

USANA HEALTH SCIENCES INC  
Form DEF 14A  
March 14, 2006  
UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**SCHEDULE 14A**

Proxy Statement Pursuant to Section 14(a) of  
the Securities Exchange Act of 1934 (Amendment No. )

Filed by the Registrant  x

Filed by a Party other than the Registrant  o

Check the appropriate box:

- o Preliminary Proxy Statement
- o **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- x Definitive Proxy Statement
- o Definitive Additional Materials
- o Soliciting Material Pursuant to §240.14a-12

**USANA Health Sciences, Inc.**

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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- x No fee required.
- o Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
 

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3838 West Parkway Boulevard  
Salt Lake City, Utah 84120-6336  
(801) 954-7100

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS  
TO BE HELD APRIL 19, 2006**

Dear Shareholder:

You are invited to attend the Annual Meeting of Shareholders of USANA Health Sciences, Inc., to be held at its corporate headquarters, 3838 West Parkway Boulevard, Salt Lake City, Utah on Wednesday, April 19, 2006 at 11:00 a.m., Mountain Daylight Time, for the following purposes:

1. To elect five directors to serve for one year each, until the next Annual Meeting of Shareholders and until a successor is elected and shall qualify;
2. To ratify the selection of Grant Thornton LLP as USANA's independent public accountants;
3. To approve the Company's 2006 Equity Incentive Award Plan;
4. To approve an amendment to the Company's Articles of Incorporation to include a provision limiting the liability of directors to the Company for monetary damages;
5. To approve an amendment to the Company's Articles of Incorporation to include a provision indemnifying the Company's officers and directors against expenses and costs incurred by such persons in connection with certain legal proceedings; and
6. To consider and act upon such other business as may properly come before the meeting or at any postponement or adjournment thereof.

Only USANA shareholders of record at the close of business on March 3, 2006, have the right to receive notice of, and to vote at, the Annual Meeting of Shareholders and any adjournment thereof. A list of shareholders entitled to receive notice and to vote at the meeting will be available for examination by a shareholder for any purpose germane to the meeting during ordinary business hours at the offices of USANA at 3838 West Parkway Boulevard, Salt Lake City, Utah, during the 10 days prior to the meeting.

**YOUR VOTE IS IMPORTANT. WHETHER OR NOT YOU EXPECT TO ATTEND THE MEETING, YOU ARE REQUESTED TO SIGN, DATE AND RETURN THE ENCLOSED PROXY CARD AS PROMPTLY AS POSSIBLE IN THE ENCLOSED STAMPED ENVELOPE.**

By Order of the Board of Directors,

Gilbert A. Fuller  
Corporate Secretary

Salt Lake City, Utah  
March 14, 2006



**USANA HEALTH SCIENCES, INC.  
ANNUAL MEETING OF SHAREHOLDERS  
PROXY STATEMENT**

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**PROXY STATEMENT  
FOR THE ANNUAL MEETING OF SHAREHOLDERS  
TO BE HELD APRIL 19, 2006**

The Board of Directors of USANA Health Sciences, Inc. ( We, USANA or the Company ) is soliciting proxies to be used at the 2006 Annual Meeting of Shareholders ( Annual Meeting ). Distribution of this Proxy Statement and proxy form is scheduled to begin on or about March 20, 2006. The mailing address of USANA 's principal executive offices is 3838 West Parkway Boulevard, Salt Lake City, Utah 84120-6336. If you attend the Annual Meeting, you may withdraw your prior vote by personally voting on any matters brought properly before the meeting. USANA will pay all expenses of the meeting, including the cost of printing and mailing the proxy statement and other materials and the solicitation process.

**QUESTIONS AND ANSWERS**

*Why did I receive this proxy statement? We have sent you the Notice of Annual Meeting of Shareholders and this Proxy Statement and the enclosed proxy or voting instruction card because the USANA Board of Directors is soliciting your proxy to vote at our Annual Meeting on April 19, 2006. The Proxy Statement contains information about matters to be voted on at the Annual Meeting.*

*Who is entitled to vote? You may vote if you owned common stock as of the close of business on March 3, 2006. On March 3, 2006, there were 18,499,698 shares of our common stock outstanding and entitled to vote at the Annual Meeting.*

*How many votes do I have? Each share of common stock that you own at the close of business on March 3, 2006 entitles you to one vote.*

