

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported):
April 19, 2006

USANA HEALTH SCIENCES, INC.

(Exact name of registrant as specified in its charter)

Commission File No. 0-21116

Utah 87-0500306

(State or other jurisdiction of (IRS Employer Identification
incorporation) Number)

3838 West Parkway Boulevard
Salt Lake City, Utah 84120
(Address of principal executive offices, Zip Code)

Registrant's telephone number, including area code: (801) 954-7100

Former name or former address, if changed since last report: Not Applicable

Check the appropriate box below if the Form 8-K filing is intended to
simultaneously satisfy the filing obligation of the registrant under any of the
following provisions:

- Written communications pursuant to Rule 425 under the Securities Act
(17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act
(17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange
Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange
Act (17 CFR 240.13e-4(c))

Item 1.01 Entry into a Material Definitive Agreement.

2006 Equity Incentive Award Plan

At the 2006 Annual Meeting of Shareholders (the "2006 Annual Meeting") of USANA Health Sciences, Inc. (the "Company") held on April 19, 2006, the shareholders of the Company approved the USANA Health Sciences, Inc. 2006 Equity Incentive Award Plan (the "2006 Equity Incentive Plan"). A description of the material terms of the 2006 Equity Incentive Plan was included in, and a copy of the 2006

Equity Incentive Plan was attached to, the Company's Definitive Proxy Statement on Schedule 14A filed with the Securities and Exchange Commission on March 14, 2006 (the "Definitive Proxy Statement"). The 2006 Equity Incentive Plan is filed as Exhibit 10.1 hereto, and is incorporated herein by reference.

Item 5.03 Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.

Amendment and Restatement of Articles of Incorporation

On April 20, 2006, the Company filed Amended and Restated Articles of Incorporation of the Company (the "Amended and Restated Articles") with the Division of Corporations of the State of Utah (the "Division"). The Amended and Restated Articles incorporate two amendments to the Company's Articles of Incorporation that were approved by the shareholders of the Company on April 19, 2006 at the 2006 Annual Meeting. The first amendment added a new Article V to the Company's Articles of Incorporation to provide that, to the fullest extent permitted by the Utah Revised Business Corporation Act (the "Act"), directors of the Company shall not be personally liable to the Company or its shareholders for monetary damages for any action taken or any failure to take any action as a director, except liability for any financial benefit received by a director to which he or she is not entitled, an intentional infliction of harm on the Company or its shareholders, violations of provisions of the Act relating to unlawful distributions, or an intentional violation of criminal law (the "Liability Amendment"). The second amendment added a new Article VI to the Company's Articles of Incorporation to provide for the indemnification of officers and directors of the Company against all liabilities and expenses incurred by such persons in connection with any action, suit or proceeding by reason of the fact that they are or were serving as a director or officer of the Company, to the fullest extent permitted under the Act (the "Indemnification Amendment").

The Company had previously informed its shareholders in the Definitive Proxy Statement that if both the Liability Amendment and the Indemnification Amendment were approved by shareholders, then instead of filing an amendment to the Company's existing Articles of Incorporation with the Division, the Company would file with the Division amended and restated Articles of Incorporation containing both amendments. A copy of the Amended and Restated Articles filed with the Division is attached hereto as Exhibit 3.1 and incorporated herein by reference.

New Bylaws

Effective April 19, 2006, the Company's Board of Directors approved and adopted new Bylaws of the Company (the "Bylaws"). The Bylaws were adopted to update the Company's previous bylaws to conform to the Act. Specifically, certain of the material changes made by the Board of Directors' adoption of the Bylaws are as follows:

- o Under the Bylaws, special meetings of the shareholders can be called at the written request of any two directors. Under the Company's previous bylaws, directors could call a special meeting of shareholders only upon the request of a majority of the directors.
- o The Bylaws do not permit written notice of an annual or special shareholder meeting to be delivered more than 60 days before the date of the meeting. The Company's previous bylaws did not permit such written notice to be delivered more than 50 days before the date of the meeting.
- o The Bylaws do not permit a record date for determining shareholders entitled to notice of or to vote at any meeting of shareholders, or shareholders entitled to receive payment of any distribution, to be more than 70 days prior to the date on which the action requiring that the record date be set is to be taken. The Company's previous bylaws did not permit such a record date to be more than 50 days prior to the date on which the action requiring that the record date be set was to be taken.

- o The Bylaws do not permit shares of the Company owned directly or indirectly by another corporation to be voted at any meeting or

counted in determining the total number of outstanding shares at any given time for purposes of any meeting, if a majority of the shares entitled to vote for the election of directors of such corporation are held by the Company. The Company's previous bylaws did not contain such a restriction.

- o The Bylaws do not permit the Board of Directors to consist of more than nine directors. The Company's previous bylaws did not contain a restriction on the maximum size of the Board of Directors.
- o The Company's previous bylaws provided that a director could be removed from the Board of Directors for cause by a vote of a majority of the Board of Directors (excluding the affected director). The Bylaws no longer permit a director to be removed from the Board of Directors by other directors.
- o The Bylaws require that the Board of Directors establish an Audit Committee, a Compensation Committee and a Nominating and Corporate Governance Committee. The Company's previous bylaws did not require that the Board of Directors establish these committees.
- o The Company's previous bylaws required that the Company have a Treasurer and one or more Vice Presidents. The Bylaws no longer contain such a requirement.
- o The Bylaws require the Company to indemnify any individual who is made a party to a proceeding because he or she is or was a director or officer of the Company against liability and/or expenses that are incurred in connection with such proceeding, to the maximum extent allowed under Utah law. The Bylaws also require that the Company advance expenses to any such individual in connection with any such proceeding, to the maximum extent permissible under Utah law. The Company's previous bylaws did not permit the Company to indemnify or reimburse any such individual for any expense incurred in connection with any claim or liability arising out of his or her own negligence or willful misconduct, and did not require that the Company advance expenses to such indemnified individuals.

In addition to the changes described above, the adoption of the Bylaws made other non-material changes.

The foregoing description of the Bylaws does not purport to be complete and is qualified in its entirety by reference to the Bylaws. A copy of the bylaws is attached hereto as Exhibit 3.2 and incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits. (furnished herewith)

(d) Exhibits

Exhibit No.	Description
3.1	Amended and Restated Articles of Incorporation of the Company.
3.2	Bylaws of the Company.
10.1	USANA Health Sciences, Inc. 2006 Equity Incentive Award Plan.

SIGNATURES

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 hereunto duly authorized.

USANA HEALTH SCIENCES, INC.

By: /s/ Gilbert A. Fuller
Gilbert A. Fuller, Chief Financial Officer

Date: April 25, 2006

ARTICLES OF RESTATEMENT
OF THE ARTICLES OF INCORPORATION

OF

USANA HEALTH SCIENCES, INC.

Pursuant to and in accordance with the provisions of Section 16-10a-1007 of the Utah Revised Business Corporation Act, as amended (the "Act"), the undersigned, being the acting Corporate Secretary of USANA Health Sciences, Inc., a Utah corporation (the "Corporation"), hereby declares and certifies as follows:

1. The name of the Corporation is USANA Health Sciences, Inc.
2. Attached hereto as Exhibit "A" and incorporated herein by reference is a true and correct copy of the full text of the Amended and Restated Articles of Incorporation of the Corporation (the "Amended and Restated Articles"), which contain two amendments to the existing Articles of Incorporation of the Corporation.
3. The full text of the first amendment (the "First Amendment") to the Articles of Incorporation of the Corporation is as follows:

"ARTICLE V
LIMITATION OF LIABILITY OF DIRECTORS

To the fullest extent permitted by the Act or any other applicable law as the same now exists or as it may hereafter be amended, a director of this Corporation shall not be personally liable to the Corporation or its shareholders for monetary damages for any action taken or any failure to take any action as a director, except liability for:

- (a) the amount of a financial benefit received by a director to which he is not entitled;
- (b) an intentional infliction of harm on the corporation or the shareholders;
- (c) a violation of Section 16-10a-842 of the Act (unlawful distributions); or
- (d) an intentional violation of criminal law.

Neither an amendment nor repeal of this Article V, nor the adoption of any provision of the Corporation's Articles of Incorporation that are inconsistent with this Article V, shall eliminate or reduce the effect of this Article V with respect to any matter that occurs or any action or proceeding that accrues or arises prior to such amendment or repeal of this

Article V or the adoption of a provision in these Articles that is inconsistent with this Article V."

4. The full text of the second amendment (the "Second Amendment," and together with the First Amendment, the "Amendments") to the Articles of Incorporation of the Corporation is as follows:

"ARTICLE VI
INDEMNIFICATION OF DIRECTORS AND OFFICERS

To the fullest extent permitted by the Act or any other applicable law as the same now exists or as it may hereafter be amended, (i) the Corporation shall indemnify any person who has been made or who has been threatened to be made a party to any action, suit, or proceeding (whether formal or informal, or whether civil, criminal, administrative, or investigative) for all liabilities and expenses incurred by such person in connection with such action, suit, or proceeding by reason of the fact that he (or his estate or personal representative) is or was a director or officer of the

Corporation or any predecessor of the Corporation or serves or served, at the request of the Corporation, as a director, officer, partner, trustee, employee, fiduciary, or agent of another domestic or foreign corporation, of another person or entity, or of an employee benefit plan, and (ii) the Corporation shall advance such expenses to such person in advance of a final disposition of such action, suit, or proceeding.

Neither an amendment nor repeal of this Article VI, nor the adoption of any provision of the Corporation's Articles of Incorporation that is inconsistent with this Article VI, shall eliminate or reduce the effect of this Article VI with respect to any matter that occurs or any action or proceeding that accrues or arises prior to such amendment or repeal of this Article VI or the adoption of a provision in these Articles that is inconsistent with this Article VI."

5. The Amendments do not provide for an exchange, reclassification, or cancellation of issued shares of the Corporation.
6. The Amendments were unanimously approved by the Board of Directors of the Corporation at a meeting held on February 7, 2006, in accordance with the Act. The Amendments were approved at a meeting of shareholders by a majority of the votes cast on the Amendments, as follows:

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<TABLE>
<CAPTION>

Designation of Stock	No. of Outstanding Shares and Votes Entitled to Be Cast	No. of Votes Represented at the Meeting	Votes Cast For the First Amendment	Votes Cast Against the First Amendment	Votes Abstaining from Vote on First Amendment
<S>	<C>	<C>	<C>	<C>	<C>
Common Stock	18,499,698	16,959,060	16,734,109	157,988	66,963

Designation of Stock	No. of Outstanding Shares and Votes Entitled to Be Cast	No. of Votes Represented at the Meeting	Votes Cast For the Second Amendment	Votes Cast Against the Second Amendment	Votes Abstaining from Vote on Second Amendment
<S>	<C>	<C>	<C>	<C>	<C>
Common Stock	18,499,698	16,959,060	16,785,304	102,140	71,616

</TABLE>

7. The Amended and Restated Articles, which include the Amendments approved by the holders of the Corporation's Common Stock, were unanimously adopted by the Board of Directors of the Corporation at a meeting held on February 7, 2006, in accordance with the Act.

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IN WITNESS WHEREOF, these Articles of Restatement have been executed this 19th day of April, 2006.

a Utah corporation

By

Gilbert A. Fuller
Corporate Secretary

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MAILING ADDRESS

If, upon completion of filing of the above Articles of Restatement, the Division elects to send a copy of the Articles of Restatement to the Corporation by mail, the address to which the copy should be mailed is:

Gil Fuller
CFO and Secretary
USANA Health Sciences, Inc.
3838 West Parkway Boulevard
Salt Lake City, UT 84120

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Exhibit "A" to Articles of Restatement

AMENDED AND RESTATED
ARTICLES OF INCORPORATION
OF
USANA HEALTH SCIENCES, INC.

Pursuant to and in accordance with Sections 16-10a-1007 and 16-10a-1003 of the Utah Revised Business Corporation Act, as amended (the "Act"), the following are the Amended and Restated Articles of Incorporation of USANA Health Sciences, Inc., a Utah corporation:

ARTICLE I

NAME

The name of this corporation is USANA Health Sciences, Inc. (the "Corporation").

ARTICLE II

CORPORATE PURPOSES

The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the Utah Revised Business Corporation Act.

ARTICLE III

CAPITALIZATION

The aggregate number of shares the Corporation is authorized to issue shall be Fifty Million (50,000,000) shares of common stock. All such shares shall have a \$0.001 par value per share and shall be offered and sold at such price and on such terms as the directors of the Corporation may, in their sole discretion and consistent with applicable laws, deem appropriate. Each share shall entitle the holder hereof to one (1) vote on each matter submitted to a vote at a meeting of the shareholders or otherwise requiring the approval of the Corporation's shareholders. All stock of the corporation shall be of the same class and shall have the same rights and preferences. The stock of the Corporation shall be issued as fully paid and the private property of the shareholders shall not be

liable for the debts, obligations or liabilities of the Corporation. Fully paid stock of this Corporation shall not be liable for any further call or assessment.

ARTICLE IV

REGISTERED OFFICE AND REGISTERED AGENT

The street address of the registered office of the Corporation is 111 East Broadway, Suite 900, Salt Lake City, Utah 84111. The name of the registered agent at that address is Kevin R. Pinegar.

