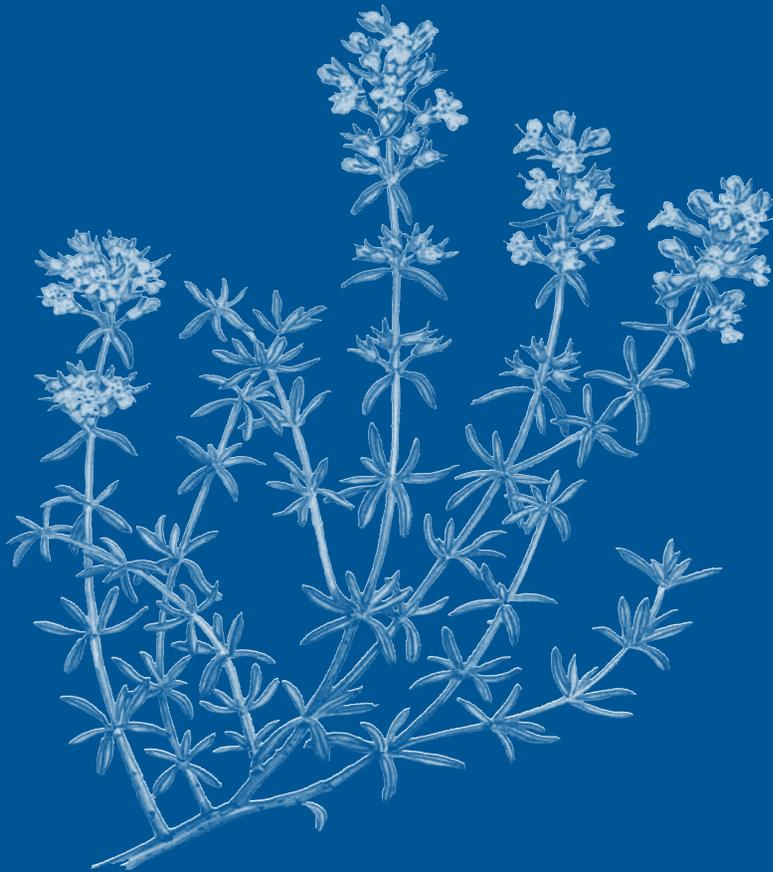


Policies & Procedures



Nature's Sunshine Products

REAL **Results**
REAL **Rewards**
REAL **Relationships**

Nature's Sunshine Products, Inc. (NSP) has established the following "Policies and Procedures" to ensure the appropriate, efficient and ethical operation of your independent NSP business or Membership (as defined below). These Policies and Procedures apply in the U.S. Additional or other policies and procedures may apply in other countries.

The Member Agreement, these Policies and Procedures and any related documents will be interpreted under Utah law. In the event of conflict between the English version of the Member Agreement or these Policies and Procedures and any related documents, and any foreign language version of the Member Agreement or Policies and Procedures and any related documents, the English version shall control.

These Policies and Procedures are effective from January 1, 2010. Any provision or cause of dealing established under a previous version of these Policies and Procedures is no longer valid or recognized by NSP as of the date above. These Policies and Procedures may be amended from time to time. Therefore, the most current Policies and Procedures will be found on NSP's corporate website at www.naturesunshine.com. The online version of the Policies and Procedures will supersede all other versions. Additional or varying terms may also apply in certain jurisdictions based on legal or operating requirements specific to the particular jurisdiction.

Definitions

In these Policies and Procedures, the following terms shall have the meanings specified below:

"Manager" means a Member who has attained and maintained prescribed product sales milestones.

"Member" means a person who is duly

authorized to purchase NSP products at direct cost, may distribute NSP products as an independent contractor of NSP and whose Membership Application has been accepted by NSP and remains in good standing. Members are not employees of NSP.

"Membership" means and only includes the NSP distributorship of a Member. Neither the term "Membership" nor the terms "Member" or "Members" shall connote any right or interest in NSP, its products or anything other than the right to distribute NSP products.

"Membership Agreement" means the binding contract between the Member and NSP governing such Member's Membership.

"Membership Application" means the Membership application to be submitted to NSP and which is subject to acceptance or rejection by NSP.

"Sponsor" means a Member who personally recruits a new Member to enter into the first Member Agreement with NSP.

"Home Office" means the Nature's Sunshine Products, Inc. corporate office located at 75 East 1700 South, Provo, Utah, 84606.

"Marketing Plan(s)" means Classic and Legacy (see pg. 7). Both plans allow a Member to purchase our premium-quality health supplements at wholesale; to build a business; to earn rebates, commissions and overrides; and to attend company-sponsored events and educational meetings.

Member Placement Program

NSP's Member Placement Program allows Members and Managers to place new sign-ups strategically under another Member or Manager within their group or outside of their group without forfeiting sign-up bonuses (based on product sales). This helps build depth in a group and still reward those that "find" and "sponsor" new Members.

How It Works:

1. Call Order Sales at 1-800-453-1422,

or go to www.naturessunshine.com with the sign-up information.

2. Provide Order Sales with the account number of the person who will be listed as the Sponsor of the new Member.

3. Provide Order Sales with the account number of the "Finder," i.e., the person who will receive all of the special sign-up bonuses with respect to the new Member, but who will NOT be linked to the new sign-up as his or her direct Sponsor.

If you have any questions about this program, please contact NSP Customer Service at 1-800-223-8225.

The Code of Ethics

All Members agree to conduct business as independent NSP product distributors, with honesty and fairness and in an ethical and professional manner at all times, and in accordance with these policies and procedures. Ethical violations by independent distributors damage the reputation of NSP. NSP reserves the right to impose corrective and protective measures as outlined in this document or otherwise available under applicable law.

NSP Members

NSP Members enjoy "direct" savings on their purchases of NSP products along with several other benefits. Memberships are granted on a 12-month basis only and must be renewed each year (see "Membership Renewal," pg. 5).

Member Benefits

If NSP approves a Member's Membership Application, the Member may immediately enjoy the benefits stipulated in the NSP Marketing Plan (Classic or Legacy). Those benefits include the ability to:

1. Purchase NSP products at direct cost from NSP Home Office or at direct cost plus 15 percent (the "Member to Member" cost) from his/her Sponsor or upline Manager.

2. Receive a monthly rebate check based on his/her qualification level and product purchases under NSP's Marketing Plans.

3. Attend training seminars upon payment of any applicable charges.

4. Participate in incentive contests sponsored by NSP for its Members.

5. Build a sales organization and progress within one of two Marketing Plans (see rebate schedules, pg. 7).

6. Sponsor other individuals into a Membership. Members may sponsor any customer requesting direct-cost purchasing privileges.

7. Sell NSP products and sponsor new Members in any territory or country (subject to international sponsoring regulations) consistent with applicable federal, state and local government laws and regulations (see pg. 21).

8. Enjoy the opportunity of attending NSP educational events.

Two Membership Plans

Nature's Sunshine offers two different Marketing Plans—Classic and Legacy (see pg. 7). Both plans allow a Member to purchase our premium-quality health supplements at wholesale; to build a business; to earn rebates, commissions and overrides; and to attend company-sponsored events and educational meetings.

The Classic Plan is designed for those who may wish to become a health consultant or sell products at retail. The Legacy Plan caters to those who wish to build a business by sponsoring others into their group and creating a business network. A new member joining NSP may choose either Marketing Plan. If a member later wishes to switch to the other plan, he/she may do so one time.

Terms and Conditions of Membership

1. Each Member is an independent contractor of NSP. Members are not employees, agents, partners, joint ventures or representatives of NSP, their Sponsor or of any other Member. Members are not entitled to claim unemployment or worker's compensation as a result of having been or being a Member. No Member is authorized to act on behalf of,

or to legally bind, NSP, his/her Sponsor or any other Member or individual.

2. NSP is not responsible for any tax or other withholdings for the Member. Each Member must promptly file all returns and reports required by taxing authorities and pay all taxes arising from or related to activities as a Member.

3. If a Member resigns or otherwise terminates his/her Membership, he/she must wait three months before being able to reapply for a Membership.

4. Changes in sponsorship of a Member are discouraged and may only be made by following the guidelines outlined under "Changing Sponsors—Members" on pg. 20.

