detailed supporting calculations both to the Company and the Executive within 15 business days of the receipt of notice from the Company or the Executive that there has been a Payment, or such earlier time as is requested by the Company. Notwithstanding the foregoing, if (i) the Audit Committee of the Board (the "***Audit Committee***") shall determine prior to the Change in Control that the Accounting Firm is precluded from performing such services under applicable auditor independence rules or (ii) the Audit Committee of the Board determines that it does not want the Accounting Firm to perform such services because of auditor independence concerns or (iii) the Accounting Firm is serving as accountant or auditor for the person(s) effecting the Change in Control, the Audit Committee shall appoint another nationally recognized public accounting firm to make the determinations required hereunder (which accounting firm shall then be referred to as the Accounting Firm hereunder). All fees, costs and expenses (including, but not limited to, the costs of retaining experts) of the Accounting Firm shall be borne by the Company. If payments are reduced to the Safe Harbor Cap or the Accounting Firm determines that no Excise Tax is payable by the Executive without a reduction in payments, the Accounting Firm shall provide a written opinion to the Executive to such effect, that the Executive is not required to report any Excise Tax on the Executive's federal income tax return, and that the failure to report the Excise Tax, if any, on the Executive's applicable federal income tax return will not result in the imposition of a negligence or similar penalty. For purposes of making the calculations and determinations under this Exhibit C, after taking into account the information provided by the Company and the Executive, the Accounting Firm may make reasonable, good faith assumptions and approximations concerning the application of Code Sections 280G and 4999. The Company and the Executive shall furnish the Accounting Firm with such information and documents as said Accounting Firm may reasonably request to assist the Accounting Firm in making calculations and determinations under this Exhibit C. The determination by the Accounting Firm shall be binding upon the Company and the Executive (except as provided in paragraph (c) below).

(c) If it is established pursuant to a final determination of a court or an Internal Revenue Service (the "***IRS***") proceeding which has been finally and conclusively resolved, that Payments have been made to, or provided for the benefit of, the Executive by the Company, which are in excess of the limitations provided in this Section (referred to hereinafter as an "***Excess Payment***"), the Executive shall repay the Excess Payment to the Company on demand, together with interest on the Excess Payment at the applicable federal rate (as defined in Section 1274(d) of the Code) from the date of the Executive's receipt of such Excess Payment until the date of such repayment. As a result of the uncertainty in the application of Section 4999 of the Code at the time of the determination, it is possible that Payments which will not have been made by the Company should have been made (an "***Underpayment***"), consistent with the calculations required to be made under this Section. If it is determined (i) by the Accounting Firm, the Company (which shall include the position taken by the Company, or together with its consolidated group, on its federal income tax return) or the IRS or (ii) pursuant to a determination by a court, that an Underpayment has occurred, the Company shall pay an amount equal to such Underpayment to the Executive within 10 business days of such determination together with interest on such amount at the applicable federal rate from the date such amount would have been paid to the Executive until the date of payment. The Executive shall cooperate, to the extent the Executive's expenses are reimbursed by the Company, with any reasonable requests by the Company in connection with any contests or disputes with the IRS in connection with the Excise Tax or the determination of the Excess Payment. Notwithstanding the foregoing, if amounts payable under this Agreement were reduced pursuant to paragraph (a) and the value of stock options is subsequently re-determined by the Accounting Firm within the context of Treasury Regulation §1.280G-1 Q/A 33 that reduces the value of the Payments attributable to such options, the Company shall promptly pay to the Executive any amounts payable under this Agreement that were not previously paid solely as a result of paragraph (a), subject to the Safe Harbor Cap.

APPENDIX A

PRO-RATA BONUS CALCULATION EXAMPLES

Pro-Rata Earned Bonus

Assumptions:

1. Executive's total fiscal year target bonus is $1,000,000.
    (a) $125,000 (12.5%) is allocated to each quarter and is earned based on that quarter's performance.
    (b) $500,000 (50%) is allocated to the fiscal year and is earned based on fiscal year performance.
2. Executive's employment is terminated on 5/15/12.
3. Based on actual performance, second quarter bonus was 125% of target bonus and annual bonus was 150% of target bonus.

Calculations:

1. Second quarter:
    (a) The second quarter bonus based on actual performance was 125% of target:
    $125,000 x 125% = $156,250
    (b) Days in quarter = 91; days worked in quarter = 45
    45/91 = 0.4945
    (c) Second quarter bonus = $156,250 x 0.4945 = $77,266
2. Fiscal year:
    (a) The fiscal year bonus based on actual performance was 150% of target:
    $500,000 x 150% = $750,000
    (b) Days in fiscal year = 366; days worked in year = 136
    136/366 = 0.3716
    (c) Annual bonus = $750,000 x 0.3716 = $278,700
3. Total Pro-Rata Earned Bonus: $77,266 + $278,700 = $355,966

Pro-Rata Target Bonus

Assumptions:

1. Executive's total fiscal year target bonus is $1,000,000.
    (a) $125,000 (12.5%) is allocated to each quarter and is earned based on that quarter's performance.
    (b) $500,000 (50%) is allocated to the fiscal year and is earned based on fiscal year performance.
2. Executive's employment is terminated on 7/31/12.