*What am I voting on? You will be voting on proposals to:*

- *Elect five directors to serve for one year each, until the next Annual Meeting of Shareholders and until a successor is elected and shall qualify;*
- *Ratify the selection of Grant Thornton LLP as USANA 's independent public accountants;*
- *Approve the Company 's 2006 Equity Incentive Award Plan;*
- *Approve an amendment to the Company 's Articles of Incorporation that will add a new Article V 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 );*
- *Approve an amendment to the Company 's Articles of Incorporation that will add a new Article VI 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 ); and*

- *Consider and act upon such other business as may properly come before the meeting or at any postponement or adjournment thereof.*

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*How do I vote? You can vote in the following ways:*

- **By Mail:** *If you are a holder of record, you can vote by marking, dating and signing your proxy card and returning it by mail in the enclosed postage-paid envelope. If you hold your shares in street name, please complete and mail the voting instruction card.*
- **At the Annual Meeting:** *If you are planning to attend the Annual Meeting and wish to vote your shares in person, we will give you a ballot at the meeting. If your shares are held in street name, you need to bring an account statement or letter from your broker, bank or other nominee indicating that you are the beneficial owner of the shares on March 3, 2006, the record date for voting. **Even if you plan to be present at the meeting, we encourage you to complete and mail the enclosed card to vote your shares by proxy.***

*What if I return my proxy or voting instruction card but do not mark it to show how I am voting? Your shares will be voted according to the instructions you have indicated on your proxy or voting instruction card. You can specify whether your shares should be voted for all, some or none of the nominees for director. You can also specify whether you approve, disapprove or abstain from the other proposals. If no direction is indicated, your shares will be voted **FOR** the election of all of the nominees for director, **FOR** the ratification of the selection of Grant Thornton as our independent public accountants, **FOR** the proposal to approve the Company's 2006 Equity Incentive Award Plan, **FOR** approval of the Liability Amendment and **FOR** approval of the Indemnification Amendment.*

*May I change my vote after I return my proxy card or voting instruction card? You may revoke your proxy or change your vote at any time before it is exercised in one of three ways:*

- *Notify our Corporate Secretary in writing before the Annual Meeting that you are revoking your proxy;*
- *Submit another proxy card (or voting instruction card if you hold your shares in street name) with a later date; or*
- *Vote in person on Wednesday, April 19, 2006 at the Annual Meeting.*

*What does it mean if I receive more than one proxy or voting instruction card? It means that you have multiple accounts at the transfer agent and/or with banks and stockbrokers. Please vote all of your shares by returning all proxy and voting instruction cards you receive.*

*What constitutes a quorum? A quorum must be present to properly convene the Annual Meeting. The presence, in person or by proxy, of the holders of a majority of the outstanding shares entitled to vote at the Annual Meeting constitutes a quorum. You will be considered part of the quorum if you return a signed and dated proxy or voting instruction card or if you attend the Annual Meeting. Abstentions and broker non-votes are counted as shares present at the meeting for purposes of determining whether a quorum exists but not as shares cast for any proposal. Because abstentions and broker non-votes are not treated as shares cast, they would have no impact on any of the proposals.*

*What vote is required in order to approve each proposal? The required vote is as follows:*

***Election of Directors:** The election of the nominees for director requires the affirmative vote of a plurality of the shares cast at the Annual Meeting. This means that the nominees receiving the greatest number of votes in favor of their election will be elected, even if they receive less than a majority of such votes. If you do not want to vote your shares for a particular nominee, you may indicate that in the space provided on the proxy card or the voting instruction card. In the unanticipated event that any of the nominees is unable or declines to serve, the proxy holder will have the discretion to vote the proxy for another person as shall be designated by the Board of Directors to replace the nominee, or in lieu thereof, the Board may reduce the number of directors.*



*Ratification of the Selection of Independent Public Accountants: Ratification of the selection of Grant Thornton as our independent public accountants requires the affirmative vote of a majority of the shares cast at the Annual Meeting. If the shareholders do not ratify the appointment of Grant Thornton, the Audit Committee of the Board of Directors may, but is not required to, reconsider the appointment.*

*Approval of the Company s 2006 Equity Incentive Award Plan: The affirmative vote of a majority of the votes cast on the matter is required to approve the Company s 2006 Equity Incentive Award Plan.*