5. Members must be at least 18 years of age. If a Membership is an entity, all controlling principals of the entity must be at least 18 years of age.

6. NSP requires no initial product or other order, purchase or payment, other than the applicable sign-up fees to become a Member.

7. Members may establish a retail outlet wherever they wish within the country of their Membership. Participants operating a retail store or on-premises sales site may sell to any customer from such store or site, regardless of where the customer resides in the U.S. NSP does not provide advice or recommendations or otherwise become involved in decisions regarding the location of retail outlets or kiosks.

Member Responsibilities

1. Within 10 days from the time the NSP Member Kit is delivered, Members must read the Policies and Procedures. During these 10 days, a Member may, in writing, request an explanation of any provision in the Policies and Procedures from NSP's Legal Department or express a desire to negotiate the same. During these 10 days, a Member may also notify NSP in writing that he/she wishes to reject the Member Agreement, and if rejected, the Membership Agreement will be terminated immediately. A full refund for any unopened products and

unused materials purchased from NSP can be obtained by promptly contacting NSP (see "Product Returns," pg. 30).

If a Member does not notify NSP that he/she rejects the Member Agreement within such 10 days, then the Member Agreement is deemed conclusively accepted. The Member understands and agrees that these Policies and Procedures become a part of the Member Agreement and become legally binding upon him/her. Members must comply with these Policies and Procedures, the Membership Application, the Member Agreement, NSP's Compensation Plans and any applicable U.S. and foreign laws. Members currently residing in Georgia, Louisiana, Massachusetts and Wyoming shall have the right to cancel their Membership for any reason, at any time, upon written notice to NSP. Members residing in Maryland and Puerto Rico shall have the right to cancel Memberships for any reason within three months after the date of receipt of goods or services first ordered from NSP.

2. Members should become familiar with and abide by all existing and future NSP policies and procedures. A Member may cancel his/her Membership within 30 days' receipt of notice of any new policy or procedure. If Membership is not cancelled within that period, Members will be deemed to have accepted the new policy and/or procedure and will be bound thereby from the date on which such policy/procedure was received.

3. Members must honestly and completely describe NSP products as food supplements or dietary supplements and never as medicines. Members must not make any medicinal or therapeutic claims.

4. Memberships operated through retail stores or kiosks must also provide interested customers with the opportunity to become Members.

5. Members should promptly discourage

and report to NSP any activity that would be injurious to NSP, the nutritional supplement and personal care products industry, or the direct sales industry.

Member Restrictions

Any violation of this Member Restrictions section may, at NSP's sole discretion, be grounds for termination of Membership for cause.

1. Members will not state, suggest or imply to individuals that NSP's Compensation Plans, NSP products or Memberships are approved, sponsored or endorsed by any state attorney general, government authority or agency or other third party. If a Member has questions concerning the Member Agreement or these Policies and Procedures, he/she should consult his/her attorney, who may contact NSP's Legal Department.

2. Members will not discredit or disparage NSP, its employees or any other Members in any way. Furthermore, a Member will not discredit or disparage NSP, its employees or another Member in an attempt to entice existing Members to become part of their own or another sales organization or terminate their Membership.

3. Members will not, directly or indirectly, sponsor or solicit other Members into any other network-marketing or direct-selling company.

4. Members will not sell any NSP products through any store that is franchised, owned or affiliated with a company whose stock is publicly traded, a national or regional chain store, or major retail outlet (such as GNC, Albertson's, Thrifty, Longs, etc.), or any Internet auction site, shopping site or order fulfillment store, including but not limited to, eBay®, eBay® Store, Amazon®, OrderDog™.com, OverStock®.com, etc. NSP products may not be sold through national or regional catalog sales.

5. There shall be no written or oral agreements or arrangements between

or among Members regarding the resale of NSP products, other than the Member Agreement. This includes but is not limited to agreements or arrangements regarding stores, "franchises" or similar arrangements, "business opportunities" offerings, mall or strip mall locations (carts, kiosks, etc.), assigned territories, cash, penalties or other considerations for setting up such locations, or purchasing NSP products or for stocking such locations.

6. Members will not encourage their downline or any other Member to make unnecessary product purchases that could result in a large, stagnant inventory. This is called "front-end loading" or "inventory loading" and refers to the purchase of products that are stored, destroyed or otherwise disposed of without being consumed or sold by a Member. NSP expects that its products will be consumed—not merely purchased and warehoused. Members and Managers must consume their products or sell their products to people who will consume them.

7. Members will not make any false or misleading claims or material omissions of relevant facts. Members must not make inappropriate or misleading claims or other misrepresentations of financial rewards, earnings, potential income or tax advantages of Membership. Members will not imply or assert that additional products, services or territories will be added until such fact has been officially announced by NSP to all Members.

8. Members will not promote another company or its products during or in connection with any NSP meeting or function, or any meeting or function sponsored by any Member for that Member's downline. Violation of this section may result in termination of a Membership.

9. A Member may not attempt to persuade other Members to change Sponsors or positions in the downline within NSP (i.e. "Downline Raiding"). Members

determined to be participating in these activities will be terminated.

10. Members will not make false or derogatory statements concerning the quality of a competitor's product or company.

11. No money should be paid to or accepted by any Sponsors or Managers except at the time of product delivery. Members should not advance money to any Sponsor or Manager, nor should money be held on deposit in anticipation of future deliveries.

12. Members of the same family unit—defined as a husband, wife and children living at the same address—may not have more than one Membership account. The Member Agreement is void if the Member or the family has previously signed up as a Member, unless that account is inactive and the Member has not ordered any products from NSP for at least 30 days.

13. Stacking is prohibited. Stacking is defined as use by a Member of one or more persons in the Member's downline, where the purpose of such persons is to ostensibly sell products and receive rebates or commissions based on those sales, but who, in reality, are not responsible for selling such products. Multiple family members in the same household sponsoring each other constitutes stacking. Stacking is against these Policies and Procedures and is a violation of federal and state law. The person(s) so used is/are "stacked" into the downline of the Member and is/are also participant(s) to fraudulent manipulation of the NSP rebate or commission system. Members may not have more than one NSP account. Participants must not falsely report the sales of others as their own. Evidence of stacking will result in immediate termination of the Membership for cause.

14. Synergy Worldwide (Synergy) is a wholly owned subsidiary of NSP. To protect the integrity of our separate marketing plans and the original downline organizations, it is imperative that Members/

Distributors of one company be prohibited from recruiting Members/Distributors of the other company. An NSP Member may not sign up with Synergy. Synergy policy states: "No Synergy Team Member may solicit, directly or indirectly, any distributor of NSP. Synergy shall terminate that Team Member's membership immediately upon written notice, either by fax, email or regular mail. Moreover, Synergy shall prohibit any distributor of NSP from becoming a Synergy Team Member."

Membership Renewal

Memberships are active for one year from the date of acceptance. Prior to the expiration of that year, NSP will notify the Member of the renewal deadline. To extend active Membership for another year, each Member must complete the renewal application and return it with the then-applicable renewal fee to NSP, or renew with a credit card through NSP's website, www.natur-essunshine.com, the Customer Service Department or Order Sales Department by the indicated deadline. If he/she chooses not to renew, the Membership account will become inactive. Currently, the renewal fee is \$40 and is subject to change.

NSP may, with good cause, refuse to renew a Membership. If NSP decides not to renew a Membership, NSP will send written notice to the last known address of the Member. For this purpose, good cause includes (but is not limited to):

1. Breach of any provision of these Policies and Procedures, the Member Agreement, the Membership Application and/or NSP's Compensation Plan.

2. Conduct by the Member (or any of its officers, agents or employees) that brings disrepute in any way upon NSP (or any of its officers, agents or employees), the nutritional supplement and personal care products industry, or the direct sales industry, or which, in NSP's sole discretion, is illegal, misleading, deceptive, fraudulent or

dishonest to customers, potential Members, Managers, NSP or its affiliates.

3. Violation of any law, regulation or ordinance.

Member Termination

NSP may, in its sole discretion, terminate, upon notice, the Membership of any Member who (i) breaches any provision of the Member Agreement, the Membership Application or these Policies and Procedures; (ii) engages in any conduct that may bring disrepute in any way to NSP (or any of its officers, agents or employees), the nutritional supplement and personal care products industry or the direct sales industry; or (iii) violates government laws, regulations, ordinances or any NSP guideline. NSP may also, upon notice, terminate the Membership of any Member who, through his or her capacity as a Member, files any legal action proceeding or induces or facilitates any government agency to file any action against NSP, which NSP considers, within its sole discretion, to be without legal foundation or basis in fact.