ARTICLE V

LIMITATION OF LIABILITY OF DIRECTORS

To the fullest extent permitted by the Act or any other applicable law as the same now exists or as it may hereafter be amended, a director of this Corporation shall not be personally liable to the Corporation or its shareholders for monetary damages for any action taken or any failure to take any action as a director, except liability for:

- (a) the amount of a financial benefit received by a director to which he is not entitled;
- (b) an intentional infliction of harm on the corporation or the shareholders;
- (c) a violation of Section 16-10a-842 of the Act (unlawful distributions); or
- (d) an intentional violation of criminal law.

Neither an amendment nor repeal of this Article V, nor the adoption of any provision of the Corporation's Articles of Incorporation that are inconsistent with this Article V, shall eliminate or reduce the effect of this Article V with respect to any matter that occurs or any action or proceeding that accrues or arises prior to such amendment or repeal of this Article V or the adoption of a provision in these Articles that is inconsistent with this Article V.

ARTICLE VI

INDEMNIFICATION OF DIRECTORS AND OFFICERS

To the fullest extent permitted by the Act or any other applicable law as the same now exists or as it may hereafter be amended, (i) the Corporation shall indemnify any person who has been made or who has been threatened to be made a party to any action, suit, or proceeding (whether formal or informal, or whether civil, criminal, administrative, or investigative) for all liabilities and expenses incurred by such person in connection with such action, suit, or proceeding by reason of the fact that he (or his estate or personal representative) is or was a director or officer of the Corporation or any

predecessor of the Corporation or serves or served, at the request of the Corporation, as a director, officer, partner, trustee, employee, fiduciary, or agent of another domestic or foreign corporation, of another person or entity, or of an employee benefit plan, and (ii) the Corporation shall advance such expenses to such person in advance of a final disposition of such action, suit, or proceeding.

Neither an amendment nor repeal of this Article VI, nor the adoption of any provision of the Corporation's Articles of Incorporation that is inconsistent with this Article VI, shall eliminate or reduce the effect of this Article VI with respect to any matter that occurs or any action or proceeding that accrues or arises prior to such amendment or repeal of this Article VI or the adoption of a provision in these Articles that is inconsistent with this Article VI.

[End of Amended and Restated Articles]

BYLAWS
OF
USANA HEALTH SCIENCES, INC.

Effective as of April 19, 2006

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BYLAWS
OF
USANA HEALTH SCIENCES, INC.

Effective as of April 19, 2006

ARTICLE 1. OFFICES

1.1. Business Offices. The principal office of USANA Health Sciences, Inc.

(the "Corporation") shall be located in such location as the Corporation's Board of Directors (the "Board of Directors") may determine from time to time. The Corporation may have such other offices, either within or without Utah, as the Board of Directors may designate or as the business of the Corporation may require from time to time.

1.2. Registered Office. The registered office of the Corporation, which is

required by the Utah Revised Business Corporation Act (as it may be amended from time to time, the "Act"), shall be located within the State of Utah and may be, but need not be, identical with the principal office. The address of the registered office may be changed from time to time.

ARTICLE 2. SHAREHOLDERS

2.1. Annual Meeting. The annual meeting of the shareholders shall be held

on such date and such time as shall be designated from time to time by the Board of Directors, for the purpose of electing directors and for the transaction of such other business as may come before the meeting.

2.2. Special Meetings. Special meetings of the shareholders, for any

purpose or purposes described in the meeting notice, may be called by the Chairman of the Board, the Chief Executive Officer, the President, or by the Board of Directors, and shall be called by the Chief Executive Officer or President at the written request of either any two directors or the holders of not less than one-tenth of all the votes entitled to be cast on any issue proposed to be considered at the meeting.

2.3. Place of Meeting. The Board of Directors may designate any place,

either within or without the State of Utah, as the place of meeting for any annual or any special meeting of the shareholders. If no designation is made by the directors, the place of meeting shall be the principal office of the Corporation in the State of Utah.

2.4. Notice of Meeting

(a) Content and Mailings Requirements. Written notice stating the date, time and place of each annual or special shareholder meeting shall be delivered no fewer than 10 nor more than 60 days before the date of the meeting.

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Such notice shall be delivered personally, by facsimile, by e-mail or by regular mail, by or at the direction of the Chairman of the Board, the Chief Executive Officer, the President, the Board of Directors, or other persons calling the

meeting, to each shareholder of record entitled to vote at such meeting and to any other shareholder entitled by the Act or by the Corporation's Articles of Incorporation (the "Articles of Incorporation") to receive notice of the meeting. Notice of special shareholder meetings shall include a description of the purpose or purposes for which the meeting is called.

(b) Effective Date. Written notice shall be deemed to be effective at the earlier of: (1) when mailed, if addressed to the shareholder's address shown in the Corporation's current record of shareholders; (2) when received, if delivered personally; (3) when electronically transmitted, if delivered by e-mail or facsimile to the shareholder in a manner and to an address provided by the shareholder in an unrevoked consent; (4) five days after it is mailed by regular mail; or (5) on the date shown on the return receipt if sent by registered or certified mail, return receipt requested, and the receipt is signed by or on behalf of the addressee. A consent for delivery of notice by electronic transmission shall be considered revoked if (i) the Corporation is unable to deliver by electronic transmission two consecutive notices that the Corporation has attempted to transmit based on such consent, and (ii) the inability to deliver notice by electronic transmission is known by the Corporation's Secretary, Assistant Secretary, transfer agent or any other person who is responsible for providing such notice.

(c) Effect of Adjournment. If any shareholder meeting is adjourned to a different date, time or place, notice need not be given of the new date, time and place, if the new date, time and place is announced at the meeting before adjournment. If a new record date for the adjourned meeting is or must be fixed, however, then notice must be given pursuant to the requirements of this section to those persons who are shareholders as of the new record date.

2.5. Waiver of Notice

(a) Written Waiver. A shareholder may waive any notice required by the Act, the Articles of Incorporation or these Bylaws (the "Bylaws"), by a writing signed by the shareholder that is entitled to the notice, which has been delivered to the Corporation (either before or after the date and time stated in the notice) for inclusion in the minutes or filing with the corporate records.

(b) Attendance at Meetings. A shareholder's attendance at a meeting: (1) waives objection to lack of notice or defective notice of the meeting, unless the shareholder at the beginning of the meeting objects to holding the meeting or transacting business at the meeting because of lack of notice or effective notice; and (2) waives objection to consideration of a particular matter at the meeting that is not within the purpose or purposes described in the meeting notice, unless the shareholder objects to considering the matter when it is presented.

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2.6. Record Date

(a) Fixing of Record Date. For the purpose of determining shareholders entitled to notice of or to vote at any meeting of shareholders, or shareholders entitled to receive payment of any distribution, or in order to make a determination of shareholders for any other proper purpose, the Board of Directors may fix in advance a date as the record date. Such record date shall not be more than 70 days prior to the date on which the particular action requiring such determination of shareholders is to be taken. If no record date is so fixed by the Board of Directors for the determination of shareholders entitled to notice of, or to vote at, a meeting of shareholders, the record date for determination of such shareholders shall be at the close of business on the day before the first notice is delivered to shareholders. If no record date is fixed by the Board of Directors for the determination of shareholders entitled to receive a distribution, the record date shall be the date on which the Board of Directors authorizes the distribution. If no record date is fixed by the board for the determination of shareholders entitled to take action without a meeting, the record date shall be the date the first shareholder signs a consent.

(b) Effect of Adjournment. When a determination of shareholders entitled to vote at any meeting of shareholders has been made as provided in this section, such determination shall apply to any adjournment thereof, unless

the Board of Directors fixes a new record date, which it must do if the meeting is adjourned to a date more than 120 days after the date that was fixed for the original meeting.

2.7. Shareholder List. After fixing a record date for a shareholders'

meeting, the Corporation shall prepare a list of the names of its shareholders that are entitled to be given notice of the meeting. The list must be arranged by voting group and within each voting group by class or series of shares, must be alphabetical within each class or series, and must show the address of, and the number of shares held by, each shareholder. The shareholder list must be available for inspection by any shareholder, beginning on the earlier of ten days before the meeting for which the list was prepared or two business days after notice of the meeting is given for which the list was prepared and continuing through the meeting and any adjournment thereof. The list shall be available at the Corporation's principal office or at a place identified in the meeting notice in the city where the meeting will be held.

2.8. Shareholder Quorum and Voting Requirements

(a) Quorum. At any meeting of shareholders, a majority of the issued and outstanding shares of the Corporation entitled to vote, represented in person or in proxy, shall constitute a quorum. Shares entitled to vote as a separate voting group may take action on a matter at a meeting only if a quorum of those shares exists with respect to that matter. Unless the Articles of Incorporation or the Act provide otherwise, a majority of the votes entitled to be cast on the matter by the voting group constitutes a quorum of that voting group for action on that matter. Once a share is represented for any purpose at a meeting, it is deemed present for quorum purposes for the remainder of the

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meeting and for any adjournment of that meeting, unless a new record date is or must be set for that adjourned meeting.

(b) Voting Groups. If the Articles of Incorporation or the Act provide for voting by a single voting group on a matter, action on that matter is taken when voted upon by that voting group. If the Articles of Incorporation or the Act provide for voting by two or more voting groups on a matter, action on that matter is taken only when voted upon by each of those voting groups counted separately. Action may be taken by one voting group on a matter even though no action is taken by another voting group that is entitled to vote on the matter.

(c) Shareholder Action. If a quorum exists, action on a matter, other than the election of directors, by a voting group is approved if the votes cast within the voting group favoring the action exceed the votes cast opposing the action, unless the Articles of Incorporation or the Act require a greater number of affirmative votes. Directors are elected by a plurality of the votes cast by the shares entitled to vote in the election at a meeting at which a quorum is present.

2.9. Proxies. At all meetings of shareholders, a shareholder may vote in

person or by a proxy, which is executed in writing either by the shareholder or his or her duly authorized attorney-in-fact. Such proxy shall be filed with the Secretary of the Corporation or other person authorized to tabulate votes before or at the time of the meeting. No proxy shall be valid after eleven months from the date of its execution unless otherwise provided in the proxy.

2.10. Voting of Shares. Unless otherwise provided in the Articles of

Incorporation or by applicable law, each outstanding share, regardless of class, is entitled to one vote upon each matter submitted to a vote at a meeting of shareholders. Except as provided by specific court order, no shares of the Corporation that are owned, directly or indirectly, by a second Corporation, domestic or foreign, shall be voted at any meeting or counted in determining the total number of outstanding shares at any given time for purposes of any meeting, if a majority of the shares entitled to vote for the election of directors of such second Corporation are held by the Corporation. The prior sentence shall not limit the power of the Corporation to vote any shares, including its own shares, held by it in a fiduciary capacity.

2.11. Meetings by Telecommunications. Any or all shareholders may

participate in an annual or special meeting by, or conduct the meeting through the use of, any means of communication by which all shareholders participating may hear each other during the meeting. A shareholder participating in a meeting by this means is deemed to be present in person at the meeting.

2.12. Action Without a Meeting

(a) Written Consent. Except for the election of directors, any action which may be taken at a meeting of the shareholders may be taken without a

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meeting and without prior notice if one or more consents in writing, setting forth the action so taken, shall be signed by the holders of outstanding shares having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shareholders entitled to vote with respect to the subject matter thereof were present and voted. Action taken under this section has the same effect as action taken at a meeting of shareholders and may be described as such in any document.

(b) Post-Consent Notice. Unless the written consents of all shareholders entitled to vote have been obtained, notice of any shareholder approval without a meeting shall be given at least ten days before the consummation of the action that was authorized by such approval to (i) those shareholders entitled to vote who have not consented in writing, and (ii) those shareholders not entitled to vote and to whom the Act requires that notice of the proposed action be given. Any such notice must contain or be accompanied by the same material that is required under the Act to be sent in a notice of meeting at which the proposed action would have been submitted to the shareholders for action.

(c) Effective Date and Revocation of Consents. No action taken

pursuant to this section shall be effective unless all written consents on which the Corporation relies for the taking of an action are received by the Corporation within a 60-day period and not revoked. Such action is effective as of the date the last written consent necessary to effect the action is received, unless all of the written consents specify a later date as the effective date of the action. If the Corporation has received written consents signed by all shareholders that are entitled to vote with respect to the action, the effective date of the action may be any date that is specified in all the written consents as the effective date of the action. Any such writing may be received by the Corporation by electronically transmitted facsimile or other form of communication that provides the Corporation with a complete copy thereof, including a copy of the signatures thereto. Any shareholder giving a written consent pursuant to this section may revoke the consent by a signed writing that describes the action and states that the consent is revoked, provided that such writing must be received by the Corporation prior to the effective date of the action.

(d) Unanimous Consent for Election of Directors. Notwithstanding

subsection (a) of this section 2.12, directors may not be elected by written consent, unless such consent is unanimous by all shares that are entitled to vote for the election of directors.

ARTICLE 3. BOARD OF DIRECTORS

3.1. General Powers. All corporate powers shall be exercised by or under

the authority of, and the business and affairs of the Corporation shall be managed under the direction of, the Board of Directors.