Pro Rata Target Bonus:

1. Third quarter:
    (a) Days in quarter = 92; days worked in quarter = 31
    31/92 = 0.3370
    (b) Third quarter bonus = $125,000 x 0.3370 = $42,125
2. Fiscal year:
    (a) Day in fiscal year = 366; days worked in year = 213
    213/366 = 0.5820
    (b) Annual bonus = $500,000 x 0.5820 = $291,000

Total Pro-Rata Target Bonus: $42,125 + 291,000 = $333,125

SCHEDULE OF MATERIAL DIFFERENCES

NAME	TITLE
Ritch N. Wood	Chief Financial Officer
Daniel R. Chard	President, Global Sales and Operations
Scott E. Schwerdt	President, Americas Region
D. Matthew Dorny	Vice President and General Counsel

EXHIBIT 31.1
SECTION 302 - CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, M. Truman Hunt, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Nu Skin Enterprises, Inc;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 6, 2012

/s/ M. Truman Hunt
M. Truman Hunt
Chief Executive Officer

EXHIBIT 31.2
SECTION 302 - CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, Ritch N. Wood, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Nu Skin Enterprises, Inc;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 6, 2012

/s/ Ritch N. Wood
Ritch N. Wood
Chief Financial Officer

EXHIBIT 32.1
SECTION 1350 CERTIFICATION OF CHIEF EXECUTIVE OFFICER

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of Nu Skin Enterprises, Inc. (the "Company") on Form 10-Q for the period ended June 30, 2012, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, M. Truman Hunt, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 6, 2012

/s/ M. Truman Hunt
M. Truman Hunt
Chief Executive Officer

EXHIBIT 32.2
SECTION 1350 CERTIFICATION OF CHIEF FINANCIAL OFFICER

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of Nu Skin Enterprises, Inc. (the "Company") on Form 10-Q for the period ended June 30, 2012, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Ritch N. Wood, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 6, 2012

/s/ Ritch N. Wood
Ritch N. Wood
Chief Financial Officer

NU SKIN ENTERPRISES, INC.

SERIES G SENIOR NOTE

No. G-1
CURRENCY AND ORIGINAL PRINCIPAL AMOUNT: 4,013,070,025.30 Japanese Yen
ORIGINAL ISSUE DATE: May 31, 2012
INTEREST RATE: 1.676%
INTEREST PAYMENT DATES: May 31 and November 30
FINAL MATURITY DATE: May 31, 2022
PRINCIPAL PREPAYMENT DATES AND AMOUNTS: 573,295,717.89 Japanese Yen on May 31 of 2016, 2017, 2018, 2019, 2020 and 2021

FOR VALUE RECEIVED, the undersigned, **NU SKIN ENTERPRISES, INC**. (herein called the "**Company**"), a corporation organized and existing under the laws of Delaware, hereby promises to pay to **THE PRUDENTIAL INSURANCE COMPANY OF AMERICA**, or registered assigns, the principal sum of **FOUR BILLION THIRTEEN MILLION SEVENTY THOUSAND TWENTY-FIVE AND 30/100 JAPANESE YEN**, payable on the Principal Payment Dates and in the amounts specified above, and on the Final Maturity Date as specified above in an amount equal to the unpaid balance of the principal hereof, with interest (computed on the basis of a 360-day year of twelve 30-day months) (a) on the unpaid balance thereof at the Interest Rate per annum specified above, payable on each Interest Payment Date specified above and on the Final Maturity Date specified above, commencing with the Interest Payment Date next succeeding the date hereof, until the principal hereof shall have become due and payable, and (b) on any overdue payment (including any overdue prepayment) of principal, any overdue payment of any Make-Whole Amount and any overdue payment of interest, payable on each Interest Payment Date as aforesaid (or, at the option of the registered holder hereof, on demand), at a rate per annum from time to time equal to the Default Rate.

Payments of principal, Make-Whole Amount, if any, and interest are to be made at JPMorgan Chase Bank in Tokyo, Japan or at such other place as the holder hereof shall designate to the Company in writing, in lawful money of Japan.