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*Proposal to approve the Liability Amendment: The affirmative vote of a majority of the votes cast on the matter is required to approve the Liability Amendment.*

*Proposal to approve the Indemnification Amendment: The affirmative vote of a majority of the votes cast on the matter is required to approve the Indemnification Amendment.*

*How will voting on any other business be conducted? We do not know of any business or proposals to be considered at the Annual Meeting other than those described in this Proxy Statement. If any other business is proposed and we decide to allow it to be presented at the Annual Meeting, the proxies received from our shareholders give the proxy holders the authority to vote on the matter according to their best judgment.*

*Who will count the votes? Investor Communications Services will tabulate the votes received prior to the Annual Meeting. Representatives of USANA will act as the inspectors of election and will tabulate the votes cast at the Annual Meeting.*

*Who pays to prepare, mail, and solicit the proxies? We will pay all of the costs of soliciting proxies. We will ask banks, brokers, and other nominees and fiduciaries to forward the proxy materials to the beneficial owners of our common stock and to obtain the authority of executed proxies. We will reimburse them for their reasonable expenses. In addition to the use of mail, proxies may be solicited by our officers, directors, and other employees by telephone or personal solicitation. We will not pay additional compensation to these individuals.*

*How do I submit a shareholder proposal for next year's Annual Meeting? Any shareholder who intends to present a proposal at the 2007 Annual Meeting of Shareholders must deliver the proposal to the Corporate Secretary, c/o USANA Health Sciences, Inc., 3838 West Parkway Blvd., Salt Lake City, Utah 84120, not later than December 15, 2006, if the proposal is submitted for inclusion in our proxy materials for that meeting pursuant to Rule 14a-8 under the Securities Exchange Act of 1934.*

*Who should I call if I have questions? If you have questions about the proposals or the Annual Meeting, you may call Riley Timmer, USANA Investor Relations, at (801) 954-7100. You may also send an e-mail to [investor.relations@us.usana.com](mailto:investor.relations@us.usana.com).*

#### **PROPOSAL #1 ELECTION OF DIRECTORS**

USANA's Bylaws provide that the shareholders or the Board of Directors shall determine the number of directors from time to time, but that there shall be no less than three. The Board of Directors currently has five members. The Board of Directors has nominated five directors to stand for re-election at the Annual Meeting. Each director elected at the Annual Meeting will hold office until the Annual Meeting in 2007, until a successor is elected and qualified, or until the director resigns, is removed or becomes disqualified. The Board of Directors has no reason to believe that any of the nominees for director will be unwilling or unable to serve if elected. If due to unforeseen circumstances a nominee should become unavailable for election, the Board may either reduce the number of directors or substitute another person for the nominee, in which event your shares will be voted for that other person.

#### **Director Nominees**

The nominees to the Board of Directors in 2006 are Robert Anciaux, Jerry G. McClain, Ronald S. Poelman, Denis E. Waitley, Ph.D., and Myron W. Wentz, Ph.D. All of these nominees currently serve as members of the Board of Directors. Messrs. Anciaux, McClain, and Poelman are independent directors under Nasdaq rules. The following information is furnished with respect to these nominees:

**Robert Anciaux**, 60, has served as a director of USANA since July 1996. Since 1990 he has been the Managing Director of S.E.I. s.a., a consulting and investment management firm in Brussels, Belgium. From 1982 to 1990, Mr. Anciaux

was self-employed as a venture capitalist in Europe, investing in various commercial, industrial and real estate venture companies. In some of these privately held companies, Mr. Anciaux also serves as a director. Mr. Anciaux received an Ingenieur Commercial degree from Ecole de Commerce Solvay Universite Libre de Bruxelles.

**Jerry G. McClain**, 65, has served as a director of USANA since June 2001. Since January 2003, Mr. McClain has been self-employed, operating his own investment and real estate business in Salt Lake

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City, Utah. From August 2000 to December 2002, Mr. McClain was the Chief Financial Officer of Cerberian, Inc., a privately held company headquartered in Salt Lake City, Utah. From 1998 to 2000, Mr. McClain was the Chief Financial Officer and Sr. Vice President of Assentive Solutions, Inc., a company he also co-founded. From 1997 to 1998, Mr. McClain was the Chief Financial Officer for the Salt Lake Organizing Committee for the 2002 Winter Olympic Games. Before 1997, Mr. McClain served as a key financial advisor to many companies as a Senior Partner of Ernst & Young LLP, where for 35 years he served in several cities throughout the world. Mr. McClain is a CPA and a graduate from the University of Southern Mississippi and Oklahoma State University, where he received a B.S. in Accounting and an M.S. in Accounting, respectively.