Any Member may terminate or resign his/her Membership at any time by sending to NSP a signed and dated letter indicating his/her desire to terminate the Membership. The Membership Agreement will, unless otherwise prohibited by applicable local statute, be interpreted under Utah law as applied to agreements fully performable in Utah between parties who are both Utah residents. The Member understands that upon the termination of the Membership by either the Member or by NSP, the Member may not recover any future profits that would have been received from sales made before or after the date of termination if the Member had remained a Member.

Upon termination of his/her Membership, a Member will lose all privileges related to such Membership (including the status of Manager, if applicable and the right to receive any commissions or other payments from NSP).

Disclaimer

IN NO EVENT WILL NSP, OR ANY NSP MEMBER, OR NSP AFFILIATE, OR ANY SHAREHOLDER, OFFICER, DIRECTOR OR EMPLOYEE OF ANY ENTITY MEMBERSHIP, BE LIABLE TO YOU AS A MEMBER (OR ANYONE CLAIMING FOR OR THROUGH YOU) FOR ANY CONSEQUENTIAL, INDIRECT, INCIDENTAL OR SPECIAL DAMAGES.

Changes in Accounts

MEMBERS WITH SEPARATE ACCOUNTS PRIOR TO MARRIAGE

When a Member marries another Member, the two Memberships must merge into one Membership, except when each marrying member also holds the status of Manager, as described in the Managers with Separate Accounts Prior to Marriage section (pg. 19). The parties should submit a copy of the marriage certificate to the NSP Customer Service Department within 30 days after the marriage.

NSP ACCOUNTS AS CORPORATIONS OR OTHER ENTITIES

To use a corporation, limited liability company or other entity as a vehicle for your Membership, you must:

1. Submit a written request to the NSP Customer Service Department, Attention: Kathy Simons.
2. Request that NSP set up your account as a corporation (or such other legal entity, as the case may be).
3. Provide the Federal Tax Identification Number and any requested state tax number for that entity.
4. Include the name(s) of the corporation's or entity's officers (there must be at least two such officers named) and shareholders (or members).
5. Include the names and signatures of every person with authority to charge or order NSP products on your entity's account.
6. The Membership and all bonus

Classic Plan Monthly Rebate/Commission Schedule

Based on Total Group QV Points

Amount	Percent Paid
0–99	0%
100–299	10%
300–599	12%
600–999	18%
1,000–2,999	27%
3,000 plus	30%

NOTE: Classic-plan rebates and commissions paid to all Members within a downline group will be deducted from the above amount.

Personal Paid-On QV Example: Jane has a personal QV of 300 points. Her group QV (which includes her personal QV) is 750 points. Both Kay and Larry are Members in Jane's group. Kay has 80 QV points and Larry has 370 QV points. Based on the payment schedule (above), Jane would earn eighteen percent (18%) on her personal QV as well as a full eighteen percent (18%) on Kay's QV. Larry qualifies to receive twelve percent (12%) back on his QV. Since Jane qualified at eighteen percent (18%), she would receive a six percent (6%) commission on Larry's QV (18%–12% = 6%).

Legacy Plan Monthly Rebate/Commission Schedule

Based on Total Group QV Points

Amount	Percent Paid
0–99	0%
100–499	10%
500–999	15%
1,000+	20%

NOTE: Legacy-plan rebates and commissions paid to all Members within a downline group will be deducted from the above amount.

Personal Paid-On QV Example: Jane has a personal QV of 510 points. Her group QV (which includes her personal QV) is 750 points. Both Kay and Larry are Members in Jane's group. Kay has 80 QV points and Larry has 160 QV points. Based on the payment schedule (above), Jane would earn fifteen percent (15%) on her personal QV as well as a full fifteen percent (15%) on Kay's QV. Larry qualifies to receive ten percent (10%) back on his QV. Since Jane qualified at 15 percent (15%), she would receive a five percent (5%) commission on Larry's QV (15%–10% = 5%).

checks, correspondence and information will be processed and addressed in the name of the corporation or entity.

REMOVING A NAME FROM AN ACCOUNT

A notarized original letter with signatures of each individual on the account at the time of the removal request must be submitted to NSP in order to remove a name from an account.

Rebates/Commissions Qualification Volume (QV)

Every NSP product has an assigned point value called "Qualification Volume." NSP uses these points to calculate monthly bonuses and commissions to which Members are entitled.

QV points are also used for qualifications to determine all payment levels, rank maintenance, rank advancement, convention

qualification and Top Achievers Club membership.

Bonus-earners should remember that compensation from promotional sign-up packages is calculated separately from regular paid-on QV.

Rebate

Money that is returned to the Member for personal purchases is considered a rebate.

This rebate is a further reduction in the cost of product purchased. Rebates will not be reported to the IRS (Form 1099) unless they exceed \$5,000 in any given year. NSP does not report your actual amount of product purchased to the IRS.

When a Member orders from NSP and his/her personal QV points are at least 100 for the entire month, NSP pays a rebate (based on "paid on" QV points of purchased NSP products) on the earned amount. If a Member purchases NSP products from his/her upline Manager, the Manager should transfer QV points on the total amount of purchase.

Commission

Money earned by a Member from the Member's downline is considered a commission (i.e., non-employee compensation). NSP is required to withhold applicable taxes on commissions earned for those accounts without a valid Social Security Number or Federal Tax Identification Number on file with NSP. If your account has a valid Tax ID Number, we will not withhold taxes. The rate of withholding tax is determined by the IRS and changes periodically.

Commissions or non-employee compensation will not be reported to the IRS if the total amount is less than \$600 (box 7 of IRS form 1099). If you fall into this category, consult with your tax advisor as to where you need to report this amount.

EXCEPTION: If you have tax withholding (box 4), then box 7 (non-employee compensation) of form 1099 WILL be reported. Nothing contained in these Policies

and Procedures shall be considered tax advice on the part of NSP.

Rebate/Commission Schedules

Members earn rebates based on their own personal sales volume, according to the Marketing Plan they have selected (Legacy or Classic). They also earn commissions based on the personal purchases of each of the Members in their group, according to the type of membership each Member has, and the total volume of all the Members in their group.

NSP Managers

Manager QV Requirements

1. A Member becomes a Manager when he/she achieves a minimum of 1,000 Group QV points (as defined hereafter), at least 100 of which must be Personal QV points (as defined hereafter) for one calendar month. The month in which a Member attains 1,000 Group QV points, he/she automatically qualifies as a Manager.

2. To retain Manager status, a Member must maintain this minimum volume in subsequent months.

3. If a Manager's Group QV drops below 1,000 points in any given month, a Member will receive rebates and commissions on his/her own Qualification Volume (QV) and that of his/her downline Members, but will lose all Manager commissions on his/her downline Managers and other Manager benefits for that month. During such month, all lost commissions automatically "roll up" to the next upline Manager.

4. A Manager can drop below 1,000 Group QV points two out of every 12 months (within the calendar year) without losing Manager status, but the Manager will be paid commissions only as a Member in those months. Such months are called "pending" months. On the third month in which the Manager fails to reach 1,000 Group QV points, he/she will lose Manager status until he/she re-qualifies as a Manager. If these two months are consecutive at the

CLASSIC MARKETING PLAN

NSP Classic Compensation/Benefits Summary

Rank	Minimum 1 st -level Mgrs. req. using Leadership Equiv. ¹	Total Managers Required (5 levels)	Manager Overrides					NSP Car
			1 st	2 nd	3 rd	4 th	5 th	
Member	0	--	--	--	--	--	--	--
Manager	0	--	--	--	--	--	--	--
Star ²	1	--	12%	--	--	--	--	--
District	2	--	12%	4%	--	--	--	--
Area ³	5	--	12%	4%	2%	--	--	--
Regional	10	15 ⁴	12%	4%	2%	--	--	\$250
Divisional ⁵	15	40	12%	4%	2%	.5%	--	\$400
Sr. Divisional	20	70	12%	4%	2%	1%	--	\$550
National	22	100	12%	4%	2%	1.5%	.5%	\$700
Sr. National	25	200	12%	4%	2%	2%	1%	\$850
Global Elite	25	200 ⁶	12%	4%	2%	2%	1%	\$1,000

To be a Manager, you must accumulate at least 100 QV points each month in personal purchases and have 1,000 Group QV points.

