



SECURITIES ACT (NU SKIN DISTRIBUTOR STOCK OPTION PLAN) EXEMPTION NOTICE 1997

PURSUANT to the Securities Act 1978, the Securities Commission gives the following notice.

NOTICE

1. Title, commencement, and expiry—(1) This notice may be cited as the Securities Act (Nu Skin Distributor Stock Option Plan) Exemption Notice 1997.

(2) This notice comes into force on the day after the date of its notification in the *Gazette*.

(3) This notice expires on the close of 31 December 2001.

2. Interpretation—(1) In this notice, unless the context otherwise requires,—

“The Act” means the Securities Act 1978:

“The company” means Nu Skin International Inc., a corporation incorporated in the State of Utah, United States of America:

“Distributor” means a person who—

(a) Sells the company’s products in New Zealand pursuant to a contract between the person and the company; and

(b) Achieves gold or higher executive distributor levels under the company’s global compensation plan:

“Document in Form S-8” means a document or documents endorsed to record registration under the Securities Act 1933 of the United States of America containing the information required by the Form S-8 registration statement filed with the Securities and Exchange Commission:

“Document in Form 10-K” means a document or documents containing the information required by the Form 10-K report filed with the Securities and Exchange Commission:

“Document in Form 10-Q” means a document or documents containing the information required by the Form 10-Q report filed with the Securities and Exchange Commission:

“Plan” means the distributor share option plan established by the company whereby distributors of the company or any related body corporate of the company may acquire specified equity securities:

“The Regulations” means the Securities Regulations 1983:

“Securities and Exchange Commission” means the Securities and Exchange Commission of the United States of America:

“Specified equity securities” means shares of Class A common stock or a right or option to acquire shares of Class A common stock issued by Nu Skin Asia Pacific Inc. pursuant to the terms of the plan:

“U.S. information memorandum” means a document or documents relating to Nu Skin Asia Pacific Inc. endorsed to record registration under the Securities Act 1933 of the United States of America containing the information required under Rule 415 for the Form S-1 registration statement filed with the Securities and Exchange Commission, updated as necessary, together with a written statement—

(a) Specifying the documents that are incorporated by reference in the U.S. information memorandum; and

(b) Advising the person to whom the offer is made that the documents so incorporated are available, free of charge, on request made either orally or in writing by that person.

(2) Any term or expression that is not defined in this notice, but that is defined in the Act or the Regulations, has the meaning given to it by the Act or the Regulations.

3. Nu Skin International Inc., and Nu Skin Asia Pacific Inc., exempted from compliance with Part II (except section 44A) of the Securities Act 1978—

(1) The company, Nu Skin Asia Pacific Inc., and every person acting on their behalf or on behalf of either of them are exempted from compliance with the provisions of Part II (except section 44A) of the Act in respect of any offer of specified equity securities made to a person who is, when the offer is made, a distributor of the company.

(2) That exemption is subject to the conditions that, before subscription for, or allotment of, the specified equity securities, the person to whom the offer is made receives—

(a) A document that—

(i) Contains an offer of the specified equity securities; and

(ii) Contains a description of the plan (including the matters that are required to be disclosed in a description of an employee stock purchase by a document in Form S-8), its terms and conditions, and a statement—

(A) Specifying the documents that are incorporated by reference in the plan; and

(B) Advising that a copy of the plan and the documents that are incorporated by reference in the plan are available, free of charge, on request made either orally or in writing; and

(iii) Contains, or is accompanied by, a statement that a copy of the U.S. information memorandum is available, free of charge, on request made either orally or in writing; and

(iv) Contains, or is accompanied by, a statement that a copy of the most recent document in Form 10-Q of Nu Skin Asia Pacific Inc. is available, free of charge, on request made either orally or in writing; and

(b) A copy of the most recent document in Form 10-K of Nu Skin Asia Pacific Inc.

- (3) That exemption is subject to the further conditions that—
- (a) A distributor, or a person who was a distributor and who is a holder of specified equity securities, is entitled to receive, free of charge, on request made either orally or in writing, a copy of the most recent document in Form 10-Q of Nu Skin Asia Pacific Inc.; and
 - (b) Nu Skin Asia Pacific Inc. has undertaken that, in the event that the company is unable to fulfil its obligations under the plan, Nu Skin Asia Pacific Inc. will fulfil those obligations; and
 - (c) Nu Skin Asia Pacific Inc. holds a sufficient number of specified equity securities to meet all its obligations to deliver specified equity securities pursuant to the undertaking referred to in paragraph (b); and
 - (d) The options allotted pursuant to the plan are not transferable by distributors.

Dated at Wellington this 15th day of July 1997.

The Common Seal of the Securities Commission was affixed in the presence of:

[L.S.]

E. H. ABERNETHY,
Chairman.

EXPLANATORY NOTE

This note is not part of the notice, but is intended to indicate its general effect.

This notice comes into force on the day after the date of its notification in the *Gazette*.

The notice exempts Nu Skin International Inc., and Nu Skin Asia Pacific Inc., subject to conditions, from Part II (except section 44A) of the Securities Act 1978 in the case of offers of specified equity securities made to any person who is a distributor of the company.

Issued under the authority of the Acts and Regulations Publication Act 1989.

Date of notification in *Gazette*: 17 July 1997.

This notice is administered in the Securities Commission.