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3.2. Number, Tenure and Qualifications. The authorized number of directors

shall be not less than three nor more than nine. The current number of directors shall be within the limits specified above, as determined (or as amended from time-to-time) by a resolution that has been adopted by either the shareholders or by the Board of Directors. Each director shall hold office until the next annual meeting of shareholders or until the director's earlier death, resignation or removal. However, if a director's term expires, the director shall continue to serve until his or her successor shall have been elected and qualified, or until there is a decrease in the number of directors. Directors do not need be residents of the State of Utah or shareholders of the Corporation. A majority of the fixed number of directors shall be "independent" in accordance with the listing standards of the Nasdaq Stock Exchange.

3.3. Regular Meetings. The Board of Directors may provide, by resolution,

the time and place for the holding of regular meetings without other notice than such resolution.

3.4. Special Meetings. Special meetings of the Board of Directors may be

called by or at the request of either the Chairman of the Board, the Chief Executive Officer, the President, or of any two directors acting together. The person(s) authorized to call special meetings of the Board of Directors may fix any place as the place for holding any special meeting of the Board of Directors.

3.5. Notice of Special Meetings. Notice of the date, time and place of any

special meeting of the Board of Directors shall be given at least two days previously thereto either orally or in writing. Oral notice shall be effective when communicated in a comprehensive manner. Written notice shall be delivered personally, by facsimile, by e-mail or by regular mail, by or at the direction of the Chairman of the Board of Directors or other persons calling the meeting. Written notice is effective as to each director at the earlier of: (a) when mailed, if addressed to the director 's address shown in the Corporation's current records; (b) when received, if delivered personally; (c) when electronically transmitted, if delivered by e-mail or facsimile to the director in a manner and to an address provided by the director in an unrevoked consent; (d) five days after it is mailed by regular mail; or (e) on the date shown on the return receipt if sent by registered or certified mail, return receipt requested, and the receipt is signed by or on behalf of the addressee. A consent for delivery of notice by electronic transmission shall be considered revoked if (i) the Corporation is unable to deliver by electronic transmission two consecutive notices that the Corporation has attempted to transmit based on such consent, and (ii) the inability to deliver notice by electronic transmission is known by the Corporation's Secretary, Assistant Secretary, transfer agent or any other person who is responsible for providing such notice. Any director may waive notice of any meeting before or after the date and time of the meeting stated in the notice. Except as provided in the next sentence, such waiver must be in writing and must be signed by the director entitled to such notice. A director's attendance at or participation in a meeting shall constitute a waiver of notice of such meeting, unless the director at the beginning of the meeting, or promptly upon his arrival, objects to holding the meeting or to transacting business at the meeting, because of either lack of notice or defective notice,

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and does not thereafter vote for or assent to action taken at the meeting. Unless required by the Articles of Incorporation, neither the business to be transacted at, nor the purpose of, any special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

3.6. Quorum and Voting.

(a) Quorum. A majority of the number of directors prescribed by resolution adopted pursuant to section 3.2 of these Bylaws, or if no number is prescribed, the number in office immediately before the meeting begins, shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, unless the Articles of Incorporation require a greater number.

(b) Voting. The act of the majority of the directors present at a meeting at which a quorum is present when the vote is taken shall be the act of the Board of Directors, unless the Articles of Incorporation require a greater

percentage.

(c) Presumption of Assent. A director who is present at a meeting of the Board of Directors or a committee of the Board of Directors when corporate action is taken is deemed to have assented to the action taken unless: (1) the director objects at the beginning of the meeting, or promptly upon his or her arrival, to holding or transacting business at the meeting and does not thereafter vote for or assent to any action taken at the meeting; (2) the director contemporaneously requests that his or her dissent or abstention as to any specific action be entered in the minutes of the meeting; or (3) the director causes written notice of his or her dissent or abstention as to any specific action to be received by the presiding officer of the meeting before its adjournment or to be received by the Corporation immediately after adjournment of the meeting. The right of dissent or abstention is not available to a director who votes in favor of the action taken.

3.7. Meetings by Telecommunications. Any or all directors may participate

in a regular or special meeting by, or conduct the meeting through the use of, any means of communication by which all directors participating may hear each other during the meeting. A director participating in a meeting by this means is deemed to be present in person at the meeting.

3.8. Action Without a Meeting. Any action that is required or permitted to

be taken by the Board of Directors at a meeting may be taken without a meeting if all the directors consent to such action in writing. Action taken by written consent is effective when the last director signs the consent, unless, prior to such time, either any director has revoked a consent by a signed writing that is received by the Corporation or the consent specifies a different effective date. A signed consent has the effect of an action taken at a meeting of directors and may be described as such in any document.

3.9. Resignation. A director may resign at any time by giving a written

notice of resignation to the Corporation. Such a resignation is effective when the notice is received by the Corporation, unless the notice specifies a later

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effective date, and the acceptance of such resignation by the Corporation shall not be necessary to make it effective.

3.10. Removal. The shareholders may remove one or more directors at a

meeting called for that purpose if notice has been given that a purpose of the meeting is such removal. The removal may be with or without cause unless the Articles of Incorporation provide that directors may only be removed with cause. If a director is elected by a voting group of shareholders, only the shareholders of that voting group may participate in the vote to remove that director. A director may be removed only if the number of votes cast to remove him or her exceeds the number of votes cast not to remove him or her.

3.11. Vacancies. Unless the Articles of Incorporation provide otherwise, if

a vacancy occurs on the Board of Directors, including a vacancy resulting from an increase in the number of directors, the shareholders or the Board of Directors may fill the vacancy. During the time of such vacancy, if the directors remaining in office constitute fewer than a quorum of the board, they may fill the vacancy by the affirmative vote of a majority of all the directors remaining in office. If the vacant office was held by a director who was elected by a voting group of shareholders: (1) if one or more directors are elected by the same voting group, only such directors are entitled to vote to fill the vacancy, if it is filled by the directors; and (2) only the holders of shares of that voting group are entitled to vote to fill the vacancy, if it is filled by the shareholders. A vacancy that will occur at a specific later date (by reason of a resignation effective at a later date) may be filled before the vacancy occurs, but the new director may not take office until the vacancy occurs.

3.12. Compensation. By resolution of the Board of Directors, each director

may be paid his or her expenses, if any, of attendance at each meeting of the

Board of Directors and may be paid a stated salary as a director or a fixed sum for attendance at each meeting of the Board of Directors or both. No such payment shall preclude any director from serving the Corporation in any other capacity or from receiving compensation therefor.

3.13. Committees. The Board of Directors shall establish the following

three standing committees of the Board of Directors: (i) an Audit Committee; (ii) a Compensation Committee; and (iii) a Nominating and Corporate Governance Committee, each having the authority and responsibilities that are described in the following sections of these Bylaws. Each of these three Committees shall have at least three members and the members of such Committees shall be "independent" or otherwise meet the qualifications for the members of such Committees as may be required by the listing standards of the Nasdaq Stock Exchange. The members of these three standing Committees shall serve at the pleasure of the Board of Directors.

3.14. Audit Committee. The Audit Committee shall be responsible to hire and

oversee the activities of the Company's independent auditor, to oversee the Company's preparation of its financial statements, and to perform such other duties as are customary for an Audit Committee. The Board of Directors shall

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approve a charter for the Audit Committee that shall describe in detail the responsibilities of the members of such Committee. The members of the Audit Committee shall carry out their duties in accordance with that charter.

3.15. Compensation Committee. The Compensation Committee shall be

responsible to determine the compensation of the Company's officers and directors and to perform such other duties as are customary for an Compensation Committee. The Board of Directors shall approve a charter for a Compensation Committee that shall describe in detail the responsibilities of the members of such Committee. The members of the Compensation Committee shall carry out their duties in accordance with that charter.

3.16. Nominating and Governance Committee. The Nominating and Governance

Committee shall be responsible to nominate nominees to the Board of Directors, to plan for the succession of the Company's Chief Executive Officer, to oversee matters relating to the corporate governance of the Company, and to perform such other duties as are customary for a Nominating and Governance Committee. The Board of Directors shall approve a charter for the Nominating and Governance Committee that shall describe in detail the responsibilities of the members of such Committee. The Nominating Committee shall carry out its duties in accordance with that charter.

3.17. Other Committees. In addition to the above three standing Committees,

the Board of Directors from time to time may establish one or more other Committees and may appoint members of the Board of Directors to serve on them. Each such Committee must have at least two members. Members of any such Committee shall serve at the pleasure of the Board of Directors. Those sections of this Article 3 which govern meetings, action without meetings, notice and waiver of notice, and quorum and voting requirements of the Board of Directors, apply to committees and their members.

ARTICLE 4. OFFICERS

4.1. Number. The officers of the Corporation shall be the President and the

Secretary, each of whom shall be appointed by the Board of Directors. The Board of Directors may also appoint such other officers and Assistant officers as may be deemed necessary or advisable by the Board of Directors. If specifically authorized by the Board of Directors, an officer may appoint one or more officers or Assistant officers. The same individual may simultaneously hold more than one office in the Corporation.

4.2. Appointment and Term of Office. The officers of the Corporation shall

be appointed by the Board of Directors for a term as determined by the Board of Directors. The designation of a specified term does not grant to the officer any contract rights, and the board can remove the officer at any time prior to the termination of such term. If no term is specified, the officer shall hold office until he or she resigns, dies or until he or she is removed in the manner provided in section 4.3 of these Bylaws.

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4.3. Removal. Any officer or agent may be removed by the Board of Directors

at any time, with or without cause. Such removal shall be without prejudice to the contract rights, if any, of the person so removed.

4.4. Resignation. Any officer may resign at any time, subject to any rights

or obligation under any existing contracts between the officer and the Corporation, by giving notice to the Secretary or to the Board of Directors. An officer's resignation shall be effective when received by the Corporation, unless the notice specifies a later effective date. The acceptance of such resignation by the Corporation shall not be necessary to make it effective.

4.5. Authority and Duties of Officers. The officers of the Corporation

shall have the authority and shall exercise the powers and perform the duties that are specified below and as may be additionally specified by the Board of Directors or by these Bylaws, except that, in each event, each officer shall exercise such powers and perform such duties as may be required by law:

(a) Chief Executive Officer. If appointed, the Chief Executive Officer

presides at all meetings of the shareholders, is primarily responsible for the implementation of the policies of the Board of Directors, has general charge and control over the affairs of the Corporation, and performs such other duties that are incident to such office or that may be prescribed by the Board of Directors, subject only to the ultimate authority of the Board of Directors. The Chief Executive Officer may sign in the name of the Corporation any certificates, contracts or other instruments of the Corporation, except in cases where the signing thereof shall be expressly delegated by the Board of Directors to some other officer or agent of the Corporation or shall be required by law otherwise to be signed.

(b) President. The President shall perform the functions of the Chief

Executive Officer in the Chief Executive Officer's absence or vacancy. The President shall share responsibility with the Chief Executive Officer (if one is appointed) for the implementation of the policies of the Board of Directors and general management of the Corporation and shall perform the other duties that are incident to such office or that may be prescribed by the Board of Directors or by the Chief Executive Officer. The President shall be subject to the management of the Chief Executive Officer (if one is appointed) and the ultimate authority of the Board of Directors. The President may sign in the name of the Corporation any certificates, contracts, or other instruments of the Corporation, except in cases where the signing thereof shall be expressly delegated by the Board of Directors to some other officer or agent of the Corporation or shall be required by law otherwise to be signed.

(c) Vice-Presidents. If appointed, the Vice-President (or if there is

more than one, each Vice-President) shall assist the President and shall perform such duties as may be assigned to him or her by the President or by the Board of Directors. If appointed, in the absence of the President or in the event of his death, inability or refusal to act, the Vice-President (or in the event there is more than one Vice-President, the Vice-Presidents in the order of their

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appointment) shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. (If there is no Vice-President, then the Chief Financial Officer shall perform such duties of the President.) If a person is designated Chief

Operating Officer, such person shall be deemed also a Vice-President.

(d) Secretary. The Secretary shall: (i) keep the minutes of the

proceedings of the shareholders, the Board of Directors and any committees of the board in one or more books that are provided for that purpose; (ii) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; (iii) be custodian of the corporate records; (iv) when requested or required, authenticate any records of the Corporation; (v) keep a register of the post office address of each shareholder, which shall be furnished to the Secretary by such shareholder; (vi) sign with the Chief Executive Officer, President, or a Vice-President, certificates for shares of the Corporation, the issuance of which shall have been authorized by resolution of the Board of Directors; (vii) have general charge of the stock transfer books of the Corporation; and (viii) in general, perform all duties that are incident to the office of Secretary and such other duties as from time to time may be assigned by the Chief Executive Officer, the President, or by the Board of Directors. Assistant secretaries, if any, shall have the same duties and powers as the Secretary, subject to the supervision of the Secretary.

(e) Chief Financial Officer. If appointed, the Chief Financial Officer

shall: (i) have charge and custody of and be responsible for all funds and securities of the Corporation; (ii) receive and give receipts for moneys due and payable to the Corporation from any source whatsoever, and deposit all such moneys in the name of the Corporation in such banks, trust companies, or other depositories as shall be selected by the Board of Directors; and (iii) in general, perform all of the duties that are incident to the office of Chief Financial Officer and such other duties as from time to time may be assigned by the Chief Executive Officer, the President, or by the Board of Directors. If required by the Board of Directors, the Chief Financial Officer shall give a bond for the faithful discharge of his or her duties in such sum and with such surety or sureties as the Board of Directors shall determine.

