

**USANA HEALTH SCIENCES, INC.**  
**CORPORATE GOVERNANCE GUIDELINES**  
**(Adopted December 17, 2010)**

**1. PURPOSE**

The Board of Directors (the “Board”) of USANA Health Sciences, Inc. (“USANA” or the “Company”) believes that the adoption of corporate governance guidelines can assist the Board in fulfilling its responsibilities to the Company’s shareholders. The Board has adopted the following corporate governance guidelines (“Guidelines”) to serve as a statement of best practices (and not a legally binding set of obligations) pursuant to which the Board may conduct its business. These Guidelines should be interpreted in the context of all applicable laws and the Company’s Articles of Incorporation, Bylaws and other corporate governance documents.

**2. RESPONSIBILITIES OF THE BOARD**

The business and affairs of the Company are managed under the direction of the Board, which is elected by the shareholders. The Board selects the Company’s Chief Executive Officer (“CEO”) and senior management team, who are charged with the conduct of the Company’s business. The Board then acts as an advisor and counsel to senior management and monitors the senior management team’s performance.

The most basic responsibility of the Board is to exercise its business judgment to provide strategic guidance to and oversight of the business of the Company in a manner that it reasonably believes to be in the best interests of the shareholders. Other core responsibilities of the Board are: understanding and approving Company strategy, major plans of action, risk policy, annual budgets and business plans; setting corporate performance objectives; monitoring performance; CEO and key executive officer selection; succession planning; and overseeing major capital expenditures and acquisitions.

The Board should exercise objectivity and autonomy and make independent, informed decisions. The Board should possess and develop the knowledge and expertise to provide effective oversight. The Board should display the character, integrity, and will to assert their points of view, and demonstrate loyalty exclusively to the Company and its shareholders in all matters pertaining to the Company. Finally, the Board should devote the time necessary to fulfill the legal, regulatory and stock exchange requirements imposed upon them.

**3. COMPOSITION**

3.1 Board Composition. The Board is composed of qualified individuals, who will devote the necessary time to fulfill their responsibilities, and who are able to understand the issues facing the Company, challenge management with tough questions and goals, and take action when needed.

3.2 Director Independence. A majority of the Board will be composed of independent directors. No director will qualify as an independent director unless the Board has affirmatively

determined that (i) the director has no material relationship with the Company, and (ii) the director meets the standards for being an independent director established from time to time by the New York Stock Exchange and the U.S. Securities and Exchange Commission or by applicable law or regulation.

3.3 Board Size. The number of directors is set by resolution of the Board and by the Company's Bylaws. The number of directors, however, should not exceed a number that can function efficiently as a body. The Governance and Nominating Committee considers and makes recommendations to the Board concerning the appropriate size and needs of the Board.

3.4 Director Selection and Qualification Standards. The Governance and Nominating Committee is responsible for identifying individuals qualified to become directors of the Company and making recommendations to the Board regarding candidates to fill new director positions created by expansion and vacancies that occur by resignation, by retirement or for any other reason. Directors, at a minimum, must (i) have expertise that may be useful to the Company, (ii) possess the highest personal and professional ethics, and (iii) be willing and able to devote the required amount of time to the Company's business. Shareholders may propose nominees for consideration by the Governance and Nominating Committee by submitting names and supporting information to the Secretary of the Company in accordance with the deadlines and procedures set forth in the Company's Proxy Statement, Bylaws and all applicable rules and regulations. The Governance and Nominating Committee does not have different standards for evaluating nominees based on whether they have been suggested by our shareholders or by our directors.

3.5 Term. The Board prefers to maintain flexibility in the composition of the Board and, therefore, does not impose (i) arbitrary limits on the number of years a director can serve on the Board, or (ii) mandatory retirement ages. The Governance and Nominating Committee should annually review and consider all Board members and whether they should be re-nominated to serve as a director.

