



# USANA Health Sciences, Inc.

## 2022 United States Income Disclosure Statement

### WHAT IS USANA?

USANA, founded in 1992, is a direct selling company that develops, manufactures, and sells high-quality, science-based nutritional supplements, healthy foods, and personal care products. USANA operates in the United States and 23 other markets around the world.

### HOW CAN I BE A PART OF USANA?

You can participate in USANA as a **Preferred Customer** or an **Associate**. Only Associates are permitted to sell USANA products and earn compensation.

#### **Preferred Customers**

As a Preferred Customer, you can purchase USANA products at a discount for your personal or household use.

#### **Associates**

In addition to the benefits received as a Preferred Customer, an Associate can pursue modest, supplementary income by:

- Selling USANA products to customers to make a retail profit;
- Sponsoring Preferred Customers and earning compensation from the sale of USANA products to Preferred Customers in your sales organization; and
- Sponsoring other Associates and earning compensation from the sale of USANA products by other Associates in your sales organization.

### WHAT ELSE DO I NEED TO KNOW ABOUT THE USANA BUSINESS OPPORTUNITY?

- The cost to become an Associate is very low. There are no required product purchases to be an Associate, but you must purchase a Welcome Kit for \$9.95, which contains helpful business information. Associates must pay a \$20 renewal fee annually to renew their rights to sell USANA products.
- On average, Associates spent \$30 per year on non-commissionable products/purchases in 2022. Non-commissionable products/purchases include sales aids, Welcome Kits, and event registrations.
- People become Associates for various reasons. Some Associates join and sell our products part time to friends and family to earn some extra money. Only a small percentage of our Associates sell USANA products full time.
- Associates do not earn compensation for recruiting or sponsoring other Associates or Preferred Customers—they only earn compensation when products are sold.
- **Just like any sales business, earning compensation takes considerable dedication, time, and effort. As such, the compensation earned by our Associates varies significantly.**

## HOW MUCH CAN I EARN IF I SELL USANA PRODUCTS (RETAIL)?

As a USANA business owner, you set your own selling prices. USANA's published retail prices suggest a 10% markup over the "Preferred Price" received by Associates and Preferred Customers. Associates (and Preferred Customers) receive an additional 10% discount off the Preferred Price for products purchased through our Auto Order program. With this additional discount, Associates can purchase product for up to 20% below published retail prices.

**As Associates set their own pricing on the retail of product, USANA does not provide an estimate of compensation from product retail sales by Associates.**

## HOW MUCH CAN I EARN FROM PARTICIPATING IN THE USANA BUSINESS OPPORTUNITY?

In 2022, there were a total of 23,157 active\* USANA Associates in the United States.

| 2022 Net Profit        | Percent of U.S. Associates |
|------------------------|----------------------------|
| Less than \$0          | 31.3%                      |
| \$0 to \$250           | 38.1%                      |
| \$251 to \$500         | 8.6%                       |
| \$501 to \$1,000       | 7.3%                       |
| \$1,001 to \$2,000     | 5.0%                       |
| \$2,001 to \$5,000     | 4.7%                       |
| \$5,001 to \$20,000    | 3.6%                       |
| \$20,001 to \$50,000   | 0.8%                       |
| \$50,001 to \$100,00   | 0.3%                       |
| \$100,001 to \$200,000 | 0.2%                       |
| \$200,001 and above    | 0.1%                       |

\*Includes all Associates who made at least one purchase in 2022.

### How is net profit calculated?

We define "net profit" as the sum of (i) all commissions, bonuses, and other compensation paid by USANA to an Associate, minus (ii) non-commissionable purchases made by an Associate (as defined above), and shipping and taxes paid by Associates. Net profit does not include expenses incurred by an Associate at their discretion in the promotion of their business, nor does it include Associate spending that is deemed personal consumption<sup>†</sup>.

## WHAT IF IT DOESN'T WORK FOR ME?

USANA offers an unconditional money-back satisfaction guarantee on all Products and Sales Tools, including the Welcome Kit. If for any reason an Associate or Customer is not satisfied with any product or sales tool, they may return the sales tool or any unused product within thirty (30) days from the date of purchase for an exchange or a one-hundred percent (100%) refund, less shipping. Buyers also may return any Product or Sales Tool for up to one year after the date of purchase for a one-hundred percent (100%) refund (less shipping charges) if the Product is in re-sellable condition. Please see USANA U.S. Terms & Policies for more information.

**An Associate may terminate his/her USANA business at any time, for any reason.**

<sup>†</sup>Associate personal consumption is based on product purchase levels of Preferred Customers who bought in six or more distinct months from January through December 2022. The average amount deemed Associate personal consumption in 2022 was \$165.