This Note is one of a series of Senior Notes (herein called the "**Notes**") issued pursuant to an Amended and Restated Note Purchase and Private Shelf Agreement, dated as of May 25, 2012 (as from time to time amended, herein called the "**Agreement**"), between Nu Skin Enterprises, Inc. (the "**Company**"), on the one hand, and Prudential Investment Management, Inc., the Purchasers signatory thereto and each Prudential Affiliate which becomes party thereto, on the other hand, and is entitled to the benefits thereof. Capitalized terms used and not otherwise defined herein shall have the meanings provided in the Agreement. Each holder of this Note will be deemed, by its acceptance hereof, (i) to have agreed to the confidentiality provisions set forth in Section 20 of the Agreement, and (ii) to have made the representations set forth in Section 6 of the Agreement.

This Note is subject to optional prepayment, in whole or from time to time in part, on the terms specified in the Agreement.

This Note is a registered Note and, as provided in the Agreement, upon surrender of this Note for registration of transfer, duly endorsed, or accompanied by a written instrument of transfer duly executed, by the registered holder hereof or such holder's attorney duly authorized in writing, a new Note for the then outstanding principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Company may treat the person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Company shall not be affected by any notice to the contrary.

In the case an Event of Default shall occur and be continuing, the principal of this Note may be declared or otherwise become due and payable in the manner, at the price (including any applicable Make-Whole Amount), and with the effect provided in the Agreement.

This Note shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the law of the State of New York excluding choice-of-law principles of the law of such State (other than Section 5-1401 of the New York General Obligations Law) that would require the application of the laws of a jurisdiction other than such State.

NU SKIN ENTERPRISES, INC.

By: /s/Brian R. Lords
Name: Brian R. Lords
Title: Vice President and Treasurer

NU SKIN ENTERPRISES, INC.

SERIES G SENIOR NOTE

No. G-2
CURRENCY AND ORIGINAL PRINCIPAL AMOUNT: 1,363,177,944.30 Japanese Yen
ORIGINAL ISSUE DATE: May 31, 2012
INTEREST RATE: 1.676%
INTEREST PAYMENT DATES: May 31 and November 30
FINAL MATURITY DATE: May 31, 2022
PRINCIPAL PREPAYMENT DATES AND AMOUNTS: 194,739,706.33 Japanese Yen on May 31 of 2016, 2017, 2018, 2019, 2020 and 2021

FOR VALUE RECEIVED, the undersigned, **NU SKIN ENTERPRISES, INC**. (herein called the "**Company**"), a corporation organized and existing under the laws of Delaware, hereby promises to pay to **PRUCO LIFE INSURANCE COMPANY**, or registered assigns, the principal sum of **ONE BILLION THREE HUNDRED SIXTY-THREE MILLION ONE HUNDRED SEVENTY-SEVEN THOUSAND NINE HUNDRED FORTY-FOUR AND 30/100 JAPANESE YEN**, payable on the Principal Payment Dates and in the amounts specified above, and on the Final Maturity Date as specified above in an amount equal to the unpaid balance of the principal hereof, with interest (computed on the basis of a 360-day year of twelve 30-day months) (a) on the unpaid balance thereof at the Interest Rate per annum specified above, payable on each Interest Payment Date specified above and on the Final Maturity Date specified above, commencing with the Interest Payment Date next succeeding the date hereof, until the principal hereof shall have become due and payable, and (b) on any overdue payment (including any overdue prepayment) of principal, any overdue payment of any Make-Whole Amount and any overdue payment of interest, payable on each Interest Payment Date as aforesaid (or, at the option of the registered holder hereof, on demand), at a rate per annum from time to time equal to the Default Rate.

Payments of principal, Make-Whole Amount, if any, and interest are to be made at JPMorgan Chase Bank in Tokyo, Japan or at such other place as the holder hereof shall designate to the Company in writing, in lawful money of Japan.

This Note is one of a series of Senior Notes (herein called the "**Notes**") issued pursuant to an Amended and Restated Note Purchase and Private Shelf Agreement, dated as of May 25, 2012 (as from time to time amended, herein called the "**Agreement**"), between Nu Skin Enterprises, Inc. (the "**Company**"), on the one hand, and Prudential Investment Management, Inc., the Purchasers signatory thereto and each Prudential Affiliate which becomes party thereto, on the other hand, and is entitled to the benefits thereof. Capitalized terms used and not otherwise defined herein shall have the meanings provided in the Agreement. Each holder of this Note will be deemed, by its acceptance hereof, (i) to have agreed to the confidentiality provisions set forth in Section 20 of the Agreement, and (ii) to have made the representations set forth in Section 6 of the Agreement.

This Note is subject to optional prepayment, in whole or from time to time in part, on the terms specified in the Agreement.