3.6 Board Compensation. The Compensation Committee annually reviews the compensation of directors. Director compensation is set by the Board based upon the recommendation of the Compensation Committee. Non-management directors receive a combination of cash and equity compensation for service on the Board. The general principles for determining the form and amount of director compensation including ensuring that the compensation is reasonable and competitive in comparison to the compensation paid to directors by other companies in similar industries.

#### **4. OPERATION OF THE BOARD**

4.1 Board Committees. It is the general policy of the Company that all major Board decisions are considered by the Board as a whole, but that certain decisions are specifically delegated to committees as set forth in the committee charters, which charters are approved by the Board and made public on the Company's website. The Board currently has three standing committees to assist it in discharging its responsibilities: Audit Committee, Compensation Committee, and Governance and Nominating Committee. The committees report regularly to the full Board.

4.2 Special Board Committees. From time to time, a special committee, sometimes called an ad hoc committee, may be established by the Board to perform specific task(s). The Board appoints

special committees, and sets membership and goals, upon the recommendation of the Chairman of the Board.

4.3 Rotation of Committee Members. Consideration should be given by the Board to rotating committee members regularly. In addition, to the extent practical, the Board will endeavor to rotate committee chairs every three to five years, with the expectation that a new Chairman will have served on the committee before becoming Chairman of said committee.

4.4 Master Agenda. Annually, the Board and each committee agree upon a meeting schedule and tentative agenda for the upcoming year. Agenda items are added and deleted over the coming year at the members' requests and as business developments warrant. The Chairman sets the agenda for Board meetings with the understanding that the Board is responsible for providing suggestions for agenda items that are aligned with the advisory and monitoring functions of the Board. Agenda items that fall within the scope of responsibilities of a committee are reviewed with the Chair of the committee. Any member of the Board may request that an item be included on the agenda. The Chairman of the committee sets the agenda for committee meetings in consultation with the Chairman, appropriate members of management, and the committee members.

4.5 Board Agenda Items and Time Allocation. Agenda items are designated by the Chairman of the Board, the CEO, management, or others as determined by the Chairman. Individual directors may add topics to the agenda by contacting the Chairman.

4.6 Committee Agenda Items. Committee chairs are responsible to set agenda items for each committee meeting. The Secretary shall solicit agenda topics from each Chairman and committee members may add topics to the agenda by contacting the committee Chairman.

4.7 Meeting Frequency and Length. The frequency and length of meetings of the Board and each committee is determined by the Chairman of the Board or the committee Chairman.

4.8 Attendance. Directors are expected to attend all scheduled Board and applicable committee meetings as well as the Company's Annual Meeting of Stockholders. In no event should a director attend less than 75% of the meetings. Directors are expected to participate in the entire meeting. The Board holds at least four scheduled meetings each year. The Board's committees also have regularly scheduled meetings throughout the year. The Board and its committees hold additional meetings on an as-needed basis, and directors are expected to attend these meetings whenever possible.

4.9 Attendance of Non-Directors at Meetings. It is appropriate for non-board members who are invited by the Chairman of the Board, CEO or committee Chairman, to regularly attend Board and committee meetings, except during Executive Sessions.

4.10 Board Materials. Materials related to agenda items are provided to directors sufficiently in advance of meetings to allow the directors to prepare for discussion of the items at the meeting. Generally, presentations on specific subjects will be sent to the directors in advance to save time at Board meetings and focus discussion on the Board's questions. On those occasions in which the subject matter is extremely sensitive, the presentation will be discussed only at the meeting.

4.11 Executive Sessions. The independent directors will meet in executive session (defined as a meeting comprised solely of Independent Directors) at least four (4) times a year. The Lead Independent Director, if appointed, shall preside at executive sessions. If no Lead Independent Director has been appointed, the independent directors shall determine which director shall preside at the executive session.

## **5. AUTHORITY AND RESPONSIBILITIES OF THE BOARD**

5.1 Selection of Chairman. The Board has the responsibility to select its Chairman. The Chairman has the responsibility for managing the Board. The Board has not adopted a specific policy on whether the same person should serve as both CEO and Chairman of the Board or, if the roles are separate, whether the chairman should be an independent director. The Board believes it is most appropriate to retain the discretion and flexibility to make these determinations at any given point in time in the way that it believes best to provide appropriate leadership for the Company at that time.