**Ronald S. Poelman**, 52, has served as a director of USANA since 1995. Since 1994, he has been a partner in the Salt Lake City, Utah law firm of Jones, Waldo, Holbrook & McDonough, where he is head of the Business Department. Mr. Poelman began his legal career in Silicon Valley in California, and has assisted in the organization and financing of numerous companies over the past 20 years. Mr. Poelman is a founding officer of the Utah Chapter of the National Association of Corporate Directors and frequently lectures at the meetings of this organization. Mr. Poelman received a B.A. in English from Brigham Young University and a J.D. from the University of California, Berkeley.

**Denis E. Waitley, Ph.D.**, 72, has served as a director of USANA since May 2000. Dr. Waitley has also served as a consultant to and a spokesperson for USANA since September 1996. Since 1980, Dr. Waitley has been President of the Waitley Institute, a corporate leadership-training firm he founded to provide professional and personal development skills for business executives. Dr. Waitley also serves as President of International Learning Technologies, Inc., a company he founded in 1989 that produces educational audio/visual materials for companies and individuals. During the 1980 s, Dr. Waitley served as Chairman of Psychology for the U.S. Olympic Committee s Sports Medicine Council. He is the author of several national best selling non-fiction books and audio programs on personal excellence. Dr. Waitley received a B.S. from the U.S. Naval Academy at Annapolis, an M.A. in Organizational Development from the Naval Post Graduate School in Monterrey, California, and a Ph.D. in Human Behavior from La Jolla University.

**Myron W. Wentz, Ph.D.**, 65, founded USANA in 1992 and has served as the Chief Executive Officer and Chairman of the Board of USANA since its inception. In 1974, Dr. Wentz founded Gull Laboratories, Inc., a developer and manufacturer of medical diagnostic test kits and the former parent of USANA. Dr. Wentz served as Chairman of Gull from 1974 until 1998. In 1998, Dr. Wentz founded Sanoviv, S.A. de C.V. ( Sanoviv ), a health and wellness center located near Rosarito, Mexico. From 1969 to 1973, Dr. Wentz served as Director of Microbiology for Methodist Medical Center, Proctor Community Hospital, and Pekin Memorial Hospital, all of which are located in Peoria, Illinois. Dr. Wentz received a B.S. in Biology from North Central College, Naperville, Illinois, an M.S. in Microbiology from the University of North Dakota, and a Ph.D. in Microbiology and Immunology from the University of Utah.

We will vote your shares as you specify in your proxy. If you sign, date and return your proxy but do not specify how you want your shares voted, we will vote them FOR the election of each of the director nominees listed above.

#### **RECOMMENDATION**

**The Board of Directors unanimously recommends a vote FOR each director nominee.**

#### **BOARD OF DIRECTORS**

The Board of Directors is elected by and accountable to the shareholders of the Company. The Board establishes policy and provides strategic direction, oversight, and control of the Company. The Board met four times during 2005. All directors attended at least 75% of the meetings of the Board and the Board Committees of which they are members.



***Director Independence***

We assess director independence on an annual basis. The Board has determined, after careful review, that each member of the Audit Committee is independent, and that three of the five members of the Board of Directors nominated for election are independent under applicable listing standards of Nasdaq.

***Shareholder Communications with Directors***

The Board of Directors has not established a formal process for shareholders to follow to send communications to the Board or its members, as the Company's policy has been to forward to the directors any shareholder correspondence it receives that is addressed to them. Shareholders who wish to communicate with the directors may do so by sending their correspondence addressed to the director or directors at the Company's headquarters at 3838 West Parkway Blvd., Salt Lake City, Utah 84120-6336.

Directors are encouraged by the Company to attend the Annual Meeting of Shareholders if their schedules permit. All directors except Robert Anciaux were present at the Annual Meeting of the Shareholders held in April 2005.

***Committees of the Board of Directors***

The Board of Directors has a standing Audit Committee, Compensation Committee, and Governance and Nominating Committee. All members of the Audit Committee, Compensation Committee, and Governance and Nominating Committee meet the definition of "independent" set forth in the listing standards of the Nasdaq.