- 1 The requirements for first-level Manager may include QV and Leadership Equivalents. (Receive one QV equivalent for every 2,000 QV points above 1,000.) Based on a six-month average.
- 2 Includes automatic qualification for Rising Star for two if requirements are met.
- 3 Includes special Area trip to an NSP event.
- 4 Through 5 levels.
- 5 Includes special Divisional trip.
- 6 50 Managers of the 200 need to be from foreign markets; must have at least one Manager in each of five foreign countries and at least one first-level Manager in three of those foreign countries.

end/beginning of the calendar year (i.e., November and December or December and January), then if the minimum Group QV requirement is not met, the Manager will lose status in the month that immediately follows those two pending months. Managers who have "pending months" in December and January and do not meet their required volumes for February will have used their two pending months for the new calendar year. Managers who lose their Manager status are automatically reinstated

in the month in which they achieve at least 1,000 Group QV points.

5. When a Manager qualifies as a new Manager, the QV requirement for the upline Manager is reduced to 500 Group QV points (which includes 100 personal QV points) for that month only. NSP does not recognize a reinstated Manager as a new Manager breakout unless he/she dropped Manager status at least 12 months prior to the reinstatement.

Rank Requirements, with and without Leadership Equivalents–

Classic Plan only

	Current First-Level Managers Required	Actual First-level (including QV Equiv.) Mgr. Requirement	Max Leadership Equiv. You Can Apply	Downline Requirement*
Global Elite	25	15	10	200
Senior National	25	15	10	200
National	22	12	10	100
Senior Divisional	20	10	10	70
Divisional	15	8	7	40
Regional	10	6	4	15
Area	5	4	1	0
District	2	2	0	0
Star	1	1	0	0
Manager	0	0	0	0

* The downline requirements for rank are unchanged, including first-level Managers. Please note: Just like QV Equivalents, Leadership Equivalents are averaged over a six-month period. Leadership Equivalents have been in effect since Jan. 1, 2001. Leadership Equivalents may only be applied on the first-level Managers, as shown in the above table. Must be an Area Manager or higher before Leadership Equivalents are in effect.

Manager Benefits

NSP Managers enjoy:

- Higher percentage volume rebates for personal sales, provided all QV requirements are maintained.
- The opportunity to develop and promote other Members to Manager status.
- Manager overrides on the sales of each first-level Manager he/she promotes.
- Participation in all Manager incentive programs, including contests, qualification

for conventions and competition for Manager recognition and Development Award programs.

- Subscriptions to both the *Sunshine Horizons* magazine and the *Manager Extra* publication.
- The opportunity to attend National Convention. Managers can qualify to have NSP pay part of the cost of attending.
- All Managers receive a special pin and a rank advancement certificate once they

Equivalents Granted for Each Ranked First-Level Manager:

Global Elite	2	Regional	2
Senior National	2	Area	2
National	2	District	1
Senior Divisional	2	Star Manager	1
Divisional	2	Manager	0

LEGACY MARKETING PLAN

NSP Legacy Compensation/Benefits Summary

Rank	Manager Overrides									
	First-level Managers Required	Total Managers Required (7 levels)	1 st	2 nd	3 rd	4 th	5 th	6 th	7 th	NSP Car
Member	0	--	--	--	--	--	--	--	--	--
Manager	0	--	--	--	--	--	--	--	--	--
Star ¹	1	--	10%	--	--	--	--	--	--	--
District	2	--	10%	7%	--	--	--	--	--	--
Area ²	4	5	10%	7%	4%	--	--	--	--	--
Regional	6	15 ³	10%	7%	6%	--	--	--	--	\$250
Divisional ⁴	8	40	10%	7%	6%	3%	--	--	--	\$400
Sr. Divisional	10	70	10%	7%	6%	5%	--	--	--	\$550
National	12	100	10%	7%	6%	5%	3%	--	--	\$700
Sr. National	15	200	10%	7%	6%	5%	5%	--	--	\$850
Global Elite	15	200 ⁵	10%	7%	6%	5%	5%	5%	1% ⁶	\$1,000

To be a Manager, you must accumulate at least 100 QV points each month in personal purchases and have 1,000 Group QV points.

- Includes automatic qualification for Rising Star for two if requirements are met.
- Includes special Area trip to an NSP event.
- Through 5 levels.
- Includes special Divisional trip.
- 50 Managers of the 200 need to be from foreign markets; must have at least one manager each in five foreign countries and at least one first-level Manager in three of those foreign countries.
- Overrides for 7th level and beyond available to Global Elites with at least 100 Managers in their successline from foreign markets.

have achieved three consecutive months as a Manager.

Marketing Plan Benefits

The Classic and Legacy Override charts show how you can earn money based on volume within your successline. For example, should you qualify for overrides on your third level, consult the Classic chart for the percentage paid on all of your third-level Classic QV and the Legacy chart for all your third-level Legacy QV.

Manager QV Equivalents–Classic Plan

When Classic Managers accumulate a six-month average of 2,000 Group QV points

above the 1,000 Group QV points monthly requirement for Manager status, they earn a "Manager Equivalent."

Each Manager Equivalent counts as a first-level Manager toward rank advancement and car credit where applicable. However, Manager Equivalents do not count toward earning annual Manager Increase Awards or Leadership Equivalents.

Leadership Equivalents–Classic Plan

Leadership Equivalents allow you to advance in rank more quickly by giving you extra credit for first-level Managers who hold advanced ranks. Apply the Equivalents granted chart to your first-level Managers

to determine the number of leadership equivalents for which you may qualify. You must be an Area Manager or higher before Leadership Equivalents take effect.

SUNSHINE SELECT

Biannually, Managers may qualify for special Sunshine Select status by participating in a personalized development program. Qualification terms are six months long, and qualifiers will enjoy exclusive Sunshine Select benefits for the six-month period immediately following qualification. Sunshine Select benefits include discounts on personal purchases. Sunshine Select requirements and rewards are subject to change.

Managers receive other benefits in addition to the commissions and benefits outlined in the Manager Rank, Qualifications and Commissions charts.

STAR MANAGER BENEFITS

- Qualification for two individuals to attend the Rising Star Convention if the Star Manager is paid at Star Manager rank for six consecutive months and is at least Star Manager at the time of Rising Star registration. NSP will cover all Rising Star costs and possibly some travel expenses one time only.

- The six consecutive months at Star Manager rank must be completed within five years of the original breakout as a Manager.

DISTRICT MANAGER BENEFITS

- Qualification for two individuals to attend National Convention, the Business Symposium and an exclusive breakfast meeting during National Convention, all at the expense of NSP. To qualify, the District Manager must be paid as a District Manager for six consecutive months and must be paid as a District Manager in the final month of normal convention qualification. Travel costs are not included.

- The six consecutive months at District Manager rank must be completed within five years of the original breakout as a Manager.

AREA MANAGER BENEFITS

- An invitation to Leaders Conference, including travel and lodging if the Manager is paid at Area Manager rank for three consecutive months and is at least Area Manager at the time of Leaders Conference registration. NSP will pay the Manager's Leaders Conference costs for two individuals, including travel, one time only. New Area Managers will enjoy a wonderful activity.

REGIONAL MANAGER BENEFITS

- Special recognition at National Convention (for first-time Regional Managers).
- A \$250 car allowance for each month during which the Manager is paid as a Regional Manager and meets the program requirements. Please review the section "Car Program Benefits" on pg. 14 for more details.

DIVISIONAL MANAGER BENEFITS

- Special recognition at National Convention (for first-time Divisional Managers).
- A \$400 car allowance for each month during which the Manager is paid as a Divisional Manager and meets the program requirements. Please review the section "Car Program Benefits" on pg. 14 for more details.
- An invitation to attend an exclusive trip to Southern Utah for two if the Manager is paid at Divisional Manager rank for three consecutive months and is at least a Divisional Manager at the time of registration.