4.6. Salaries. The salaries of the officers shall be fixed from time to

time by the Board of Directors.

ARTICLE 5. INDEMNIFICATION OF DIRECTORS, OFFICERS, AGENTS AND EMPLOYEES

5.1. Mandatory Indemnification of Directors and Officers. The Corporation

shall indemnify any individual who is made a party to a proceeding because the individual is or was a director or officer of the Corporation, against liability and/or expenses that are incurred in connection with such proceeding, to the maximum extent allowed under Utah law.

5.2. Mandatory Advancement of Expenses for Directors and Officers. The

Corporation shall advance expenses to any individual who is made a party to a

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proceeding because the individual is or was a director or officer of the Corporation, which expenses are incurred in connection with such proceeding, to the maximum extent permissible under Utah law.

5.3. Voluntary Indemnification of Agents and Employees Who Are Not

Directors or Officers. The Board of Directors may indemnify and advance expenses

to any employee or agent of the Corporation who is not a director or officer of the Corporation to any extent consistent with public policy, as determined by the general or specific actions of the Board of Directors.

5.4. Insurance. By action of the Board of Directors, notwithstanding any

interest of the directors in such action, the Corporation may purchase and maintain liability insurance on behalf of a person who is or was a director, officer, employee, fiduciary or agent of the Corporation, against any liability and/or expenses that are incurred by such person in that capacity or arising

from such person's status as a director, officer, employee, fiduciary or agent, whether or not the Corporation would have the power to indemnify such person under the applicable provisions of the Act.

ARTICLE 6. STOCK

6.1. Issuance of Shares. The Corporation may issue the number of shares of

each class or series of capital stock that have been authorized by the Articles of Incorporation. The issuance or sale by the Corporation of any shares of its authorized capital stock of any class shall be made only upon authorization by the Board of Directors, unless otherwise provided by statute. The Board of Directors may authorize the issuance of shares for consideration consisting of any tangible or intangible property or benefit to the Corporation, including cash, promissory notes, services performed, contracts or arrangements for services to be performed (if such contracts are in writing), or other securities of the Corporation. Shares shall be issued for such consideration as shall be fixed from time to time by the Board of Directors, which shall not be less than the par value per share.

6.2. Certificates for Shares.

(a) Content. Shares may but need not be represented by certificates in such form as shall be determined by the Board of Directors. Any such certificate shall state on its face, at a minimum, the name of the Corporation, that it is formed under the laws of the State of Utah, the name of the person to whom issued, and the number and class of shares and the designation of the series, if any, that the certificate represents. Such certificates shall be signed (either manually or by facsimile) by any two officers of the Corporation and may be sealed with a corporate seal or a facsimile thereof. If the certificates are signed by facsimile, such certificates must be countersigned by a transfer agent or registered by a registrar, other than the Corporation itself or an employee of the Corporation. Each certificate for shares shall be consecutively numbered or otherwise identified.

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(b) Legend as to Class or Series. If the Corporation is authorized to issue different classes of shares or different series within a class, the designations, relative rights, preferences, and limitations that are applicable to each class and the variations in rights, preferences, and limitations for each series (and the authority of the Board of Directors to determine variations for future series) must be summarized on the front or back of each certificate. Alternatively, each certificate may state conspicuously on its front or back that the Corporation will furnish this information to the shareholder, without charge, upon the request of the shareholder in writing.

(c) Shareholder List. The Corporation shall maintain a shareholder list, which shall contain the names and addresses of the persons to whom the shares of the Corporation have been issued, the number of shares, and date of issuance.

(d) Transferring Shares. All certificates surrendered to the Corporation for transfer shall be canceled and no new certificate shall be issued until the former certificate for a like number of shares shall have been surrendered and cancelled, except that, in case of a lost, destroyed, or mutilated certificate, a new one may be issued therefor upon such terms and with such indemnity to the Corporation as the Board of Directors may prescribe.

6.3. Shares Without Certificates. The Board of Directors may authorize the

issuance of some or all of the shares of any or all of its classes or series without certificates. Within a reasonable time after the issuance or transfer of shares without certificates, the Corporation shall send the shareholder a written statement of the information required on certificates under section 6.2 of these Bylaws.

6.4. Registration of the Transfer of Shares. Registration of the transfer

of shares of the Corporation shall be made only on the stock transfer books of the Corporation. In order to register a transfer, the record owner shall surrender the shares to the Corporation for cancellation, properly endorsed by the appropriate person or persons with reasonable assurances that the endorsements are genuine and effective. Unless the Corporation has established a procedure by which a beneficial owner of shares held by a nominee is to be recognized by the Corporation as the owner, the person in whose name shares stand in the books of the Corporation shall be deemed by the Corporation to be the owner thereof for all purposes.

ARTICLE 7. MISCELLANEOUS

7.1. Inspection of Records by Shareholders. In accordance with the

limitations of the Act, a shareholder of the Corporation shall be entitled to inspect and copy, during regular business hours at the Corporation's principal office, any of the records of the Corporation required to be maintained by the Corporation under the Act, if such person gives the Corporation written notice of the demand at least five business days before the date on which such a person wishes to conduct such inspection.

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7.2. Corporate Seal. The Board of Directors may provide a corporate seal

which may be circular in form and shall have inscribed thereon any designation including the name of the Corporation, the state of incorporation, and the words "Corporate Seal."

7.3. Amendments. The Corporation's Board of Directors may amend or repeal

the Corporation's Bylaws at any time. Any amendment which changes the voting or quorum requirement for the board must meet the same quorum requirement and be adopted by the same vote and voting groups required to take action under the quorum and voting requirements then in effect or proposed to be adopted, whichever are greater. The shareholders of the Corporation shall not make amendments to the Bylaws; any such provision that is adopted by the shareholders shall be placed instead in the Corporation's Articles of Incorporation.

7.4. Fiscal Year. The fiscal year of the Corporation shall be established

by the Board of Directors.

[End of Bylaws]

I hereby certify that the above Bylaws were adopted by a resolution of the Corporation's Board of Directors, dated April 19, 2006, to be effective as of date hereof.

Gilbert A. Fuller
Corporate Secretary

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Exhibit 10.1

USANA HEALTH SCIENCES, INC.
2006 EQUITY INCENTIVE AWARD PLAN

ARTICLE 1

PURPOSE

The purposes of the USANA Health Sciences, Inc. 2006 Equity Incentive Award Plan (the "Plan") are to:

- (1) Closely associate the interests of management, employees, directors and consultants of USANA Health Sciences, Inc., a Utah corporation (the "Company"), with the shareholders of the Company by reinforcing the relationship between participants' rewards and shareholder gains;
- (2) Provide management and employees with an equity ownership in the Company commensurate with Company performance, as reflected in increased shareholder value;
- (3) Maintain competitive compensation levels; and
- (4) Provide an incentive to management and employees to remain in continuing employment with the Company and to put forth maximum efforts for the success of its business.

The Plan is further intended to provide flexibility to the Company in its ability to motivate, attract, and retain the services of members of the Board, Employees and Consultants upon whose judgment, interest, and special effort the successful conduct of the Company's operation is largely dependent.

ARTICLE 2

DEFINITIONS AND CONSTRUCTION

Wherever the following terms are used in the Plan they shall have the meanings specified below, unless the context clearly indicates otherwise. The singular pronoun shall include the plural where the context so indicates.

2.1 "Award" means an Option, a Restricted Stock award, a Stock Appreciation Right award, a Performance Share award, a Performance Unit award, a Dividend Equivalents award, a Stock Payment award, a Deferred Stock award, a Restricted Stock Unit award, an Other Stock-Based Award, or a Performance-Based Award granted to a Participant pursuant to the Plan.

2.2 "Award Agreement" means any written agreement, contract, or other instrument or document evidencing an Award.

2.3 "Board" means the Board of Directors of the Company.

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2.4 "Change in Control" means the occurrence of any of the following in one or a series of related transactions: (i) an acquisition after the date hereof by an individual or legal entity or "group" (as described in Rule 13d-5(b)(1) under the Exchange Act) of more than thirty percent (30%) of the voting rights or equity interests in the Company; (ii) a replacement, during a 24-month period, of more than one-half of the members of the Board that is not approved by those individuals who are members of the Board on the date hereof (or other directors previously approved by such individuals); (iii) consummation of a merger or consolidation of the Company or any Subsidiary or a sale of more than one-half of the assets of the Company in one or a series of related transactions, unless following such transaction or series of transactions, the holders of the Company's securities prior to the first such transaction continue to hold at least one-half of the voting rights and equity interests of the surviving entity or acquirer of such assets; (iv) a recapitalization, reorganization or other transaction involving the Company or any Subsidiary that constitutes or results in a transfer of more than one-half of the voting rights or equity interests in

the Company; or (v) consummation of a "Rule 13e-3 transaction" as defined in Rule 13e-3 under the Exchange Act with respect to the Company.

2.5 "Code" means the Internal Revenue Code of 1986, as amended.

2.6 "Committee" means the committee of the Board described in Article 12.

2.7 "Consultant" means any consultant or adviser if:

(a) The consultant or adviser renders bona fide services to the Company;

(b) The services rendered by the consultant or adviser are not in connection with the offer or sale of securities in a capital-raising transaction and do not directly or indirectly promote or maintain a market for the Company's securities; and

(c) The consultant or adviser is a natural person who has contracted directly with the Company to render such services.

2.8 "Covered Employee" means an Employee who is, or may be, as determined by the Committee, a "covered employee" within the meaning of Section 162(m) of the Code.

2.9 "Deferred Stock" means a right to receive a specified number of shares of Stock during specified time periods pursuant to Article 8.

2.10 "Disability" means that the Participant qualifies to receive long-term disability payments under the Company's long-term disability insurance program, as it may be amended from time to time.

2.11 "Dividend Equivalents" means a right granted to a Participant pursuant to Article 8 to receive the equivalent value (in cash or Stock) of dividends paid on Stock.

2.12 "Effective Date" shall have the meaning set forth in Section 13.1.

2.13 "Eligible Individual" means any person who is an Employee, a Consultant or a member of the Board, as determined by the Committee.

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2.14 "Employee" means any officer or other employee (as defined in accordance with Section 3401(c) of the Code) of the Company or any Subsidiary.

2.15 "Exchange Act" means the Securities Exchange Act of 1934, as amended.

2.16 "Fair Market Value" means, as of any given date, the fair market value of a share of Stock on the date determined by such methods or procedures as may be established from time to time by the Committee. Unless otherwise determined by the Committee, the Fair Market Value of a share of Stock as of any date shall be (i) the mean between the highest and lowest selling price of a share of Common Stock on the principal exchange on which shares of Common Stock are then trading, if any, on such date, or if shares were not traded on such date, then on the closest preceding date on which a trade occurred; or (ii) if Common Stock is not traded on an exchange, the mean between the closing representative bid and asked prices for the Common Stock on such date as reported by NASDAQ or, if NASDAQ is not then in existence, by its successor quotation system; or (iii) if Common Stock is not publicly traded, the Fair Market Value of a share of Common Stock as established by the Committee acting in good faith.

2.17 "Incentive Stock Option" means an Option that is intended to meet the requirements of Section 422 of the Code or any successor provision thereto.

2.18 "Independent Director" means a member of the Board who is not an Employee of the Company.

2.19 "Non-Employee Director" means a member of the Board who qualifies as a "Non-Employee Director" as defined in Rule 16b-3(b)(3) of the Exchange Act, or any successor definition adopted by the Board.

2.20 "Non-Qualified Stock Option" means an Option that is not intended to be an Incentive Stock Option.

2.21 "Option" means a right granted to a Participant pursuant to Article 5 of the Plan to purchase a specified number of shares of Stock at a specified price during specified time periods. An Option may be either an Incentive Stock Option or a Non-Qualified Stock Option.

2.22 "Other Stock-Based Award" means an Award granted or denominated in Stock or units of Stock pursuant to Section 8.7 of the Plan.

2.23 "Participant" means any Eligible Individual who, as a member of the Board or Employee or Consultant, has been granted an Award pursuant to the Plan.

2.24 "Performance-Based Award" means an Award granted to selected Covered Employees pursuant to Articles 6 and 8, but which is subject to the terms and conditions set forth in Article 9. All Performance-Based Awards are intended to qualify as Qualified Performance-Based Compensation.

2.25 "Performance Criteria" means the criteria that the Committee selects for purposes of establishing the Performance Goal or Performance Goals for a Participant for a Performance Period. The Performance Criteria that will be used to establish Performance Goals are limited to the following: net earnings

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(either before or after interest, taxes, depreciation and amortization), economic value-added (as determined by the Committee), sales or revenue, net income (either before or after taxes), operating earnings, cash flow (including, but not limited to, operating cash flow and free cash flow), cash flow return on capital, return on net assets, return on stockholders' equity, return on assets, return on capital, stockholder returns, return on sales, gross or net profit margin, productivity, expense, margins, operating efficiency, customer satisfaction, working capital, earnings per share, price per share of Stock, and market share, any of which may be measured either in absolute terms or as compared to any incremental increase or as compared to results of a peer group. The Committee shall, within the time prescribed by Section 162(m) of the Code, define in an objective fashion the manner of calculating the Performance Criteria it selects to use for such Performance Period for such Participant.

