

RELEASE AND SETTLEMENT AGREEMENT

THIS RELEASE AND SETTLEMENT AGREEMENT (this "Agreement") is entered as of this 20th day of November 2013 (the "Effective Date") by and between THE PUBLIC INTEREST ALLIANCE LLC, a California limited liability company ("PIA"), and NU SKIN ENTERPRISES, INC. ("Nu Skin").

THE PARTIES ENTER THIS AGREEMENT on the basis of the following facts, understandings, and intentions:

A. The Public Interest Alliance LLC is a California limited liability company whose mission is to improve human health, preserve the natural environment, and promote compliance with environmental and consumer disclosure laws.

B. On or around June 12, 2013, PIA served a 60-Day Notice of Violation of Proposition 65 re: Titanium Dioxide (airborne, unbound particles of respirable size)¹ on Nu Skin (the "NOV"). Among other things, PIA alleged in the NOV that Nu Skin had exposed California consumers to Titanium Dioxide (airborne, unbound particles of respirable size) through the sale and use of certain cosmetic and personal care powders.

C. Prior to expiration of the 60-day notice period, and before PIA filed an action, Nu Skin and PIA discussed the substance of PIA's claims and have elected to resolve this matter without formal litigation.

NOW, THEREFORE, IN CONSIDERATION of the mutual covenants and promises of the parties, the parties hereto agree as follows:

1. Settlement Payment. For and in consideration of the payment of Nineteen Thousand Five Hundred and No/100 Dollars (\$19,500.00) (the "Settlement Payment"), as allocated below, the parties hereby agree that all claims asserted by PIA against Nu Skin in the NOV will be fully settled and resolved. Payment shall be made within ten (10) business days of the Effective Date by check or wire transfer to a bank account maintained by Judd Law Group LLP.

¹ Future references to Titanium Dioxide shall refer to the form of Titanium Dioxide (airborne, unbound particles of respirable size) that appears on the Proposition 65 list of carcinogens.

a. *Payment to PIA.* Five Thousand Dollars and No/100 Dollars (\$5,000.00), payable to Judd Law Group LLP in Trust for The Public Interest Alliance LLC; and

b. *Payment to Judd Law Group LLP.* Fourteen Thousand Five Hundred and No/100 Dollars (\$14,500.00) to Judd Law Group LLP.

2. NuSkin's Covenants in Lieu of Injunction. Nu Skin hereby covenants and agrees that within sixty (60) days after the Effective Date it will:

a. *Reformulation Covenant.* Cease and desist from distributing, selling, or offering to sell to California consumers the Products identified on Exhibit A, attached hereto and by this reference incorporated herein (the "Covered Products") without a clear and reasonable Proposition 65 warning as provided in Paragraph 2.b below, unless and until such Covered Products have been reformulated by deleting Titanium Dioxide as an ingredient of such Covered Products; provided, however, in the event that PIA or any public enforcer enters into an agreement or consent judgment with any other person or entity that received a 60-Day Notices of Violation of Proposition 65 materially identical to the NOV, which such agreement or consent judgment establishes a No Significant Risk Level ("NSRL") for Titanium Dioxide or at such time, if ever, that the California Office of Health Hazard Assessment establishes an NSRL for Titanium Dioxide, then Nu Skin shall be able to distribute, sell or offer to sell to California consumers the Covered Products without a Proposition 65 warning so long as such products comply with the NSRL for Titanium Dioxide.

b. *Covered Product Warnings.*

i. **Product Labeling.** Any warning provided under this Agreement shall be (a) affixed to any invoice or shipping document delivered with the Covered Product, (b) affixed to the Covered Product itself in immediate proximity to any marketing, ownership, or pricing tags or labels or, if none, to a surface of the product that would be readily visible to a purchaser or user upon inspection or use of the Covered Product. Each warning shall be of such size, color, and font, and shall be prominently placed with such conspicuousness as compared with other words, statements, designs, or devices as to render it likely to be read and understood by an

ordinary individual under customary conditions before purchase or use. Each warning shall be provided in a manner such that the consumer or user understands to which specific Covered Product the warning applies, so as to minimize the risk of consumer confusion. A warning provided pursuant to this Agreement shall state:

WARNING: This product contains a chemical known to the State of California to cause cancer.

ii. **Internet Website Warning.** A warning shall be given in conjunction with any sale of the Covered Products to California residents via the internet, which warning shall be accessed through a link prominently displayed on a product information page. The following warning shall incorporate the following language and shall appear in the same type size or larger than the Covered Product description text:

WARNING: This product contains a chemical known to the State of California to cause cancer.

Products for which a warning is provided on a website in compliance with this section need not carry a warning as described in Section 2.b.i.