This Note is a registered Note and, as provided in the Agreement, upon surrender of this Note for registration of transfer, duly endorsed, or accompanied by a written instrument of transfer duly executed, by the registered holder hereof or such holder's attorney duly authorized in writing, a new Note for the then outstanding principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Company may treat the person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Company shall not be affected by any notice to the contrary.

In the case an Event of Default shall occur and be continuing, the principal of this Note may be declared or otherwise become due and payable in the manner, at the price (including any applicable Make-Whole Amount), and with the effect provided in the Agreement.

This Note shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the law of the State of New York excluding choice-of-law principles of the law of such State (other than Section 5-1401 of the New York General Obligations Law) that would require the application of the laws of a jurisdiction other than such State.

NU SKIN ENTERPRISES, INC.

By: /s/Brian R. Lords
Name: Brian R. Lords
Title: Vice President and Treasurer

NU SKIN ENTERPRISES, INC.

SERIES G SENIOR NOTE

No. G-3
CURRENCY AND ORIGINAL PRINCIPAL AMOUNT: 2,605,252,030.40 Japanese Yen
ORIGINAL ISSUE DATE: May 31, 2012
INTEREST RATE: 1.676%
INTEREST PAYMENT DATES: May 31 and November 30
FINAL MATURITY DATE: May 31, 2022
PRINCIPAL PREPAYMENT DATES AND AMOUNTS: 372,178,861.49 Japanese Yen on May 31 of 2016, 2017, 2018, 2019, 2020 and 2021

FOR VALUE RECEIVED, the undersigned, **NU SKIN ENTERPRISES, INC**. (herein called the "**Company**"), a corporation organized and existing under the laws of Delaware, hereby promises to pay to **PRUDENTIAL RETIREMENT INSURANCE AND ANNUITY COMPANY**, or registered assigns, the principal sum of **TWO BILLION SIX HUNDRED FIVE MILLION TWO HUNDRED FIFTY-TWO THOUSAND THIRTY AND 40/100 JAPANESE YEN**, payable on the Principal Payment Dates and in the amounts specified above, and on the Final Maturity Date as specified above in an amount equal to the unpaid balance of the principal hereof, with interest (computed on the basis of a 360-day year of twelve 30-day months) (a) on the unpaid balance thereof at the Interest Rate per annum specified above, payable on each Interest Payment Date specified above and on the Final Maturity Date specified above, commencing with the Interest Payment Date next succeeding the date hereof, until the principal hereof shall have become due and payable, and (b) on any overdue payment (including any overdue prepayment) of principal, any overdue payment of any Make-Whole Amount and any overdue payment of interest, payable on each Interest Payment Date as aforesaid (or, at the option of the registered holder hereof, on demand), at a rate per annum from time to time equal to the Default Rate.

Payments of principal, Make-Whole Amount, if any, and interest are to be made at JPMorgan Chase Bank in Tokyo, Japan or at such other place as the holder hereof shall designate to the Company in writing, in lawful money of Japan.

This Note is one of a series of Senior Notes (herein called the "**Notes**") issued pursuant to an Amended and Restated Note Purchase and Private Shelf Agreement, dated as of May 25, 2012 (as from time to time amended, herein called the "**Agreement**"), between Nu Skin Enterprises, Inc. (the "**Company**"), on the one hand, and Prudential Investment Management, Inc., the Purchasers signatory thereto and each Prudential Affiliate which becomes party thereto, on the other hand, and is entitled to the benefits thereof. Capitalized terms used and not otherwise defined herein shall have the meanings provided in the Agreement. Each holder of this Note will be deemed, by its acceptance hereof, (i) to have agreed to the confidentiality provisions set forth in Section 20 of the Agreement, and (ii) to have made the representations set forth in Section 6 of the Agreement.

This Note is subject to optional prepayment, in whole or from time to time in part, on the terms specified in the Agreement.

This Note is a registered Note and, as provided in the Agreement, upon surrender of this Note for registration of transfer, duly endorsed, or accompanied by a written instrument of transfer duly executed, by the registered holder hereof or such holder's attorney duly authorized in writing, a new Note for the then outstanding principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Company may treat the person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Company shall not be affected by any notice to the contrary.

In the case an Event of Default shall occur and be continuing, the principal of this Note may be declared or otherwise become due and payable in the manner, at the price (including any applicable Make-Whole Amount), and with the effect provided in the Agreement.

This Note shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the law of the State of New York excluding choice-of-law principles of the law of such State (other than Section 5-1401 of the New York General Obligations Law) that would require the application of the laws of a jurisdiction other than such State.

NU SKIN ENTERPRISES, INC.

By: /s/Brian R. Lords
Name: Brian R. Lords
Title: Vice President and Treasurer