2.26 "Performance Goals" means, for a Performance Period, the goals established in writing by the Committee for the Performance Period based upon the Performance Criteria. Depending on the Performance Criteria used to establish such Performance Goals, the Performance Goals may be expressed in terms of overall Company performance or the performance of a division, business unit, or an individual. The Committee, in its discretion, may, adjust or modify the calculation of Performance Goals for such Performance Period in order to prevent the dilution or enlargement of the rights of Participants (a) in the event of, or in anticipation of, any unusual or extraordinary corporate item, transaction, event, or development, or (b) in recognition of, or in anticipation of, any other unusual or nonrecurring events affecting the Company, or the financial statements of the Company, or in response to, or in anticipation of, changes in applicable laws, regulations, accounting principles, or business conditions.

2.27 "Performance Period" means the one or more periods of time, which may be of varying and overlapping durations, as the Committee may select, over which the attainment of one or more Performance Goals will be measured for the purpose of determining a Participant's right to, and the payment of, a Performance-Based Award.

2.28 "Performance Share" means a right granted to a Participant pursuant to Article 8, to receive Stock, the payment of which is contingent upon achieving certain Performance Goals or other performance-based targets established by the Committee.

2.29 "Performance Unit" means a right granted to a Participant pursuant to Article 8, to receive units of value, including dollar value of shares of Stock, the payment of which is contingent upon achieving certain Performance Goals or other performance-based targets established by the Committee.

2.30 "Plan" means this USANA Health Sciences, Inc. 2006 Equity Incentive Award Plan, as it may be amended from time to time.

2.31 "Qualified Performance-Based Compensation" means any compensation that is intended to qualify as "qualified performance-based compensation" as described in Section 162(m)(4)(C) of the Code.

2.32 "Restricted Stock" means Stock awarded to a Participant pursuant to Article 6 that is subject to certain restrictions and may be subject to risk of forfeiture.

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2.33 "Restricted Stock Unit" means an Award granted pursuant to Section 8.6.

2.34 "Section 409A Award" shall have the meaning set forth in Section 15.1.

2.35 "Securities Act" shall mean the Securities Act of 1933, as amended.

2.36 "Stock" means the common stock of the Company, par value \$.001 per share, and such other securities of the Company that may be substituted for Stock pursuant to Article 11.

2.37 "Stock Appreciation Right" or "SAR" means a right granted pursuant to Article 7 to receive a payment equal to the excess of the Fair Market Value of a specified number of shares of Stock on the date the SAR is exercised over the Fair Market Value on the date the SAR was granted as set forth in the applicable Award Agreement.

2.38 "Stock Payment" means (a) a payment in the form of shares of Stock, or (b) an option or other right to purchase shares of Stock, as part of any bonus, deferred compensation or other arrangement, made in lieu of all or any portion of the compensation, granted pursuant to Article 8.

2.39 "Subsidiary" means any "subsidiary corporation" as defined in Section 424(f) of the Code and any applicable regulations promulgated thereunder or any other entity of which a majority of the outstanding voting stock or voting power is beneficially owned directly or indirectly by the Company.

ARTICLE 3

SHARES SUBJECT TO THE PLAN

3.1 Number of Shares.

(a) Subject to Article 11 and Section 3.1(b), the aggregate number of shares of Stock which may be issued, transferred or reserved for issuance pursuant to Awards under the Plan shall be five million (5,000,000) shares. In order that the applicable regulations under the Code relating to Incentive Stock Options be satisfied, the maximum number of shares of Stock that may be delivered upon exercise of Incentive Stock Options shall be the number specified in this Section 3.1(a). Shares of stock that may be issued upon exercise of Options under the Plan shall be authorized and unissued shares of Common Stock, par value \$.001 per share, of the Company ("Common Stock"). In the absence of an effective registration statement under the Securities Act of 1933 (the "Act"), all Options granted and shares of Common Stock subject to their exercise will be restricted as to subsequent resale or transfer, pursuant to the provisions of Rule 144, promulgated under the Act.

(b) To the extent that an Award terminates, expires, or lapses for any reason, any shares of Stock subject to the Award shall again be available for the grant of an Award pursuant to the Plan. Additionally, any shares of Stock tendered or withheld to satisfy the grant or exercise price or tax withholding obligation pursuant to any Award shall again be available for the grant of an Award pursuant to the Plan. To the extent permitted by applicable law or any exchange rule, shares of Stock issued in assumption of, or in substitution for,

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any outstanding awards of any entity acquired in any form of combination by the Company or any Subsidiary shall not be counted against shares of Stock available for grant pursuant to this Plan. The payment of Dividend Equivalents in conjunction with any outstanding Awards shall not be counted against the shares available for issuance under the Plan.

3.2 Stock Distributed. Any Stock distributed pursuant to an Award may consist, in whole or in part, of authorized and unissued Stock, treasury Stock or Stock purchased on the open market.

3.3 Limitation on Number of Shares Subject to Awards. Notwithstanding any provision in the Plan to the contrary, and subject to Article 11, (a) the maximum number of shares of Stock with respect to one or more Awards that may be granted to any one Participant during a one-year period (measured from the date of any grant) shall be 500,000, and (b) the maximum dollar value payable to any one Participant during a one-year period with respect to awards of Performance Units shall be \$500,000.

ARTICLE 4

ELIGIBILITY AND PARTICIPATION

4.1 Eligibility. Each Eligible Individual shall be eligible to be granted one or more Awards pursuant to the Plan.

4.2 Participation. Subject to the provisions of the Plan, the Committee may, from time to time, select from among all Eligible Individuals, those to whom Awards shall be granted and shall determine the nature and amount of each Award. No Eligible Individual shall have any right to be granted an Award pursuant to this Plan.

4.3 Foreign Participants. In order to assure the viability of Awards granted to Participants employed in foreign countries, the Committee may provide for such special terms as it may consider necessary or appropriate to accommodate differences in local law, tax policy, or custom. Moreover, the Committee may approve such supplements to, or amendments, restatements, or alternative versions of, the Plan as it may consider necessary or appropriate for such purposes without thereby affecting the terms of the Plan as in effect for any other purpose; provided, however, that no such supplements, amendments, restatements, or alternative versions shall increase the share limitations contained in Sections 3.1 and 3.3 [see comment above regarding Section 3.3] of the Plan.

ARTICLE 5

STOCK OPTIONS

5.1 General. The Committee is authorized to grant Options to Participants on the following terms and conditions:

(a) Exercise Price. The exercise price per share of Stock subject to an Option shall be not less than 100% of the Fair Market Value of a share of Stock on the date of the grant.

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(b) Time and Conditions of Exercise. Each Option shall be fully exercisable at any time within the period beginning not earlier than six months after the date of the option grant and ending not later than ten years after the date of such grant (the "Option Term"), unless the Committee specifies otherwise. In no event, however, shall the Option Term extend beyond ten years after the date of the grant. No Option shall be exercisable after the expiration of the Option Term. The Committee shall also determine the performance or other conditions, if any, that must be satisfied before all or part of an Option may be exercised.

(c) Payment The Committee shall determine the methods by which the exercise price of an Option may be paid, the form of payment, including, without

limitation: (i) cash, (ii) promissory note bearing interest at no less than such rate as shall preclude the imputation of interest under the Code, (iii) shares of Stock having a Fair Market Value on the date of delivery equal to the aggregate exercise price of the Option or exercised portion thereof, or (iv) other property acceptable to the Committee (including through the delivery of a notice that the Participant has placed a market sell order with a broker with respect to shares of Stock then issuable upon exercise of the Option, and that the broker has been directed to pay a sufficient portion of the net proceeds of the sale to the Company in satisfaction of the Option exercise price; provided that payment of such proceeds is then made to the Company upon settlement of such sale), and the methods by which shares of Stock shall be delivered or deemed to be delivered to Participants. Notwithstanding any other provision of the Plan to the contrary, no Participant who is a member of the Board or an "executive officer" of the Company within the meaning of Section 13(k) of the Exchange Act shall be permitted to pay the exercise price of an Option by means of a personal loan or other credit extended by the Company or in any other method which would violate Section 13(k) of the Exchange Act.

(d) Evidence of Grant. All Options shall be evidenced by a written Award Agreement between the Company and the Participant. The Award Agreement shall include the number of shares of Common Stock subject to the Option, the exercise date, the Option Term, and such additional provisions as may be specified by the Committee.

5.2 Incentive Stock Options. The terms of any Incentive Stock Options granted pursuant to the Plan must comply with the conditions and limitations contained Section 13.2 and this Section 5.2.

(a) Eligibility. The Committee may grant one or more Incentive Stock Options to employees of the Company or any "subsidiary corporation" thereof (within the meaning of Section 424(f) of the Code and the applicable regulations promulgated thereunder). The date an Incentive Stock Option is granted shall mean the date selected by the Committee as of which the Committee shall allot a specific number of shares to a participant pursuant to the Plan.

(b) Individual Dollar Limitation. The aggregate Fair Market Value (determined as of the time the Option is granted) of all shares of Stock with respect to which Incentive Stock Options are first exercisable by a Participant in any calendar year may not exceed \$100,000 or such other limitation as imposed by Section 422(d) of the Code, or any successor provision. Multiple Incentive Stock Options may be granted to an Optionee in any calendar year.

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(c) Ten Percent Owners. The Committee may determine to grant an Incentive Stock Option to an employee who is also an individual who owns, at the date of grant, directly or indirectly according to the stock ownership attribution rules of Section 424(d) of the Code, stock possessing more than ten percent of the total combined voting power of all classes of Stock of the Company. However, the exercise price of such Option granted shall not be less than 110% of Fair Market Value on the date of grant. Furthermore, the Option may be exercisable for no more than five years from the date of grant.

(d) Notice of Disposition. The Participant shall give the Company prompt notice of any disposition of shares of Stock acquired by exercise of an Incentive Stock Option within (i) two years from the date of grant of such Incentive Stock Option or (ii) one year after the transfer of such shares of Stock to the Participant. In order to obtain the favorable tax treatment available for Incentive Stock Options under Section 422 of the Code, the Optionee is prohibited from the sale, exchange, transfer, pledge, hypothecation, gift or other disposition of the shares of Common Stock underlying the Incentive Stock Options until the later of either two (2) years after the date of grant of the Incentive Stock Option, or one (1) year after the transfer to the Optionee of such underlying Common Stock after the Optionee's exercise of such Incentive Stock Option. Should Optionee choose to make a premature disposition of such underlying Common Stock contrary to such restrictions, the Options related to such Common Stock shall be treated as Non-qualified Stock Options pursuant to the terms of the Plan.

(e) Right to Exercise. During a Participant's lifetime, an Incentive Stock Option may be exercised only by the Participant.

5.3 Substitution of Stock Appreciation Rights. The Committee may provide in the Award Agreement evidencing the grant of an Option that the Committee, in its sole discretion, shall have the right to substitute a Stock Appreciation Right for such Option at any time prior to or upon exercise of such Option, subject to the provisions of Section 7.2 hereof; provided that such Stock Appreciation Right shall be exercisable with respect to the same number of shares of Stock for which such substituted Option would have been exercisable.

5.4 Paperless Exercise. In the event that the Company establishes, for itself or using the services of a third party, an automated system for the exercise of Options, such as a system using an internet website or interactive voice response, then the paperless exercise of Options by a Participant may be permitted through the use of such an automated system.

5.5 Granting of Options to Independent Directors. The Board may from time to time, in its sole discretion, and subject to the limitations of the Plan:

(a) Select from among the Independent Directors (including Independent Directors who have previously been granted Options under the Plan) such of them as in its opinion should be granted Options;

(b) Subject to Section 3.3, determine the number of shares of Stock that may be purchased upon exercise of the Options granted to such selected Independent Directors; and

(c) Subject to the provisions of this Article 5, determine the terms and conditions of such Options, consistent with the Plan.

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Options granted to Independent Directors shall be Non-Qualified Stock Options.

ARTICLE 6

RESTRICTED STOCK AWARDS

6.1 Grant of Restricted Stock. The Committee is authorized to make Awards of Restricted Stock to any Participant selected by the Committee in such amounts and subject to such terms and conditions as determined by the Committee. All Awards of Restricted Stock shall be evidenced by a written Restricted Stock Award Agreement.

6.2 Issuance and Restrictions. Restricted Stock shall be subject to such restrictions on transferability and other restrictions as the Committee may impose (including, without limitation, limitations on the right to vote Restricted Stock or the right to receive dividends on the Restricted Stock). These restrictions may lapse separately or in combination at such times, pursuant to such circumstances, in such installments, or otherwise, as the Committee determines at the time of the grant of the Award or thereafter.

6.3 Forfeiture. Except as otherwise determined by the Committee at the time of the grant of the Award or thereafter, upon termination of employment or service during the applicable restriction period, Restricted Stock that is at that time subject to restrictions shall be forfeited; provided, however, that the Committee may (a) provide in any Restricted Stock Award Agreement that restrictions or forfeiture conditions relating to Restricted Stock will be waived in whole or in part in the event of terminations resulting from specified causes, and (b) in other cases waive in whole or in part restrictions or forfeiture conditions relating to Restricted Stock.