3. Releases.

a. *PIA's Release of Nu Skin* PIA acting on its own behalf releases Nu Skin and each of its shareholders, members, heirs, successors, predecessors, assigns, conservators, directors, officers, employees, representatives, subsidiaries, parent companies, affiliates, agents, partners, joint venturers, insurers, attorneys, and sureties, if any, and each entity to whom Nu Skin directly or indirectly distributed or sold Covered Products, including, but not limited to downstream distributors, wholesalers, customers, retailers, franchisees, cooperative members, and licensees (collectively, "Releasees"), from any and all claims, for violations of Proposition 65 through the Effective Date based on unwarned exposures to Titanium Dioxide (airborne, unbound particles of respirable size) from the Covered Products, as set forth in the NOV. Compliance with the terms of this Agreement constitutes compliance with Proposition 65 with respect to exposures to Titanium Dioxide from the Covered Products, as set forth in the NOV. PIA's release shall be effective as a full and final accord and satisfaction, as a bar to all actions, causes of action,

obligations, costs, expenses, attorneys' fees, damages, losses, claims, liabilities, and demands of PIA of any nature, character, or kind, whether known or unknown, suspected or unsuspected, limited to and arising out of alleged or actual exposures to Titanium Dioxide in the Covered Products manufactured, imported, distributed, or sold by Nu Skin prior to the Effective Date. Nu Skin further understands and agrees that this Paragraph 3.a release shall not extend upstream to any entities. Nothing in this Paragraph 3.a shall affect PIA's rights to commence or prosecute an action under Proposition 65 against a Releasee that does not involve a Covered Product. The foregoing releases are expressly conditioned on the following:

i. Confirmation of receipt of funds in the amount of the Settlement Payment in a Judd Law Group LLP bank account; and

ii. Performance of the covenants described in Paragraph 2, above.

b. Nu Skin's *Release of PIA*. Nu Skin on behalf of itself, its past and current shareholders, members, heirs, successors, predecessors, assigns, conservators, directors, officers, employees, representatives, subsidiaries, parent companies, affiliates, agents, partners, joint venturers, insurers, attorneys, and sureties, if any, hereby waives, releases and forever discharges any and all claims against PIA and its attorneys and other representatives, for any and all actions taken or statements made (or those that could have been taken or made) by PIA and its attorneys and other representatives, whether in the course of investigating claims or otherwise seeking to enforce Proposition 65 against it in this matter with respect to the Covered Products.

4. Waiver. This is a full and final Release applying to all unknown and unanticipated injuries or damages relating to or arising out of the claims alleged in the NOV, as well as those now known, whether or not disclosed, and PIA and Nu Skin do hereby relinquish and waive all rights or benefits conferred upon them by the provisions of Section 1542 of the California Civil Code, which reads as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM, MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR.

5. No Admission of Liability. PIA understands the liability alleged in the NOV is disputed by Nu Skin herein released; that this Agreement is a compromise and shall not be construed as an admission of liability, and Nu Skin expressly denies the material factual and legal allegations contained in the NOV or related thereto, and maintains that all products it has manufactured, imported, distributed, and/or sold in California, including the Covered Products, have been and are in compliance with all laws.
6. Warranties.
 - a. *PIA*. PIA warrants and represents that PIA is competent to give this complete Release, and has fully authorized the signatory below to give this complete release and discharge on PIA's behalf.
 - b. Nu Skin
 - i. Due Authority. Nu Skin warrants and represents that Nu Skin is competent to give this complete Release, and has fully authorized the signatory below to give this complete release and discharge on Nu Skin's behalf.
 - ii. Accuracy of Information Provided to PIA. Nu Skin represents that, to Nu Skin's best knowledge, the information provided to PIA regarding the sales volume of Covered Products during the period between September 2, 2012 and the Effective Date (the "Relevant Time Period") is, to Nu Skin's best knowledge, complete and accurate in all material respects.
7. Attorneys' Fees. PIA and Nu Skin each acknowledge and agree that each will bear its own costs, expenses and attorneys' fees arising out of and/or connected with the NOV, and the negotiation, drafting and execution of this Agreement.
8. Notices. Unless otherwise specified in this Agreement, all correspondence and notices required to be provided under this Agreement shall be in writing and sent by: (a) personal delivery; (b) first-class registered or certified mail, return receipt requested; or (c) overnight

courier to any party by the other party at to the following addresses:

To PIA: Jeffrey M. Judd
Judd Law Group LLP
222 Sutter Street, Suite 600
San Francisco, CA 94108

To NuSkin: Tyler Whitehead, Esq.
Nu Skin Enterprises, Inc.
75 West Center Street
Provo, UT 84601

With a copy to:

William F. Tarantino
MORRISON & FOERSTER LLP
425 Market Street, Suite 3300
San Francisco, California 94105-2482

From time to time, any Party may specify in writing to the other a change of address to which all notices and other communications shall be sent.

9. Construction of Agreement. This Agreement is the product of negotiation and preparation by and between PIA and Nu Skin and their respective attorneys; and that, therefore, PIA and Nu Skin expressly acknowledge and agree that this Agreement shall not be deemed prepared or drafted by one party or the other, or by either party's respective attorneys, and will be construed accordingly.