SENIOR DIVISIONAL MANAGER BENEFITS

- Special recognition at National Convention (for first-time Sr. Divisional Managers).
- A \$550 car allowance for each month during which the Manager is paid as a Sr. Divisional Manager and meets the program requirements. Please review the section "Car Program Benefits" on pg. 14 for more details.
- New Sr. Divisional Managers will also receive a special gift.

NATIONAL MANAGER BENEFITS

Once a Manager is paid as a National

Manager, he/she will immediately receive the following benefits:

- A \$700 car allowance for each month during which the Manager is paid as a National Manager and meets the program requirements. Please review the section "Car Program Benefits" on pg. 14 for more details.

When the Manager is paid as a National Manager for three consecutive months (you must maintain National Manager rank after the three-month period to receive all of the benefits), he/she is eligible to be recognized with the following benefits:

- Special recognition and a gift at National Convention (for first-time National Managers)
- Being NSP's guests and honored as National Managers at National Convention.
- Being NSP's guests and honored as National Managers at TAC trip based on the published National Manager qualification requirement.
- VIP registration at National Convention.
- VIP-upgraded room
- An invitation to a breakfast meeting during National Convention.
- Special dinner with first-level Managers when rank is first achieved (one-time only).
- New National Manager will receive a special one-time gift.

SENIOR NATIONAL MANAGER BENEFITS

- Special recognition and a gift at National Convention (for first-time Sr. National Managers).
- An \$850 car allowance for each month during which the Manager is paid as a Sr. National Manager and meets the program requirements. Please review the section "Car Program Benefits" on pg. 14 for more details.
- Automatic qualification for National Convention, including airfare for two, based on published National Manager qualification requirement.
- VIP registration at National Convention.
- VIP-upgraded room.

- An invitation to a breakfast meeting during National Convention.

- Automatic qualification for TAC trip, based on published National Manager qualification requirement.

- A special dinner with first-level Managers.

- New Senior National Managers will receive a special one-time gift.

GLOBAL ELITE MANAGER BENEFITS

- Special recognition and a gift at National Convention (for first-time Global Elite Managers).

- A \$1,000 car allowance for each month during which the Manager is paid as a Global Elite and meets the program requirements. Please review the section "Car Program Benefits" on pg. 14 for more details.

- Eligibility for 5% Legacy pay on the 6th level.

- Eligibility for 1% Legacy pay on the 7th level and beyond. (You must have at least 100 international Managers. Infinity bonus is paid only to the first qualifying Global Elite upline.)

- VIP complimentary attendance at exclusive Global Elite Summit (when Global Elite status is met for the 12 consecutive months preceding event registration).

- Automatic qualification for National Convention, including airfare for two.

- VIP registration at National Convention.

- VIP-upgraded room.

- An invitation to a special activity during National Convention.

- An invitation to a breakfast meeting during National Convention.

- Automatic qualification for TAC trip.

GLOBAL ELITE REQUIREMENTS

- Achieve Senior National Manager rank.
- Have at least 3 international markets represented among your first-level Managers.
- Have at least 5 international markets represented among your five levels of

Managers.

- Have at least 50 international Managers within five levels.
- May not own/operate an MLM business that competes directly with NSP, or that promotes products that compete with NSP (more than 1% ownership) without official written consent from the company.
- May not disparage NSP, its products, plan or people to current or potential Members of NSP.
- May not use NSP events as a forum to advance any cause, program, product or opportunity other than NSP's without written permission.
- May not promote any competing product or opportunity to any existing NSP Member or Manager without official written consent from NSP.
- May not engage in any conduct that may bring disrepute upon NSP or any of its officers, agents or employees.

DESCRIPTION OF MANAGER BENEFITS

CAR PROGRAM BENEFITS:

To qualify for the Car Program, participants must:

1. Be paid as a Regional Manager or higher each month to receive a car allowance payment in the bonus check based on the following grid. Allowance is paid according to the "paid at" rank each month.

Regional Manager	\$250
Divisional Manager	\$400
Sr. Divisional Manager	\$550
National Manager	\$700
Sr. National Manager	\$850
Global Elite Manager	\$1,000

2. New Regional Managers can start receiving a \$250 car bonus the first month they are paid at Regional rank. The new Regional Manager does not have to complete three consecutive months at Regional rank to start participating in

this program. This rule applies to all rank advancements where car allowances are earned.

3. If NSP (Sonia Alba) receives the car contract in the same month the account breaks out as a new Regional Manager, NSP will pay the car allowance with that bonus check for that month. NSP will start paying this allowance in the month that the contract is received and recorded. (We do not send any car contract from Home Office).

4. NSP will not reimburse the Manager for any payments made prior to the contract being received by NSP Home Office.

5. Send a copy of a completed purchase or lease agreement for the vehicle to NSP Home Office. Purchase/lease must be in the name of the qualifying Manager. You can either fax it to ATTN: Recognition Dept. at 1-801-342-4307, or mail it to:
Nature's Sunshine Products
Attn: Recognition Dept./Sonia Alba
P.O. Box 19005
Provo, UT 84605

This car allowance may be applied to the purchase or lease of a new vehicle. Car qualifiers will continue to receive their eligible car allowance as long as the vehicle is less than 60 months old. The Manager must send to NSP a purchase or lease agreement for a new vehicle before it passes the 60th month. All insurance, operating and maintenance costs are the sole responsibility of the Manager.

If a car program participant sells the qualifying car or terminates the lease, he/she must notify NSP Home Office within 10 days. No car allowance payment will be made in the month in which a car is sold unless a new purchase or lease agreement is submitted prior to the end of such month.

NOTE: All car program payments are considered income to the Manager and will be reported on the Manager's federal IRS 1099 tax form from NSP.

EVENTS

Top Achievers Club

Area Managers and above can qualify for an exclusive vacation to some of the most interesting parts of the world. Top Achievers Club (TAC) members enjoy wonderful accommodations, food and entertainment. They share experiences and ideas with other successful Managers and corporate executives. Qualification requirements vary for each trip.

National Convention

All Managers and above may qualify to attend this event held at various locations in the U.S. The convention focuses on product education, training and business skills. All Managers may qualify to have NSP pay up to one hundred percent (100%) of the convention costs (excluding travel expenses). Qualifications may vary from year to year and are mailed to all Managers. If a Manager qualifies for two attendees, he or she may bring a spouse, partner or other Manager. Qualifications are non-transferable.

Rising Star

New Star Managers can qualify to attend this annual event held at NSP Home Offices in Provo and Spanish Fork, Utah. Rising Star provides an opportunity for Star Managers to meet NSP founders, executives and key staff members. Attendees see how NSP products are developed, manufactured and tested, and they even participate in the process! NSP will pay the event costs (one time only) for each new Manager who holds Star rank for six consecutive months. \$150 travel cash per person (\$300 maximum) will also be awarded upon qualification. Qualifications are non-transferable.

Leaders Conference

NSP sales leaders meet together each year at Leaders Conference for business and product training. Participants take part in informative workshops and round table discussions as well as motivating general sessions. Costs to attend this event are paid

by each participant. New Area Managers may qualify for NSP to pay the costs to attend Leaders Conference (including reasonable travel expenses approved by NSP).

Event Attendance Policy

Event qualification awards (TAC, National Convention, etc.), either based on a rank achievement or completion of a published qualification program, are not transferable for any reason. Only individuals listed on the qualifying accounts are eligible to attend.

Recognition and Benefits for Accounts which have had a Change of Ownership

Effective November 26, 2007

BACKGROUND

While NSP offers many benefits to account holders based on rank, some elements of recognition and rewards are designed to honor only those who not only currently own or manage an account, but who originally grew the business. This distinction is made anytime a change in ownership occurs in an established NSP business (defined as one in which the five-level successline Manager count exceeds 49 Managers).

Changes in ownership of NSP Accounts can take place in three different ways:

1. **Sale agreement.** Like any other business, NSP accounts may be purchased (see "Sale of an Organization" on page 18).

2. **Inheritance.** An account holder may designate heir(s) to his/her NSP account.

3. **Partnership.** An account holder may choose to add individual(s) as partners in his/her NSP business.