6.4 Certificates for Restricted Stock. Restricted Stock granted pursuant to the Plan may be evidenced in such manner as the Committee shall determine. If certificates representing shares of Restricted Stock are registered in the name of the Participant, certificates must bear an appropriate legend referring to the terms, conditions, and restrictions applicable to such Restricted Stock, and the Company may, at its discretion, retain physical possession of the certificate until such time as all applicable restrictions lapse.

ARTICLE 7

STOCK APPRECIATION RIGHTS

7.1 Grant of Stock Appreciation Rights. A Stock Appreciation Right may be granted to any Participant selected by the Committee. A Stock Appreciation Right may be granted (a) in connection and simultaneously with the grant of an Option, (b) with respect to a previously granted Option, or (c) independent of an Option. A Stock Appreciation Right shall be subject to such terms and conditions not inconsistent with the Plan as the Committee shall impose and shall be evidenced by an Award Agreement.

7.2 Coupled Stock Appreciation Rights.

(a) A Coupled Stock Appreciation Right ("CSAR") shall be related to a particular Option and shall be exercisable only when and to the extent the

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related Option is exercisable, provided, however, that the exercise price for any CSAR shall not be less than 100% of the Fair Market Value on the date of grant; and provided, further, that, the Committee in its sole and absolute discretion may provide that the CSAR may be exercised subsequent to a termination of employment or service, as applicable, or following a Change in Control of the Company, or because of the Participant's retirement, death or disability, or otherwise.

(b) A CSAR may be granted to a Participant for no more than the number of shares subject to the simultaneously or previously granted Option to which it is coupled.

(c) A CSAR shall entitle the Participant (or other person entitled to exercise the Option pursuant to the Plan) to surrender to the Company the unexercised portion of the Option to which the CSAR relates (to the extent then exercisable pursuant to its terms) and to receive from the Company in exchange therefor an amount determined by multiplying the difference obtained by subtracting the Option exercise price from the Fair Market Value of a share of Stock on the date of exercise of the CSAR by the number of shares of Stock with respect to which the CSAR shall have been exercised, subject to any limitations the Committee may impose.

7.3 Independent Stock Appreciation Rights.

(a) An Independent Stock Appreciation Right ("ISAR") shall be unrelated to any Option and shall have a term set by the Committee. An ISAR shall be exercisable in such installments as the Committee may determine. An ISAR shall cover such number of shares of Stock as the Committee may determine. The exercise price per share of Stock subject to each ISAR shall be set by the Committee; provided, however, that the exercise price for any ISAR shall not be less than 100% of the Fair Market Value on the date of grant; and provided, further, that, the Committee in its sole and absolute discretion may provide that the ISAR may be exercised subsequent to a termination of employment or service, as applicable, or following a Change in Control of the Company, or because of the Participant's retirement, death or disability, or otherwise.

(b) An ISAR shall entitle the Participant (or other person entitled to exercise the ISAR pursuant to the Plan) to exercise all or a specified portion of the ISAR (to the extent then exercisable pursuant to its terms) and to receive from the Company an amount determined by multiplying the difference obtained by subtracting the exercise price per share of the ISAR from the Fair Market Value of a share of Stock on the date of exercise of the ISAR by the number of shares of Stock with respect to which the ISAR shall have been exercised, subject to any limitations the Committee may impose.

7.4 Payment and Limitations on Exercise.

(a) Subject to Section 7.4(b) and (c), payment of the amounts determined under Sections 7.2(c) and 7.3(b) above shall be in cash, in Stock (based on its Fair Market Value as of the date the Stock Appreciation Right is exercised) or a combination of both, as determined by the Committee.

(b) To the extent payment for a Stock Appreciation Right is to be made in cash, the Award Agreement shall, to the extent necessary to comply with the

requirements of Section 409A of the Code, specify the date of payment, which may be different than the date of exercise of the Stock Appreciation Right. If the date of payment for a Stock Appreciation Right is later than the date of exercise, the Award Agreement may specify that the Participant be entitled to earnings on such amount until paid.

(c) To the extent any payment under Section 7.2(c) or 7.3(b) is effected in Stock it shall be made subject to satisfaction of any applicable provisions of Article 5 above pertaining to Options.

ARTICLE 8

OTHER TYPES OF AWARDS

8.1 Performance Share Awards. Any Participant selected by the Committee may be granted one or more Performance Share awards which shall be denominated in a number of shares of Stock and which may be linked to any one or more of the Performance Criteria or other specific performance criteria determined appropriate by the Committee, in each case on a specified date or dates or over any period or periods determined by the Committee. In making such determinations, the Committee shall consider (among such other factors as it deems relevant in light of the specific type of award) the contributions, responsibilities and other compensation of the particular Participant.

8.2 Performance Units. Any Participant selected by the Committee may be granted one or more Performance Unit awards which shall be denominated in units of value, including dollar value of shares of Stock, and which may be linked to any one or more of the Performance Criteria or other specific performance criteria determined appropriate by the Committee, in each case on a specified date or dates or over any period or periods determined by the Committee. In making such determinations, the Committee shall consider (among such other factors as it deems relevant in light of the specific type of award) the contributions, responsibilities and other compensation of the particular Participant.

8.3 Dividend Equivalents.

(a) Any Participant selected by the Committee may be granted Dividend Equivalents based on the dividends declared on the shares of Stock that are subject to any Award, to be credited as of dividend payment dates, during the period between the date the Award is granted and the date the Award is exercised, vests or expires, as determined by the Committee. Such Dividend Equivalents shall be converted to cash or additional shares of Stock by such formula and at such time and subject to such limitations as may be determined by the Committee. Note that paying dividend equivalents on exercise of Options or SARs may result in the treatment of the Option or SAR as deferred compensation under IRC 409A.

(b) Dividend Equivalents granted with respect to Options or SARs that are intended to be Qualified Performance-Based Compensation shall be payable, with respect to pre-exercise periods, regardless of whether such Option or SAR is subsequently exercised.

8.4 Stock Payments. Any Participant selected by the Committee may receive Stock Payments in the manner determined from time to time by the Committee. The number of shares shall be determined by the Committee and may be based upon the Performance Criteria or other specific performance criteria determined appropriate by the Committee, determined on the date such Stock Payment is made or on any date thereafter.

8.5 Deferred Stock. Any Participant selected by the Committee may be granted an award of Deferred Stock in the manner determined from time to time by the Committee. The number of shares of Deferred Stock shall be determined by the Committee and may be linked to the Performance Criteria or other specific

performance criteria determined to be appropriate by the Committee, in each case on a specified date or dates or over any period or periods determined by the Committee. Stock underlying a Deferred Stock award will not be issued until the Deferred Stock award has vested, pursuant to a vesting schedule or performance criteria set by the Committee. Unless otherwise provided by the Committee, a Participant awarded Deferred Stock shall have no rights as a Company stockholder with respect to such Deferred Stock until such time as the Deferred Stock Award has vested and the Stock underlying the Deferred Stock Award has been issued.

8.6 Restricted Stock Units. The Committee is authorized to make Awards of Restricted Stock Units to any Participant selected by the Committee in such amounts and subject to such terms and conditions as determined by the Committee. At the time of grant, the Committee shall specify the date or dates on which the Restricted Stock Units shall become fully vested and nonforfeitable, and may specify such conditions to vesting as it deems appropriate. At the time of grant, the Committee shall specify the maturity date applicable to each grant of Restricted Stock Units which shall be no earlier than the vesting date or dates of the Award and may be determined at the election of the grantee. On the maturity date, the Company shall, subject to Section 10.5(b), transfer to the Participant one unrestricted, fully transferable share of Stock for each Restricted Stock Unit scheduled to be paid out on such date and not previously forfeited. The Committee shall specify the purchase price, if any, to be paid by the grantee to the Company for such shares of Stock.

8.7 Other Stock-Based Awards. Any Participant selected by the Committee may be granted one or more Awards that provide Participants with shares of Stock or the right to purchase shares of Stock or that have a value derived from the value of, or an exercise or conversion privilege at a price related to, or that are otherwise payable in shares of Stock and which may be linked to any one or more of the Performance Criteria or other specific performance criteria determined appropriate by the Committee, in each case on a specified date or dates or over any period or periods determined by the Committee. In making such determinations, the Committee shall consider (among such other factors as it deems relevant in light of the specific type of Award) the contributions, responsibilities and other compensation of the particular Participant.

8.8 Term. Except as otherwise provided herein, the term of any Award of Performance Shares, Performance Units, Dividend Equivalents, Stock Payments, Deferred Stock, Restricted Stock Units or Other Stock-Based Award shall be set by the Committee in its discretion.

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8.9 Exercise or Purchase Price. The Committee may establish the exercise or purchase price, if any, of any Award of Performance Shares, Performance Units, Deferred Stock, Stock Payments, Restricted Stock Units or Other Stock-Based Award; provided, however, that such price shall not be less than the par value of a share of Stock on the date of grant, unless otherwise permitted by applicable state law.

8.10 Exercise Upon Termination of Employment or Service. An Award of Performance Shares, Performance Units, Dividend Equivalents, Deferred Stock, Stock Payments, Restricted Stock Units and Other Stock-Based Award shall only be exercisable or payable while the Participant is an Employee, a Consultant, or a member of the Board, as applicable; provided, however, that the Committee in its sole and absolute discretion may provide that an Award of Performance Shares, Performance Units, Dividend Equivalents, Stock Payments, Deferred Stock, Restricted Stock Units or Other Stock-Based Award may be exercised or paid subsequent to a termination of employment or service, as applicable, or following a Change in Control of the Company, or because of the Participant's retirement, death or disability, or otherwise; provided, however, that any such provision with respect to Performance Shares or Performance Units shall be subject to the requirements of Section 162(m) of the Code that apply to Qualified Performance-Based Compensation.

8.11 Form of Payment. Payments with respect to any Awards granted under this Article 8 shall be made in cash, in Stock or a combination of both, as determined by the Committee.

8.12 Award Agreement. All Awards under this Article 8 shall be subject to such additional terms and conditions as determined by the Committee and shall be

evidenced by a written Award Agreement.

ARTICLE 9

PERFORMANCE-BASED AWARDS

9.1 Purpose. The purpose of this Article 9 is to provide the Committee the ability to qualify Awards other than Options and SARs and that are granted pursuant to Articles 6 and 8 as Qualified Performance-Based Compensation. If the Committee, in its discretion, decides to grant a Performance-Based Award to a Covered Employee, the provisions of this Article 9 shall control over any contrary provision contained in Articles 6 or 8; provided, however, that the Committee may in its discretion grant Awards to Covered Employees that are based on Performance Criteria or Performance Goals but that do not satisfy the requirements of this Article 9.

9.2 Applicability. This Article 9 shall apply only to those Covered Employees selected by the Committee to receive Performance-Based Awards. The designation of a Covered Employee as a Participant for a Performance Period shall not in any manner entitle the Participant to receive an Award for the period. Moreover, designation of a Covered Employee as a Participant for a particular Performance Period shall not require designation of such Covered Employee as a Participant in any subsequent Performance Period and designation

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of one Covered Employee as a Participant shall not require designation of any other Covered Employees as a Participant in such period or in any other period.

9.3 Procedures with Respect to Performance-Based Awards. To the extent necessary to comply with the Qualified Performance-Based Compensation requirements of Section 162(m)(4)(C) of the Code, with respect to any Award granted under Articles 6 and 8 which may be granted to one or more Covered Employees, no later than ninety (90) days following the commencement of any fiscal year in question or any other designated fiscal period or period of service (or such other time as may be required or permitted by Section 162(m) of the Code), the Committee shall, in writing, (a) designate one or more Covered Employees, (b) select the Performance Criteria applicable to the Performance Period, (c) establish the Performance Goals, and amounts of such Awards, as applicable, which may be earned for such Performance Period, and (d) specify the relationship between Performance Criteria and the Performance Goals and the amounts of such Awards, as applicable, to be earned by each Covered Employee for such Performance Period. Following the completion of each Performance Period, the Committee shall certify in writing whether the applicable Performance Goals have been achieved for such Performance Period. In determining the amount earned by a Covered Employee, the Committee shall have the right to reduce or eliminate (but not to increase) the amount payable at a given level of performance to take into account additional factors that the Committee may deem relevant to the assessment of individual or corporate performance for the Performance Period.

9.4 Payment of Performance-Based Awards. Unless otherwise provided in the applicable Award Agreement, a Participant must be employed by the Company or a Subsidiary on the day a Performance-Based Award for such Performance Period is paid to the Participant. Furthermore, a Participant shall be eligible to receive payment pursuant to a Performance-Based Award for a Performance Period only if the Performance Goals for such period are achieved.

9.5 Additional Limitations. Notwithstanding any other provision of the Plan, any Award which is granted to a Covered Employee and is intended to constitute Qualified Performance-Based Compensation shall be subject to any additional limitations set forth in Section 162(m) of the Code (including any amendment to Section 162(m) of the Code) or any regulations or rulings issued thereunder that are requirements for qualification as qualified performance-based compensation as described in Section 162(m)(4)(C) of the Code, and the Plan shall be deemed amended to the extent necessary to conform to such requirements.

ARTICLE 10

PROVISIONS APPLICABLE TO AWARDS

10.1 Stand-Alone and Tandem Awards. Awards granted pursuant to the Plan may, in the discretion of the Committee, be granted either alone, in addition to, or in tandem with, any other Award granted pursuant to the Plan. Awards granted in addition to or in tandem with other Awards may be granted either at the same time as or at a different time from the grant of such other Awards.