5.2 Lead Independent Director. The independent directors may designate a Lead Independent Director. The Lead Independent Director must be independent as determined by the Board in accordance with these Guidelines. The Lead Independent Director's duties include: (i) consulting with the Chairman and CEO regarding agenda items for the Board and its committees; (ii) chairing executive sessions of the Board's independent directors; and (iii) performing such other duties as the Board deems appropriate.

5.3 Selection of Chief Executive Officer. The Board has the responsibility to select the CEO. The CEO has the responsibility for managing the Company.

5.4 Corporate Performance Goals and Annual Evaluation. The Board is responsible for setting performance goals for the Company and for evaluating its performance against such goals. The Board may delegate this process, or any aspect of this process, to a committee.

5.5 Director Access to Corporate and Independent Advisors. Board members have full and free access to officers and other employees of the Company, but they should endeavor to inform the CEO and the Chairman of the Board of any such communications. The CEO has been designated as liaison between management and directors to ensure that the role between Board oversight and management operations is respected. The Board and any of its committees may retain and consult with independent legal, financial and accounting advisors to assist in their duties to the Company and its stockholders.

5.6 Board Interaction with Outside Stakeholders. The Chair and the CEO are responsible for establishing effective communications with the Company's stakeholder groups, i.e., stockholders, customers, associates, communities, suppliers, creditors, governments and corporate partners. It is the policy of the Company that management speaks for the Company. This policy does not preclude outside directors from meeting with stakeholders, but directors must inform the CEO or Chairman of any communications.

5.7 Membership on Other Boards. Directors may wish to serve on boards of other public, private, or non-profit organizations. Such service is often in the best interests of the Company and the individual, but the Company must protect against conflicts of interest and on limiting demands on the person's time. Therefore, a director wishing to serve on another board should notify the Board in advance of accepting an invitation to serve on another board.

5.8 Change in Responsibility of Directors. A director who changes his/her full-time profession / responsibility should inform the Board. The Board shall determine whether such change in responsibilities will impair the director's ability to effectively serve on the Board. The Board should review the continued appropriateness of the Board membership under these circumstances. If the Board reasonably and in good faith determines that it would be inappropriate for a director to continue to serve, the director shall volunteer to resign from the Board.

5.9 Strategic Planning. The Board views involvement in strategic planning and approval of the Company's long-term strategic plan as important responsibilities and shall conduct a strategic planning meeting at least annually.

5.10 Annual Review of Corporate Governance Guidelines. These Guidelines are reviewed by the Board at least annually.

## **6. BOARD AND CEO EVALUATION, EDUCATION AND SUCCESSION**

6.1 Director Orientation and Continuing Education. The Board encourages directors to participate in continuing education programs. The Company is responsible for creating and coordinating an orientation program that includes interaction with management and materials for new directors that make them familiar with the Company's vision, core values, financial matters, corporate governance practices, and other key policies and practices.

6.2 CEO Performance Goals and Annual Evaluation and Compensation. The Board is responsible for setting performance goals for the CEO and for evaluating his or her performance against such goals. The Compensation Committee administers the process by meeting annually with the CEO to receive his or her recommendations concerning such goals. Both the goals and the evaluation are considered by the Compensation Committee wherein CEO compensation is approved.

6.3 Management Succession and Development. The Board oversees plans for CEO and senior management succession. When appropriate, the Board shall replace the CEO and/or other officers.

6.4 Annual Performance Evaluation. The Board of Directors conducts an annual self-evaluation to determine whether it and its committees are functioning effectively. The Chairman of the Board and the Governance and Nominating Committee monitors the mix of skills and experience that directors bring to the Board. The Nominating and Corporate Governance Committee recommends a process for the assessment, which focuses on the Board's contribution to the Company and on areas in which the Board believes that improvements should be made.