An individual who gains any type of ownership interest *following* the account's achievement of 50 successline Managers is designated as a "Heritage account holder." In most ways, Heritage accounts are no different from any other. However, these accounts are

CHART 1: REWARDS AND RECOGNITION AUTOMATICALLY TRANSFERRED TO HERITAGE ACCOUNT HOLDERS

1. All qualified rebates, commissions and overrides
2. Car program participation
3. All promotion, event qualification and program participation
4. Participation in annual recognition, including Development Awards and Million Dollar Club
5. Rank advancement eligibility
6. On-stage recognition, as appropriate, with other Heritage accounts
7. When the original account holders separate completely from the business, NSP grants a one-time opportunity for new account holders to attend a TAC trip for two as guests of NSP—good for up to 5 years.

And, for accounts holding National+ status, either before or after transfer:

8. If in attendance at National Convention, an invitation to attend special National Manager breakfasts, meetings and activities
9. Exclusive opportunity to “buy-in” to TAC trip (if not otherwise qualified)

subject to some special guidelines related to eligible benefits and recognition, as outlined in the two charts above.

Opportunity for Heritage Accounts to Earn Full National+ Benefits

New partners or owners of a Heritage account are given the opportunity to develop the account to a level where the Heritage status is removed, and all benefits and recognition are then granted (basically applies to Heritage accounts who achieve

CHART 2: REWARDS AND RECOGNITION NOT GRANTED TO HERITAGE ACCOUNT HOLDERS

1. TAC or Convention qualification through the “National Manager Method”
2. On-stage recognition with non-Heritage account holders of same rank
3. Longevity-based, continuity-based or accumulation-based recognition (The start date for such recognition is set at the individual’s own start date with NSP. These types of recognition are always granted to individuals, rather than to accounts.)

National+ status either before or after an ownership change). There are two successline-growth-dependent ways that this can occur, both of which use the five-level successline count at the time of ownership change as a base (12-month average):

1. 10-Year Successline Growth.

On the 10th anniversary of an ownership change (or any time thereafter), if the five-level successline count has increased by at least 100 Managers, Heritage status will be removed (assuming all other National rank requirements are properly met).

2. Successline Growth Plus a Regional Promotion. Heritage account owners who develop a first-level Manager from initial sign-up to Regional Manager (following ownership change) and experience a five-level successline count increase of at least 100 Managers will have Heritage status removed immediately (assuming all other National rank requirements are properly met).

NOTE: At its discretion, NSP offers some rewards to first-time achievers of National and Senior National ranks. These rewards are account-specific, and aren’t available to subsequent owners of an account for which the rewards were already granted.

Rank Advancement for Heritage Accounts Transferred Prior to National Achievement

While these accounts are automatically eligible for all recognition and benefits listed in Chart 1 (including those available as their successline grows and rank advancement occurs), benefits 1 and 2 listed in Chart 2 are available only to accounts who earn them using either of the two methods described above. In addition, though an account may be realizing National-level pay and car bonuses (which are automatically granted at bonus run), onstage recognition as a new National (along with one-time National gifts and awards) is not granted unless it is earned as described above.

EXAMPLE: Susan joined her Mom’s business when her Mom was a Regional Manager with 35 in her successline. When Susan’s Mom retired (with 39 in her successline), she gave the business to Susan. Susan advanced in rank, and was recognized onstage as a Divisional, and then as a Senior Divisional. When she achieved National rank, she was honored equally with several others who had built their businesses from scratch.

Later that year, Susan decided to add her friend Cindy (an NSP Member who then resigned her account) and her husband Phil to the account as partners (which as a National account, of course, had more than 50 successline Managers). The new partners were designated as Heritage owners, and NSP established a 12-month five-level successline average count as a base for Phil and Cindy.

They worked happily together for four years, growing the business by 20 Managers. Every year, Susan came to Convention as a National and walked across the stage with other Nationals. Phil and Cindy did not. Susan then took the unique opportunity to live her dream of opening an inner city private school and sold her business to Phil and Cindy. At the time that Susan’s name

was removed from the account, Phil and Cindy immediately received all of the benefits listed in Chart 1. The benefits listed in Chart 2, however, must be earned through successline growth. The 20 Managers they increased with Susan do count toward the 100 they need.

NOTE: In the example, it doesn’t matter that Susan inherited the business from a family member, or that Cindy was already a Member, or that Cindy and Susan worked together for four years. What matters is the successline count and rank of the account when ownership changes were made.

Manager Policies

MANAGER RENEWAL

Unless otherwise notified by the Manager, NSP will renew a Manager’s Membership account automatically free of charge. Requirement to submit renewal application is waived. NSP may refuse to renew any account with good cause. For this purpose, good cause includes any reason for which a Member’s Membership may not be renewed (see “Membership Renewal,” pg. 5).

QV POINT TRANSFERS

1. Managers should always verify the Qualification Volume (“QV points”) of the Member ordering directly from NSP Home Office.

2. A QV transfer may be mailed, faxed, phoned or entered via the Internet (www.naturessunshine.com) by the servicing Manager for the total amount purchased by each individual. The transfer line is 1-801-342-4500 (English) or 1-801-342-4347 (Spanish); fax is 1-801-342-4642. Transfers must arrive at NSP by 4 p.m. (Mountain Time) on the last working day of the current month. NSP will not be responsible for mail that is not received by NSP prior to the deadline, busy telephone or fax lines, or illegible or unclear faxes.

3. NSP products purchased from a non-Group Member or Manager must be transferred at the rate of 70 percent of QV

points earned. The servicing Manager retains 30 percent of QV points. This information should be made clear at the time of purchase.

4. If the transfer is being used to “break out” a new Manager, the transfer amount must be 100 percent of the QV points acquired by the Member for that month.

5. All transfers are deducted from the personal QV points of the account performing the transfer.

PROTECT STATUS ORDER

NSP provides an optional “Protect Status Order” to assist Managers in preventing the loss of Manager status and “pending” due to unforeseen circumstances. NSP will ship to and bill participating Managers for products they designate beforehand on the Protect Status Order form. The Protect Status Order is intended to make up the difference between a Manager’s actual QV points and his/her QV requirement. The Protect Status Order authorizes NSP to place the order only when QV points fall short of the applicable requirements. The order may not exceed \$100. NSP will deduct the cost of the order from the participating Manager’s rebate/commission check.

Products purchased on a Protect Status Order may not be exchanged or returned for credit. All Managers using the Protect Status Order program are responsible for assuring proper inventory rotation and that their inventories do not increase above acceptable levels. Managers may change or discontinue any Protect Status Order by providing NSP with a written request or by going to www.naturesunshine.com to make changes.

Managers who normally maintain a Group QV above 3,000 points may also protect their extra three percent (3%) bonus (per Rebate/Commission Schedule on pg. 7) by checking the appropriate box on the Protect Status Order form. Managers may authorize NSP to use their Protect Status Order to maintain “Rank by QV” (not to

exceed 300 QV points) only when it will affect their Manager rank status.

A Protect Status Order does not take into consideration any downline Manager who may drop during the month in which the Protect Status order is used, or who may drop when rank qualifications are calculated at the end of the month. NSP reserves the right not to honor all or any part of any Protect Status Order. Protect Status Orders are processed within the first three days of each month.

SALE OF AN ORGANIZATION

No partial sale or division of a downline group is allowed. However, a Manager may sell the rights to commissions of his/her entire Manager and Membership organization, subject to NSP’s prior written approval. As a courtesy, the seller should notify his/her Manager of the sale (if the Manager is not the buyer).

The terms and conditions of the Member Agreement are still in force regardless of any organizational changes due to the sale of a group.

If the buyer is currently a Member/Manager of NSP, the buyer’s original account stays intact, as will the purchased account. Downline Members/Managers may not change from the buyer’s account to the purchased account or vice versa. Groups are not moved, but remain in the same organizational line after a sale of group is completed. The seller’s upline Manager’s benefits are maintained. Conversely, the upline Manager of the buyer’s original group does not inherit any bonuses due to a sale of group. These bonuses remain with the sponsorship group at the time of the sale.

NSP will not combine a Manager’s account with the purchased account for purposes of rank advancement. In other words, should a Divisional Manager purchase an Area Manager’s account, all payout on the purchased account would be calculated based only on the purchased

account’s qualification and volume. (In this example, Area-based payout would be maintained.)

However, the original and purchased account may be developed independently toward rank advancement. Regular marketing plan requirements apply to the original and purchased accounts.