10.2 Award Agreement. Awards under the Plan shall be evidenced by written Award Agreements that shall set forth the terms, conditions, limitations and

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award type for each Award which may include the term of an Award, the provisions applicable in the event the Participant's employment or service terminates, and the Company's authority to unilaterally or bilaterally amend, modify, suspend, cancel or rescind an Award.

10.3 Limits on Transfer. Except as otherwise provided by the Committee, no right or interest of a Participant in any Award may be pledged, encumbered, or hypothecated to or in favor of any party other than the Company or a Subsidiary, or shall be subject to any lien, obligation, or liability of such Participant to any other party other than the Company or a Subsidiary. Except as otherwise provided by the Committee, during the life of the recipient, such award shall be exercisable only by such person or by such person's guardian or legal representative.

10.4 Death of Optionee.

(a) Options. Notwithstanding Section 10.3, upon the death of the Optionee while either in the Company's employ or within six months after termination of Optionee's employment, any rights to the extent exercisable on the date of death may be exercised by the Optionee's estate, or by a person who acquires the right to exercise such Option by bequest or inheritance or by reason of the death of the Optionee, provided that such exercise occurs within both the remaining effective term of the Option and one year after the Optionee's death. A beneficiary, legal guardian, legal representative, or other person claiming any rights pursuant to the Plan is subject to all terms and conditions of the Plan and any Award Agreement applicable to the Participant, except to the extent the Plan and Award Agreement otherwise provide, and to any additional restrictions deemed necessary or appropriate by the Committee. If no beneficiary has been designated or survives the Participant, payment shall be made to the person entitled thereto pursuant to the Participant's will or the laws of descent and distribution. Subject to the foregoing, a beneficiary designation may be changed or revoked by a Participant at any time provided the change or revocation is filed with the Committee.

(b) Incentive Stock Options. Upon the death of the Optionee while in the Company's employ or within not more than 90 days after termination of Optionee's employment, any Incentive Stock Option exercisable on the date of death may be exercised by the Optionee's estate or by a person who acquires the right to exercise such Incentive Stock Option by bequest or inheritance or by reason of the death of the Optionee, provided that such exercise occurs within both the remaining Option Term of the Incentive Stock Option and one year after the Optionee's death.

10.5 Retirement or Disability.

(a) Options. Upon termination of the Optionee's employment by reason of retirement or permanent disability, the Optionee may, within 36 months from the date of termination, exercise any Options to the extent such Options are exercisable during such 36-month period.

(b) Incentive Stock Options. Upon termination of the Optionee's employment by reason of retirement or permanent disability, the Optionee may, within 36 months from the date of termination, exercise any Incentive Stock Options to the extent such Incentive Stock Options are exercisable during such

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36-month period. However, the tax treatment available pursuant to Section 422 of the Code will not be available to an Optionee who exercises any Incentive Stock

Option more than (i) 12 months after the date of termination of employment due to permanent disability, or (ii) three months after the date of termination of employment due to retirement.

10.6 Termination for Other Reasons. Except as provided herein or except as otherwise determined by the Committee, all Options shall terminate ninety (90) days after the termination of the Optionee's employment with the Company.

10.7 Leaves of Absence and Performance Targets. The Committee shall be entitled to make such rules, regulations and determinations as it deems appropriate under the Plan in respect of any leave of absence taken by the recipient of any award. Without limiting the generality of the foregoing, the Committee shall be entitled to determine (i) whether or not any such leave of absence shall constitute a termination of employment within the meaning of the Plan and (ii) the impact, if any, of such leave of absence on awards under the Plan theretofore made to any recipient who takes such leave of absence. The Committee shall also be entitled to make such determination of performance targets, if any, as it deems appropriate.

10.8 Newly Eligible Employees. The Committee shall be entitled to make such rules, regulations, determinations and awards as it deems appropriate in respect of any employee who becomes eligible to participate in the Plan or any portion thereof, after the commencement of an award or incentive period.

10.9 Stock Certificates; Book Entry Procedures. As soon as practicable after receipt of payment, the Company shall deliver to the Optionee a certificate(s) for such shares of Common Stock. Upon receipt of such certificate(s), the Optionee shall become a shareholder of the Company with respect to Common Stock represented by share certificates so issued and as such shall be fully entitled to receive dividends, to vote and to exercise all other rights of a shareholder. All Stock certificates delivered pursuant to the Plan are subject to any stop-transfer orders and other restrictions as the Committee deems necessary or advisable to comply with federal, state, or foreign jurisdiction, securities or other laws, rules and regulations and the rules of any national securities exchange or automated quotation system on which the Stock is listed, quoted, or traded. The Committee may place legends on any Stock certificate to reference restrictions applicable to the Stock. In addition to the terms and conditions provided herein, the Board may require that a Participant make such reasonable covenants, agreements, and representations as the Board, in its discretion, deems advisable in order to comply with any such laws, regulations, or requirements. The Committee shall have the right to require any Participant to comply with any timing or other restrictions with respect to the settlement or exercise of any Award, including a window-period limitation, as may be imposed in the discretion of the Committee.

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ARTICLE 11

CHANGES IN CAPITAL STRUCTURE

11.1 Adjustments.

(a) In the event of any stock dividend, stock split, combination or exchange of shares, merger, consolidation, spin-off, recapitalization, distribution of Company assets to stockholders (other than normal cash dividends), or any other corporate event affecting the Stock or the share price of the Stock, the Committee may make such proportionate adjustments, if any, as the Committee in its discretion may deem appropriate to reflect such changes with respect to (i) the aggregate number and type of shares that may be issued under the Plan (including, but not limited to, adjustments of the limitations in Sections 3.1 and 3.3); (ii) the terms and conditions of any outstanding Awards (including, without limitation, any applicable performance targets or criteria with respect thereto); and (iii) the grant or exercise price per share for any outstanding Awards under the Plan. Any adjustment affecting an Award intended as Qualified Performance-Based Compensation shall be made consistent with the requirements of Section 162(m) of the Code.

(b) In the event of any transaction or event described in Section 11.1(a) or any unusual or nonrecurring transactions or events affecting the Company, any affiliate of the Company, or the financial statements of the Company or any affiliate (including without limitation any Change in Control), or of changes in applicable laws, regulations or accounting principles, and whenever the Committee determines that action is appropriate in order to prevent the dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan or with respect to any Award under the Plan, to facilitate such transactions or events or to give effect to such changes in laws, regulations or principles, the Committee, in its sole discretion and on such terms and conditions as it deems appropriate, either by amendment of the terms of any outstanding Awards or by action taken prior to the occurrence of such transaction or event and either automatically or upon the Participant's request, is hereby authorized to take any one or more of the following actions:

(i) To provide for either (A) termination of any such Award in exchange for an amount of cash and/or other property, if any, equal to the amount that would have been attained upon the exercise of such Award or realization of the Participant's rights (and, for the avoidance of doubt, if as of the date of the occurrence of the transaction or event described in this Section 11.1(b) the Committee determines in good faith that no amount would have been attained upon the exercise of such Award or realization of the Participant's rights, then such Award may be terminated by the Company without payment) or (B) the replacement of such Award with other rights or property selected by the Committee in its sole discretion;

(ii) To provide that such Award be assumed by the successor or survivor corporation, or a parent or subsidiary thereof, or shall be substituted for by similar options, rights or awards covering the stock of the successor or survivor corporation, or a parent or subsidiary thereof, with appropriate adjustments as to the number and kind of shares and prices; and

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(iii) To make adjustments in the number and type of shares of Stock (or other securities or property) subject to outstanding Awards, and in the number and kind of outstanding Restricted Stock or Deferred Stock and/or in the terms and conditions of (including the grant or exercise price), and the criteria included in, outstanding options, rights and awards and options, rights and awards which may be granted in the future;

(iv) To provide that such Award shall be exercisable or payable or fully vested with respect to all shares covered thereby, notwithstanding anything to the contrary in the Plan or the applicable Award Agreement; and

(v) To provide that the Award cannot vest, be exercised or become payable after such event.

11.2 Outstanding Awards - Other Changes. In the event of any other change in the capitalization of the Company or corporate change other than those specifically referred to in this Article 11, the Committee may, in its absolute discretion, make such adjustments in the number and kind of shares or other securities subject to Awards outstanding on the date on which such change occurs and in the per share grant or exercise price of each Award as the Committee may consider appropriate to prevent dilution or enlargement of rights.

11.3 No Other Rights. Except as expressly provided in the Plan, no Participant shall have any rights by reason of any subdivision or consolidation of shares of stock of any class, the payment of any dividend, any increase or decrease in the number of shares of stock of any class or any dissolution, liquidation, merger, or consolidation of the Company or any other corporation. Except as expressly provided in the Plan or pursuant to action of the Committee under the Plan, no issuance by the Company of shares of stock of any class, or securities convertible into shares of stock of any class, shall affect, and no adjustment by reason thereof shall be made with respect to, the number of shares of Stock subject to an Award or the grant or exercise price of any Award.

ARTICLE 12

ADMINISTRATION

12.1 Committee. Pursuant to Utah Code Annotated Section 16-10a-624, and consistent with the provisions of Section 12.3 below, the Board may appoint a Committee consisting of two or more Non-Employee Directors to administer the Plan, as constituted from time to time.

12.2 Committee Appointee Duration. Once appointed, the Committee shall continue to serve until otherwise directed by the Board. From time to time, the Board may increase or change the size of the Committee, and appoint new members thereof, remove members (with or without cause) and appoint new members in substitution, fill vacancies, however caused, or remove all members of the Committee; provided, however, that at no time shall any person administer the Plan who is not otherwise a Non-Employee Director.

12.3 Action by the Board. Unless and until the Board delegates administration of the Plan to a Committee as set forth below, the Plan shall be administered by the full Board, and for such purposes the term "Committee" as used in this Plan shall be deemed to refer to the Board. The Board, at its discretion or as

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otherwise necessary to comply with the requirements of Section 162(m) of the Code, Rule 16b-3 promulgated under the Exchange Act or to the extent required by any other applicable rule or regulation, shall delegate administration of the Plan to a Committee. The Committee shall consist solely of two or more members of the Board each of whom is both an "outside director," within the meaning of Section 162(m) of the Code and any other applicable rules and regulations, and a Non-Employee Director. Notwithstanding the foregoing: (a) the full Board, acting by a majority of its members in office, shall conduct the general administration of the Plan with respect to all Awards granted to Independent Directors and, for purposes of such Awards, the term "Committee" as used in this Plan shall be deemed to refer to the Board and (b) the Committee may delegate its authority hereunder to the extent permitted by Section 12.5. Appointment of Committee members shall be effective upon acceptance of appointment. The Board may abolish the Committee at any time and revert in the Board the administration of the Plan. Committee members may resign at any time by delivering written notice to the Board. Vacancies in the Committee may only be filled by the Board.

12.4 Action by the Committee. A majority of the Committee shall constitute a quorum. The acts of a majority of the members present at any meeting at which a quorum is present, and acts approved in writing by a majority of the Committee in lieu of a meeting, shall be deemed the acts of the Committee. Each member of the Committee is entitled to, in good faith, rely or act upon any report or other information furnished to that member by any officer or other employee of the Company or any Subsidiary, the Company's independent certified public accountants, or any executive compensation consultant or other professional retained by the Company to assist in the administration of the Plan.

12.5 Authority of Committee. Subject to any specific designation in the Plan, the Committee has the exclusive power, authority and discretion to:

- (a) Designate Participants to receive Awards;
- (b) Determine the type or types of Awards to be granted to each Participant;
- (c) Determine the number of Awards to be granted and the number of shares of Stock to which an Award will relate;
- (d) Determine the terms and conditions of any Award granted pursuant to the Plan, including, but not limited to, the exercise price, grant price, or purchase price, any reload provision, any restrictions or limitations on the Award, any schedule for lapse of forfeiture restrictions or restrictions on the exercisability of an Award, and accelerations or waivers thereof, any provisions related to non-competition and recapture of gain on an Award, based in each case on such considerations as the Committee in its sole discretion determines;
- (e) Determine whether, to what extent, and pursuant to what circumstances an Award may be settled in, or the exercise price of an Award may be paid in, cash, Stock, other Awards, or other property, or an Award may be canceled, forfeited, or surrendered;

(f) Prescribe the form of each Award Agreement, which need not be identical for each Participant;

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(g) Decide all other matters that must be determined in connection with an Award;

(h) Establish, adopt, or revise any rules and regulations as it may deem necessary or advisable to administer the Plan;

(i) Interpret the terms of, and any matter arising pursuant to, the Plan or any Award Agreement; and

(j) Make all other decisions and determinations that may be required pursuant to the Plan or as the Committee deems necessary or advisable to administer the Plan.

The Committee may delegate to one or more of its members or to one or more agents such administrative duties as it may deem advisable.

12.6 Decisions Binding. The Committee's interpretation of the Plan, any Awards granted pursuant to the Plan, any Award Agreement and all decisions and determinations by the Committee with respect to the Plan are final, binding, and conclusive on all parties.