***Governance and Nominating Committee.*** The Governance and Nominating Committee of the Board of Directors ( "Nominating Committee" ) was established in February 2004. The Governance and Nominating Committee met two times during 2005. Members of the Nominating Committee during fiscal 2005 and at the date of this Proxy Statement are Robert Anciaux and Ronald S. Poelman, both of whom meet the definition of "independent" set forth in the listing standards of the Nasdaq. A written charter has been adopted for the Nominating Committee and can be accessed electronically in the "Corporate Governance" section on the "Investors" page of our website at [www.usanahealthsciences.com](http://www.usanahealthsciences.com). The Nominating Committee's responsibilities include: (i) identifying and evaluating prospective nominees for director, (ii) recommending to the Board of Directors the director nominees for the next annual meeting of shareholders, (iii) periodically reviewing the performance of the Board and its members and determining the number, function, and composition of the Board's committees, and (iv) overseeing governance matters.

The Nominating Committee believes that the Company's Board of Directors should be composed of directors with varied, complementary backgrounds, and that directors should, at a minimum, have expertise that may be useful to the Company. Directors should also possess the highest personal and professional ethics and should be willing and able to devote the required amount of time to Company business. In determining whether a director should be retained and stand for re-election, the Nominating Committee also considers that member's performance and contribution to the Board during his or her tenure with the Board.

The independent directors may from time to time consider qualified nominees recommended by shareholders, who may submit recommendations to the independent directors through a written notice as described under "How do I submit a shareholder proposal for next year's Annual Meeting" on page 5 of this Proxy Statement. Nominees for director who are recommended by shareholders will be evaluated in the same manner as any other nominee for director.

*Audit Committee.* The Audit Committee of the Board of Directors ( *Audit Committee* ) is a separately designated standing committee of the Board, established pursuant to Section 3(a)(58)(A) of the Securities Exchange Act of 1934. The Audit Committee met five times during 2005. Members of the Audit Committee during fiscal 2005 and at the date of this Proxy Statement are Ronald S. Poelman, Chairman, Robert Anciaux, and Jerry G. McClain, each of whom meets the definition of *independent* set forth in the listing standards of Nasdaq. The Board has determined that Mr. McClain is an *audit committee financial expert*, as defined by Item 401 under Regulation S-K promulgated by the Securities and Exchange Commission. A written charter has been adopted for the Audit Committee and can be accessed electronically in the *Corporate Governance* section on the *Investors* page of our website at [www.usanahealthsciences.com](http://www.usanahealthsciences.com). We believe that the charter complies with the current requirements of Nasdaq regarding audit committee charters. The Audit Committee's responsibilities include: (i) appointing the independent public accountants of the Company, (ii) reviewing and approving the scope and cost of proposed audit and non-audit services provided by, as well as the qualifications and independence of, the independent auditors, (iii) reviewing with the independent auditors and internal audit staff the results of audits, any recommendations from and the status of management's actions for implementing such recommendations, as well as the quality and adequacy of our internal financial controls and internal audit staff, and (iv) reviewing annual and quarterly financial statements and the status of material pending litigation and regulatory proceedings.

*Compensation Committee.* The Compensation Committee of the Board of Directors ( *Compensation Committee* ) met six times during 2005. Members of the Compensation Committee during fiscal 2005 and at the date of this Proxy Statement are Robert Anciaux, Chairman, Jerry G. McClain, and Ronald S. Poelman, each of whom meets the definition of *independent* set forth in the listing standards of Nasdaq. A written charter has been adopted for the Compensation Committee and can be accessed electronically in the *Corporate Governance* section on the *Investors* page of our website at [www.usanahealthsciences.com](http://www.usanahealthsciences.com). The Compensation Committee's responsibilities include: (i) reviewing and recommending to the full Board of Directors the salaries, bonuses, and other forms of compensation and benefit plans for management, and (ii) administering USANA's equity compensation plans. Among other things, the duties of the Compensation Committee as the administrator of those plans include, but are not limited to, determining those persons who are eligible to receive awards, establishing terms of all awards, authorizing officers of the Company to execute grants of awards, and interpreting the provisions of the Plan and grants made under the Plan.