If the seller desires to remain a Member of NSP after his/her group has been sold, the seller will be given a new account number. The seller determines who his/her new sponsor will be.

TRANSFER OF MANAGERSHIP BY WILL

A Manager’s business may be transferred by will. Appropriate legal preparation must be completed to ensure the transfer meets NSP requirements and applicable laws. Successors acquire the right to a Manager’s commissions on the Manager’s group, but they must meet all QV, leadership and annual renewal requirements and must agree to conduct the business in accordance with these Policies and Procedures, the Membership Agreement, the Membership Application and NSP’s Compensation Plan.

SERVICING DOWNLINE WITH PRODUCT

If a Manager supplies NSP products to a downline Member, the Manager may pass along a stocking fee, which is recommended to be not more than fifteen percent (15%) above direct cost. The cost of the products, including the stocking fee, is referred to as “Member to Member Cost” on NSP’s Master Price List.

REAPPLICATION FOR MEMBERSHIP

A Manager account must have been terminated for at least six months before a Manager may reapply for Membership.

MANAGERS WITH SEPARATE ACCOUNTS PRIOR TO MARRIAGE

If a Member achieves Manager status before marrying another NSP Manager,

both Managers may keep their individual accounts after the marriage. However, all awards, recognition, incentives, company benefits, trips, promotions and car allowance earned by either Manager will be awarded only to one account, regardless of the QV points maintained on the other account. A copy of the marriage certificate must be submitted to NSP Customer Service within 30 days of any marriage where both parties are Managers.

Accounting Information

Administration Fee

An administration fee is charged to all Membership accounts that are not current on their annual Membership. This fee is for all accounts that have any activity but are not current Members. All Members and Managers entering into a Membership Agreement submit to the assessment of this fee when applicable.

Credit Balances

If an open Membership account has a credit balance, and the identity, status or present location of the account owner is unknown, and the credit balance cannot be paid to the Member or delivered to the apparent owner of the account before the amount is considered “Unclaimed Property” under relevant local laws, then that credit balance is legally deemed to be abandoned or unclaimed and may be forwarded to the State of Utah or to such other state as may be applicable pursuant to relevant unclaimed property statutes.

Returned Check Policy

NSP uses a check verification service for all checks exceeding \$500 received from Members and checks exceeding \$1,000 received from Managers. All checks returned by the bank for insufficient funds are resubmitted once for payment. NSP assesses a \$20 returned check fee to the account of the sender each time a check is returned.

With respect to Members, NSP places

Members on a cash-only or credit card-only basis after one returned check payment. Six months after the debt is paid, a Member may apply to pay by check once again. If a second check is returned, the Member permanently forfeits the right to purchase products with personal checks.

As for Managers, if a check is returned after being resubmitted once, NSP will request payment for this order and all subsequent orders for six months via credit card, money order or cashier's check. (Electronic [ACH] drafts are returned by the bank to a clearinghouse the first time. As a courtesy, the clearinghouse may resubmit them. When the check is returned to NSP, the \$20 fee is assessed by NSP. NSP does not further submit checks for payment.) Six months after the debt is paid, the Manager may apply to pay with a personal check or bank draft. Such applications are made to NSP's Accounting Department. If a bank draft or check is returned again, the Manager permanently forfeits the right to purchase NSP products with personal checks or bank drafts.

Members and Managers agree that NSP may withhold or reduce the amount of bonus checks (1) if a check has been returned and the account has not been paid in full, or (2) from any Member whose address is the same as any Member who has submitted a check that has been returned and whose account has not been paid in full.

Commissions

If a check for commissions or other comparable payments is not cashed before the amount is considered "Unclaimed Property" under relevant local laws, then the reimburse balance may be abandoned or unclaimed and may be forwarded to the State of Utah or to such other state as may be applicable pursuant to relevant unclaimed property statutes.

Refunds: If a refund check remains uncashed before the amount is considered "Unclaimed Property" under relevant local laws, then the reimburse balance may be

abandoned or unclaimed if there has not been communication from the payee of the check regarding the refund within the preceding six months. Such abandoned or unclaimed amounts may be forwarded to the State of Utah or to such other state as may be applicable pursuant to relevant unclaimed property statutes.

Sponsoring Information

Changing Sponsors—Members

NSP discourages any change in Sponsors. However, under special circumstances, as determined by NSP (and subject to its sole discretion), a Member's sponsor may be changed using one of the following methods:

1. Complete a Change of Sponsorship form, which is obtained from NSP Customer Service. The form must be submitted to NSP Customer Service with a \$50 processing fee. The form requires a signature release from the current sponsor and that sponsor's three immediate upline Managers.

2. Any Member may resign or terminate an account by writing a letter to NSP Home Office requesting the resignation or termination. The Member must wait the required three months from the date of resignation to reapply for Membership under a new Sponsor.

3. A Member whose account has passed the yearly expiration date may reapply for Membership under a new Sponsor immediately as long as no activity has been made on the account in the month prior to expiration or in the expiration month. If there was activity, the Member may reapply 30 days after expiration.

Changing Sponsors—Managers

Active Managers may not change their respective Sponsors. Managers who have dropped Manager rank may change their sponsor in the same manner as a Member if at least six months have passed since the date on which they lost their Manager status.

It may not be possible for NSP to determine and verify cross-sponsoring. If a Member has had his/her spouse or child who lives at the same address reapply under a different Sponsor, it is the first Sponsor's responsibility to promptly notify NSP of that fact. Such notification must be received by NSP in writing within six months of this action, or the Sponsor of the first Member will have waived his/her right to object, and NSP will determine which Membership to cancel.

It may not be possible for NSP to determine if an account was originally assigned to the wrong Sponsor, and NSP will have no liability in connection therewith.

Global Sponsoring

Nature's Sunshine offers its distributors the ability to sponsor new NSP members around the globe. Through Global Sponsoring, you have the opportunity to build your business beyond the borders of your country of residence, which unlocks unlimited potential for growth and success. We hope that all NSP distributors will take advantage of this phenomenal business-building opportunity.

The following policies apply to all Global Sponsoring activities, regardless of your current country of residence. If you have further questions regarding Global Sponsoring, please visit your local market's website for additional information or contact us at globalsponsoring@natr.com.

1. Global Sponsors are obligated to observe the laws of the countries in which they operate.

2. Global Sponsors are obligated to only operate in the countries/markets that have been officially opened for direct selling activities by NSP.

3. Global Sponsors are obligated to abide by the Agreement Form, Rules, Policies & Procedures, Marketing Plan, etc. of the legally recognized NSP office/subsidiary in the country/market in which they operate.

4. Global Sponsors are obligated to recruit new globally sponsored distributors according to the Agreement Form, Rules, Policies & Procedures, Marketing Plan, etc. of the country/market in which the new globally sponsored distributor resides.

5. Global Sponsors do not qualify for marketing plan incentives in the country where the globally sponsored distributor resides (for example: local market convention attendance, TAC trips, etc.)

6. Global Sponsors may enroll as many distributors as desired in all participating countries; however, they cannot register as authorized distributors in any country except in his/her country of residence. As a corporate-wide policy, any Distributor/Customer may operate only one NSP distributorship/membership at any time.

7. Any commissions earned through Global Sponsoring are based on the sale of products in the foreign country where your sponsored distributor resides and are paid to you by the legally recognized NSP office/subsidiary in your country/market of residence. Where applicable, taxes will be handled as required by the applicable laws of each country/market.

8. NSP products are NOT to be distributed/sold from one country/market to another.

9. Failure to comply with any of these policies can result in severe, damaging legal consequences for all parties concerned and constitutes grounds for immediate termination of the Distribution Agreement in your country of residence.

NSP's Global Elite rank is based on successful international sponsoring. It allows a Manager to earn a 5% override on his/her sixth-level Legacy volume, and a 1% override on the seventh level and every Legacy level thereafter. See information on pages 9, 11, 13 and 14 for additional benefits and requirements for Global Elite status.

Manager Breakout under a Member Sponsor

When a Member qualifies as a Manager before his/her Sponsor, the Sponsor will have six months from the date of the new Manager's breakout to also achieve Manager status. During this six-month grace period, no first-level commissions will be paid to the Sponsor. Rather, the first-level commission will be transferred directly to the upline Manager. All other commissions will also roll up one level. If the Sponsor fails to become a Manager within such six months, he/she will permanently lose the downline Manager, along with any attendant future benefits he/she may have accrued from that Manager. This new Manager is subsequently re-linked as a first-level Manager to the next upline Manager above the Sponsor.