12.7 Delegation of Authority. To the extent permitted by applicable law, the Committee may from time to time delegate to a committee of one or more members of the Committee or the Board or one or more officers of the Company the authority to grant or amend Awards to Participants other than (a) senior executives of the Company who are subject to Section 16 of the Exchange Act, (b) Covered Employees, or (c) officers of the Company (or members of the Board) to whom authority to grant or amend Awards has been delegated hereunder. Any delegation hereunder shall be subject to the restrictions and limits that the Committee specifies at the time of such delegation, and the Committee may at any time rescind the authority so delegated or appoint a new delegatee. At all times, the delegatee appointed under this Section 12.5 shall serve in such capacity at the pleasure of the Committee.

12.8 Committee Administration. One member of the Committee shall be elected by the Board as chairman. The Committee shall hold its meetings at such times and places as it shall deem advisable. The Committee may appoint a secretary and make such rules and regulations for the conduct of its business as it shall deem advisable, and shall keep minutes of its meetings.

12.9 Liability. No member of the Board or Committee shall be liable for any action taken or decision or determination made in good faith with respect to any Option, the Plan, or any award thereunder.

ARTICLE 13

EFFECTIVE AND EXPIRATION DATE

13.1 Effective Date. The Plan is effective as of the date the Plan is approved by a majority of the Board (the "Effective Date"). The Plan, however, shall be subject to approval by the stockholders. The Plan will be deemed to be approved by the stockholders if it receives the affirmative vote of the holders of a majority of the shares of stock of the Company present or represented and entitled to vote at a meeting duly held in accordance with the applicable

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provisions of the Company's Bylaws, but, in any event, held no later than 12 months after adoption on the Effective Date.

13.2 Expiration Date. The Plan will expire on, and no Incentive Stock Option or other Award may be granted pursuant to the Plan after, the tenth anniversary of the Effective Date. Any Awards that are outstanding on the tenth anniversary of the Effective Date shall remain in force according to the terms

of the Plan and the applicable Award Agreement.

ARTICLE 14

AMENDMENT, MODIFICATION, AND TERMINATION

14.1 Amendment, Modification, And Termination. The Committee may at any time and from time to time terminate or modify or amend the Plan in any respect, except that (a) to the extent necessary and desirable to comply with any applicable law, regulation, or stock exchange rule, the Company shall obtain shareholder approval of any Plan amendment or any modification of any Options that would be deemed a re-pricing under applicable rules, in such a manner and to such a degree as required, and (b) without shareholder approval the Committee may not (i) increase the maximum number of shares of Common Stock which may be issued under the Plan (other than increases pursuant to Section 4.10), (ii) extend the period during which any Award may be granted or exercised, (iii) amend to the Plan to permit the Committee to grant Options with an exercise price that is below Fair Market Value on the date of grant, or (iv) extend the term of the Plan. The termination or any modification or amendment of the Plan, except as provided in subsection (a), shall not without the consent of a participant, affect his or her other rights under an award previously granted to him or her.

14.2 Awards Previously Granted. No termination, amendment, or modification of the Plan shall adversely affect in any material way any Award previously granted pursuant to the Plan without the prior written consent of the Participant.

ARTICLE 15

COMPLIANCE WITH SECTION 409A OF THE CODE

15.1 Awards subject to Code Section 409A. Any Award that constitutes, or provides for, a deferral of compensation subject to Section 409A of the Code (a "Section 409A Award") shall satisfy the requirements of Section 409A of the Code and this Article 15, to the extent applicable. The Award Agreement with respect to a Section 409A Award shall incorporate the terms and conditions required by Section 409A of the Code and this Article 15.

15.2 Distributions under a Section 409A Award.

(a) Subject to subsection (b), any shares of Stock or other property or amounts to be paid or distributed upon the grant, issuance, vesting, exercise or payment of a Section 409A Award shall be distributed in accordance with the requirements of Section 409A(a)(2) of the Code, and shall not be distributed earlier than:

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(i) the Participant's separation from service, as determined by the Secretary of the Treasury;

(ii) the date the Participant becomes disabled;

(iii) the Participant's death;

(iv) a specified time (or pursuant to a fixed schedule) specified under the Award Agreement at the date of the deferral compensation;

(v) to the extent provided by the Secretary of the Treasury, a change in the ownership or effective control of the Company or a Parent or Subsidiary, or in the ownership of a substantial portion of the assets of the Company or a Parent or Subsidiary; or

(vi) the occurrence of an unforeseeable emergency with respect to the Participant.

(b) In the case of a Participant who is a "specified employee," the requirement of paragraph (a)(i) shall be met only if the distributions with respect to the Section 409A Award may not be made before the date which is six months after the Participant's separation from service (or, if earlier, the date

of the Participant's death). For purposes of this subsection (b), a Participant shall be a "specified employee" if such Participant is a key employee (as defined in Section 416(i) of the Code without regard to paragraph (5) thereof) of a corporation any stock of which is publicly traded on an established securities market or otherwise, as determined under Section 409A(a)(2)(B)(i) of the Code and the Treasury Regulations thereunder.

(c) The requirement of paragraph (a)(vi) shall be met only if, as determined under Treasury Regulations under Section 409A(a)(2)(B)(ii) of the Code, the amounts distributed with respect to the unforeseeable emergency do not exceed the amounts necessary to satisfy such unforeseeable emergency plus amounts necessary to pay taxes reasonably anticipated as a result of the distribution, after taking into account the extent to which such unforeseeable emergency is or may be relieved through reimbursement or compensation by insurance or otherwise or by liquidation of the Participant's assets (to the extent the liquidation of such assets would not itself cause severe financial hardship).

(d) For purposes of this Section, the terms specified therein shall have the respective meanings ascribed thereto under Section 409A of the Code and the Treasury Regulations thereunder.

15.3 Prohibition on Acceleration of Benefits. The time or schedule of any distribution or payment of any shares of Stock or other property or amounts under a Section 409A Award shall not be accelerated, except as otherwise permitted under Section 409A(a)(3) of the Code and the Treasury Regulations thereunder.

15.4 Elections under Section 409A Awards.

(a) Any deferral election provided under or with respect to an Award to any Eligible Individual, or to the Participant holding a Section 409A Award,

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shall satisfy the requirements of Section 409A(a)(4)(B) of the Code, to the extent applicable, and, except as otherwise permitted under paragraph (i) or (ii) below, any such deferral election with respect to compensation for services performed during a taxable year shall be made not later than the close of the preceding taxable year, or at such other time as provided in Treasury Regulations.

(i) In the case of the first year in which an Eligible Individual or a Participant holding a Section 409A Award, becomes eligible to participate in the Plan, any such deferral election may be made with respect to services to be performed subsequent to the election with thirty days after the date the Eligible Individual, or the Participant holding a Section 409A Award, becomes eligible to participate in the Plan, as provided under Section 409A(a)(4)(B)(ii) of the Code.

(ii) In the case of any performance-based compensation based on services performed by an Eligible Individual, or the Participant holding a Section 409A Award, over a period of at least twelve months, any such deferral election may be made no later than six months before the end of the period, as provided under Section 409A(a)(4)(B)(iii) of the Code.

(b) In the event that a Section 409A Award permits, under a subsequent election by the Participant holding such Section 409A Award, a delay in a distribution or payment of any shares of Stock or other property or amounts under such Section 409A Award, or a change in the form of distribution or payment, such subsequent election shall satisfy the requirements of Section 409A(a)(4)(C) of the Code, and:

(i) such subsequent election may not take effect until at least twelve months after the date on which the election is made,

(ii) in the case such subsequent election relates to a distribution or payment not described in Section 10.2(a)(ii), (iii) or (vi), the first payment with respect to such election may be deferred for a period of not less than five years from the date such distribution or payment otherwise would have been made, and

(iii) in the case such subsequent election relates to a distribution or payment described in Section 10.2(a)(iv), such election may not be made less than twelve months prior to the date of the first scheduled distribution or payment under Section 10.2(a)(iv).

15.5 Compliance in Form and Operation. A Section 409A Award, and any election under or with respect to such Section 409A Award, shall comply in form and operation with the requirements of Section 409A of the Code and the Treasury Regulations thereunder.

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ARTICLE 16

GENERAL PROVISIONS

16.1 No Rights to Awards. No Eligible Individual or other person shall have any claim to be granted any Award pursuant to the Plan, and neither the Company nor the Committee is obligated to treat Eligible Individuals, Participants or any other persons uniformly.

16.2 No Stockholders Rights. The recipient of any award under the Plan shall have no rights as a shareholder with respect thereto unless and until certificates for shares of Common Stock are issued to him or her.

16.3 Withholding. The Company or any Subsidiary shall have the authority and the right to deduct or withhold, or require a Participant to remit to the Company, an amount sufficient to satisfy federal, state, local and foreign taxes (including the Participant's FICA obligation) required by law to be withheld with respect to any taxable event concerning a Participant arising as a result of this Plan. The Committee may in its discretion and in satisfaction of the foregoing requirement allow a Participant to elect to have the Company withhold shares of Stock otherwise issuable under an Award (or allow the return of shares of Stock) having a Fair Market Value equal to the sums required to be withheld. Notwithstanding any other provision of the Plan, the number of shares of Stock which may be withheld with respect to the issuance, vesting, exercise or payment of any Award (or which may be repurchased from the Participant of such Award within six months (or such other period as may be determined by the Committee) after such shares of Stock were acquired by the Participant from the Company) in order to satisfy the Participant's federal, state, local and foreign income and payroll tax liabilities with respect to the issuance, vesting, exercise or payment of the Award shall be limited to the number of shares which have a Fair Market Value on the date of withholding or repurchase equal to the aggregate amount of such liabilities based on the minimum statutory withholding rates for federal, state, local and foreign income tax and payroll tax purposes that are applicable to such supplemental taxable income.

16.4 No Right to Employment or Services. Nothing in the Plan or any Award Agreement shall interfere with or limit in any way the right of the Company or any Subsidiary to terminate any Participant's employment or services at any time, nor confer upon any Participant any right to continue in the employ or service of the Company or any Subsidiary.

16.5 Unfunded Status of Awards. The Plan is intended to be an "unfunded" plan for incentive compensation. With respect to any payments not yet made to a Participant pursuant to an Award, nothing contained in the Plan or any Award Agreement shall give the Participant any rights that are greater than those of a general creditor of the Company or any Subsidiary.

16.6 Indemnification. To the extent allowable pursuant to applicable law, each member of the Committee or of the Board shall be indemnified and held harmless by the Company from any loss, cost, liability, or expense that may be imposed upon or reasonably incurred by such member in connection with or resulting from any claim, action, suit, or proceeding to which he or she may be a party or in which he or she may be involved by reason of any action or failure to act pursuant to the Plan and against and from any and all amounts paid by him

or her in satisfaction of judgment in such action, suit, or proceeding against him or her; provided he or she gives the Company an opportunity, at its own expense, to handle and defend the same before he or she undertakes to handle and defend it on his or her own behalf. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such persons may be entitled pursuant to the Company's Certificate of Incorporation or Bylaws, as a matter of law, or otherwise, or any power that the Company may have to indemnify them or hold them harmless.

16.7 Relationship to other Benefits. No payment pursuant to the Plan shall be taken into account in determining any benefits pursuant to any pension, retirement, savings, profit sharing, group insurance, welfare or other benefit plan of the Company or any Subsidiary except to the extent otherwise expressly provided in writing in such other plan or an agreement thereunder.

16.8 Expenses. The expenses of administering the Plan shall be borne by the Company and its Subsidiaries.

16.9 Titles and Headings. The titles and headings of the Sections in the Plan are for convenience of reference only and, in the event of any conflict, the text of the Plan, rather than such titles or headings, shall control.

16.10 Fractional Shares. No fractional shares of Stock shall be issued and the Committee shall determine, in its discretion, whether cash shall be given in lieu of fractional shares or whether such fractional shares shall be eliminated by rounding up or down as appropriate.

16.11 Limitations Applicable to Section 16 Persons. Notwithstanding any other provision of the Plan, the Plan, and any Award granted or awarded to any Participant who is then subject to Section 16 of the Exchange Act, shall be subject to any additional limitations set forth in any applicable exemptive rule under Section 16 of the Exchange Act (including any amendment to Rule 16b-3 of the Exchange Act) that are requirements for the application of such exemptive rule. To the extent permitted by applicable law, the Plan and Awards granted or awarded hereunder shall be deemed amended to the extent necessary to conform to such applicable exemptive rule.

16.12 Government and Other Regulations. The obligation of the Company to make payment of awards in Stock or otherwise shall be subject to all applicable laws, rules, and regulations, and to such approvals by government agencies as may be required. The Company shall be under no obligation to register pursuant to the Securities Act of 1933, as amended, any of the shares of Stock paid pursuant to the Plan. If the shares paid pursuant to the Plan may in certain circumstances be exempt from registration pursuant to the Securities Act of 1933, as amended, the Company may restrict the transfer of such shares in such manner as it deems advisable to ensure the availability of any such exemption.

16.13 Governing Law. The Plan and all Award Agreements shall be construed in accordance with and governed by the laws of the State of Utah.

* * * * *

I hereby certify that the foregoing Plan was duly adopted by the Board of Directors of USANA Health Sciences, Inc. on _____, 2006.

* * * * *

I hereby certify that the foregoing Plan was approved by the stockholders of USANA Health Sciences, Inc. on _____, 2006.

Executed on this ____ day of _____, 2006.