10. Governing Law. This Agreement shall be interpreted in accordance with and governed in all respects by the laws of the State of California.

11. Binding Effect. This Agreement shall be binding upon and inure to the benefit of PIA and Nu Skin and each party's respective spouses, heirs, members, executors, administrators, trustors, trustees, beneficiaries, predecessors, successors, assigns, partners, partnerships, parents, subsidiaries, attorneys, affiliated and related entities, officers, directors, principals, shareholders, agents, employees, servants, representatives, and all persons, firms, associations, and/or corporations connected with them, including without limitation, their insurers and sureties.

12. Severability. If any provision of this Agreement is for any reason held invalid, unenforceable or contrary to any public policy, law, statute and/or ordinance, then the remainder

of this Agreement shall not be affected thereby and shall remain valid and fully enforceable.

13. Modification. This Agreement may be amended or modified only by a written agreement duly executed by PIA and Nu Skin at the time of such amendment or modification.

14. Headings. The paragraph headings are solely for the convenience of the parties and shall not be utilized in the construction of any of the terms of this Agreement.

15. Miscellaneous.

a. *Entire Agreement*. This Agreement contains the entire agreement between PIA and Nu Skin. PIA and Nu Skin each warrants and represents that no promise or inducement has been offered or received, except as herein recited for the releases of PIA and Nu Skin recited to be released herein, and PIA and Nu Skin further warrant that this Release and Settlement Agreement is executed without reliance on any statement or representation by PIA or Nu Skin persons or entities recited to be released herein, or any of their representatives, attorneys, investigators, agents, experts, consultants, adjusters or insurers, concerning the nature and extent of the damages which may have been sustained, if at all, or concerning the rights of PIA and Nu Skin or of the legal liability therefore, or the rights, duties or obligations of any party, person or entity recited to be released herein.

b. *Consultation with Attorneys*. PIA and Nu Skin each acknowledge and warrant that each has consulted at length in this matter with his, her, or its attorney, and each warrants that he, she, or it executes this Agreement pursuant to said agreement, and with the advice of his, her, or its attorney that he, she, or it do so.

c. *No Fraud, Duress, or Undue Influence*. PIA and Nu Skin each further warrant that he, she, or it executes this Release and Settlement Agreement freely, voluntarily and without fraud, duress or undue influence.

d. *Signatories*. Signatories on the behalf of the parties represent that they are authorized to bind the parties to this Agreement.

e. *Counterparts*. This Release and Settlement Agreement may be signed in counterparts and a facsimile signature shall have the same force and effect as an original

signature.

16. Covenant Not to Sue. PIA and Nu Skin agree that he, she, or it will not file, or permit to be filed, in his, her, or its name or on his, her, or its behalf any lawsuit based on any of the matters released herein. This Release and Settlement Agreement may be pled as a full and complete defense of any action, proceeding or claim, or as a basis for abatement of or injunction against such action.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.


THE PUBLIC INTEREST ALLIANCE LLC

Dated: November __, 2013

By:
Title: Managing Member

NU SKIN ENTERPRISES, INC.

Dated: November 18, 2013



By:
Title: _____

Approved as to form:

JUDD LAW GROUP LLP

By Jeffrey M. Judd

Dated: October __, 2013

MORRISON & FOERSTER LLP

By William F. Tarantino

Dated: October __, 2013

**EXHIBIT A
COVERED PRODUCTS**

Eye Shadow

Tangerine Dream
Shell
French Vanilla
Smoke
Diamond Dust
Baby Blue
Slate Grey
Pearl Green
Sandy Gold

Bronzing Pearl

Blush

Orange Sherbet
Cosmos Pink
Tropic Pink

Wet/Dry Pressed Powder

Buffed Ivory
Vanilla Beige
Natural Honey
Porcelain Beige
Creamy Ivory
Soft Amber

signature.

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THE PUBLIC INTEREST ALLIANCE LLC

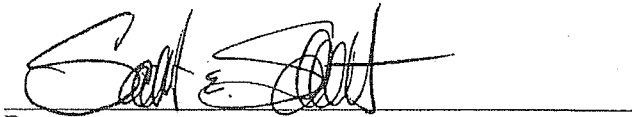
Dated: November 18, 2013



By: _____
Title: Managing Member

NU SKIN ENTERPRISES, INC.

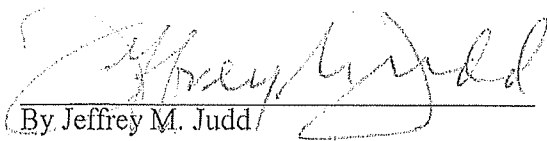
Dated: November 18, 2013



By: _____
Title: _____

Approved as to form:

JUDD LAW GROUP LLP


By Jeffrey M. Judd

Dated: October __, 2013

MORRISON & FOERSTER LLP

By William F. Tarantino

Dated: October __, 2013