#### *Compensation of Directors*

In June 2005, the Board of Directors solicited an outside compensation consultant to advise and make recommendations regarding the compensation payable to non-employee directors. Commencing January 1, 2006, each such director began receiving an annual cash retainer of \$35,000. The chair of the Company's Audit Committee also receives an additional annual cash retainer of \$20,000. The chair of the Compensation Committee receives an annual cash retainer of \$10,000 and the chair of the Governance and Nominating Committee receives an annual cash retainer of \$5,000. Each committee member, other than the chair, receives an annual cash retainer of: \$10,000 for the Audit Committee, \$5,000 for the Compensation Committee, and \$2,500 for the Governance and Nominating Committee. Each of the retainers described above are payable quarterly in arrears. We also reimburse all directors for their out-of-pocket expenses incurred in connection with their service as directors, which include travel, lodging, and related expenses from attending or participating in meetings of the shareholders, Board of Directors, and committees of the Board.

Effective following the 2006 annual meeting of shareholders, each non-employee director will receive annual equity compensation with a notional value of \$55,000. Each such grant is payable in either deferred stock units or stock-settled SAR's and will be granted within five business days of the annual meeting of shareholders. The notional value is calculated using a Black-Scholes or equivalent model.

*Our Bylaws provide that individuals serving as directors or officers of the Company will not incur personal liability for actions taken during their service and that the Company will indemnify its directors and officers against claims related to their service as directors or officers. The Company has purchased insurance against obligations it might incur as a result of its indemnification of officers and directors for certain liabilities they might incur and insuring such officers and directors for additional liabilities against which they might not be indemnified by USANA. The policy also provides insurance for our own liabilities in certain circumstances.*

## **PROPOSAL #2 RATIFICATION OF SELECTION OF INDEPENDENT PUBLIC ACCOUNTANTS**

The Audit Committee of the Board of Directors has selected Grant Thornton LLP as the independent public accountants to audit the financial statements of the Company and its subsidiaries for the fiscal year ending December 30, 2006. Grant Thornton has served as the Company's independent public accountants since the fiscal year ended December 31, 1995 and audited the financial statements of the Company for the years ended December 31, 2005 and January 1, 2005. While ratification of the selection of accountants by the shareholders is not required and is not binding upon the Audit Committee or the Company, in the event of a negative vote on such ratification, the Audit Committee might choose to reconsider its selection.

### ***Independence***

Grant Thornton has advised us that it has no direct or indirect financial interest in the Company or any of its subsidiaries, and that it has had, during the last three years, no connection with the Company or any of its subsidiaries other than as independent auditors, or in connection with certain other activities as described below.

### ***Financial Statements and Reports***

The financial statements of the Company for the year ended December 31, 2005, and report of the independent auditors will be presented at the Annual Meeting. Grant Thornton will have a representative present at the meeting who will have an opportunity to make a statement if he or she so desires and to respond to appropriate questions from shareholders.

### ***Services***

During fiscal years 2005 and 2004, Grant Thornton provided services consisting of the audit of the annual consolidated financial statements of the Company, review of the quarterly financial statements, stand-alone audits of subsidiaries, accounting consultations and consents and other services related to SEC filings and registration statements filed by the Company and its subsidiaries, and other pertinent matters. Grant Thornton also provided other services to the Company in fiscal years 2005 and 2004, consisting primarily of tax consultation and related services. Grant Thornton did not perform any financial information systems design and implementation services for the Company for the fiscal years 2005 and 2004.

The Audit Committee has considered whether the provision of non-audit services is compatible with maintaining Grant Thornton's independence. Prior to the performance of any services, the Audit Committee approves all audit and non-audit related services to be provided by the Company's independent auditor and the fees to be paid therefore. Although the Sarbanes-Oxley Act of 2002 permits the Audit Committee to pre-approve some types or categories of services to be provided by the auditors, it is the current practice of the Audit Committee to specifically approve all services provided by the auditors in advance, rather than to pre-approve, generally, any type of service.



## Edgar Filing: USANA HEALTH SCIENCES INC - Form DEF 14A

The following table summarizes the fees paid to Grant Thornton during fiscal years 2005 and 2004.

<b>Type of Service and Fee</b>	<b>Fiscal 2005</b>	<b>Fiscal 2004</b>
Audit Fees	\$ 507,849	\$ 588,462
Audit Related Fees	1,780	20,773
Tax Fees	113,631	38,037
All Other Fees	3,467	110,054