If an existing Manager has a downline Member achieve Manager status, the sponsoring Manager must maintain Manager status to receive first-level commissions. If the sponsoring Manager drops status, the process for regaining his/her downline Manager will be the same as stated above for Member Sponsors.

Marketing

General Marketing Guidelines

1. NSP products are sold as food and dietary supplements only. No NSP product is sold for direct or indirect use in the prevention, cure, treatment or mitigation of disease. Nature's Spring® water treatment products and NatureSeal® cookware are for domestic home use only. Personal care products are for topical use only as may be indicated on the product labeling.

2. Only licensed medical doctors may diagnose or prescribe treatment for disease. **DO NOT DIAGNOSE DISEASES OR "PRESCRIBE" ANY PRODUCTS.** Never recommend to anyone that he/she discontinue the services, recommendations or medications of any doctor or other healthcare professional.

3. Do not combine product or health education with sales and recruiting in the same meeting. Separate all product or health education or educational materials from product sales and new Member recruiting materials, and from product selling and recruiting meetings.

4. Motivate customers and downline members to study and learn how to use herbs and other nutritional supplements.

5. Do not hold an informational or herbal lecture in a warehouse or inventory storage area. Such meetings should be held in a private home, hotel meeting room, community meeting room, social club or some other meeting location away from a Member's product inventory and any sales and recruiting literature.

6. NSP does not allow products to be sold through Non-Profit Organizations. NSP is a direct people-to-people business. Selling through religious and educational institutions (for fundraising or any other purpose) would be in direct competition with NSP Members/Managers. For example, parents may have children who go to the same school/church who all have memberships with NSP. Allowing this would give an unfair advantage to one Member over another.

7. Members are independent business people and shall conduct business in a professional, ethical, lawful, prudent manner.

Advertising NSP Products

NSP has adopted the following policy for the advertising of NSP products by its members:

As always, the law allows a member to sell NSP products at any price and through any means they see fit. This policy should not be construed as an attempt to change that in any way. However, NSP, in its sole discretion, may elect not to continue to supply products in the future to members who directly or indirectly advertise or sell NSP products in contravention of this policy. Members are also referred to NSP's Internet Pricing Policy,

which addresses the sale of NSP products over the Internet.

It is NSP's policy that NSP, in its exclusive discretion, may decide not to continue to supply products in the future to any member who advertises NSP products at prices below the wholesale price then in effect, plus shipping and applicable taxes.

If NSP determines that NSP products were advertised by a member in contravention of this policy, or in any way which we feel, in our sole discretion, did not serve the best interest of NSP, NSP may elect not to continue to supply products to that member.

This is an NSP corporate policy, and no member is authorized to interpret it or waive it.

1. When advertising NSP products, a Member should take special care that he/she operates and clearly designates his/her business as independent from NSP. A Member should identify himself/herself in the following format: "John/Jane Doe, Independent Distributor of Nature's Sunshine Products." Members/Managers may use NSP's "Independent Distributor" logo, provided that this logo is only used with NSP products and not with any competitor's products or services.

2. A Member must ensure that an advertisement will not attribute any medicinal uses to any NSP herb or other food or nutritional supplement.

3. All trademarks, logos, literature and forms produced or owned by NSP Home Office remain the property of NSP. NSP literature or logos for advertising use can be acquired from the Customer Service Department or downloaded from the NSP website, www.naturessunshine.com. Members may not use any NSP trade names, trademarks, logos or symbols without prior written consent.

4. If anyone makes a legal claim against a Member as a result of his/her use of advertising materials created by NSP, that

claim should be reported to NSP Legal Department immediately.

5. To the extent that a Member creates any advertising materials independently or modifies any materials created by NSP, various laws require the use of such materials (referred to collectively as 'Independently Created Advertising Materials') in a manner that does not infringe upon or dilute the rights of NSP or third parties. Among other things, federal and state laws require that Independently Created Advertising Materials be used in a manner that does not infringe upon or dilute the trademarks or copyrights of NSP or any third party, and does not make any false or misleading claim about NSP or the products advertised.

6. Independently Created Advertising Materials are solely the responsibility of the Member who creates them and any person who uses them. NSP disclaims any right or obligation to control the content of Independently Created Advertising Materials in any medium, including print, television, radio and the Internet. NSP will not indemnify any Member against any claim that Independently Created Advertising Materials violate the rights of any third party. NSP, however, retains the right to demand that a Member cease the use of any Independently Created Advertising Materials if, in the judgment of NSP, such materials violate the law, NSP's rights or the rights of any third party. A Member who fails to adhere to a demand by NSP to cease the use of any Independently Created Advertising Materials shall be subject to the termination of his/her account.

7. When advertising NSP products, Members may not make inappropriate claims about the products. An example of an inappropriate claim would be: NSP St. John's Wort will help alleviate depression. Instead, one may discuss the product as it relates to the system or organ of a person's body. An example of a lawful statement would be: NSP

St. John's Wort may nutritionally support or aid the nervous system or brain.

8. All Members shall identify their toll-free phone number as that of an Independent Distributor of NSP and not directly as NSP, and shall not lead callers to believe they may be calling NSP Home Office.

9. NSP sometimes prepares materials of general interest or for educational purposes regarding herbs, skin care products and ingredients in NSP products. Only marketing materials specifically prepared by NSP for use with a particular NSP product are endorsed by NSP and approved for use in marketing those NSP products.

10. A Member, regardless of rank, may not sell NSP products on any Internet auction site, shopping site or order fulfillment store such as eBay®, eBay® Store, Amazon®, OrderDog™.com, OverStock®.com, etc. NSP policy does not allow products to be sold via chain stores, catalogs or other comparable means.

Furthermore, NSP trade names, trademarks and service marks are important and valuable business assets. They help identify the source and the reputation of NSP's products and services worldwide and distinguish them from competitors. Therefore, NSP makes every effort to protect its trademarks, its corporate logotype, label designs and various product names, except as otherwise permitted herein, to ensure that others do not misuse them. NSP will not allow use of its trade name (company name), trademarks (brand names), designs or symbols by any person, including an Independent Member/Distributor/Manager, without prior permission being granted by the Corporation. A breach of this policy may result in disciplinary action against the Member, including termination of Membership.

Telemarketing

Any Member or Manager who uses the telephone to market NSP products must comply with all applicable state and federal regulations for telephone marketing and solicitation,

including registration as a telemarketer. It is NSP's policy that all Members and Managers must respect the federal "do not call" list. Members and Managers must identify themselves as independent from NSP.

Using the Internet

1. All advertising and marketing guidelines under these Policies and Procedures also apply to a Member's use of the Internet to sell NSP products, advertise or advance the Member's business, including those guidelines prohibiting the practice of medicine or diagnosing in connection with the marketing and sale of NSP products.

2. These Policies and Procedures, including the advertising and marketing guidelines and restrictions on practicing medicine or diagnosing, also apply to communications sent via email or in other form. A breach of the law can also result in immediate termination of a Membership for cause.

3. When advertising via the Internet or a personal website (including all private sites, MyNSP Personal websites and Internet advertising), the statement "Independent Distributor of Nature's Sunshine Products" must be prominently displayed. This statement should be placed on the Home Page of the website.

4. All Members who want to use an NSP logo must use NSP's Independent Distributor Logo, not NSP's Corporate Logo. Please be aware that there is only a minor difference between the two logos with the additional words "Independent Distributor" typed below the ribbon on the logo. NSP must insist on usage of the correct logo to protect its trademarks for the benefit of NSP and all of its Members. If a Member wishes to use the Independent Distributor logo, he/she must obtain and enter into a trademark license agreement from the NSP website or Customer Service.

5. NSP discourages Members from placing their NSP account number on their websites because it may allow anyone to

contact NSP Customer Service and request information about said account, purchase product in the Member's name or otherwise abuse account privileges. In doing so, the privacy of the account information may be jeopardized. The Member, not NSP, will be responsible for abuses of its account and violations of the Member Agreement or these Policies and Procedures that may occur.

6. Some NSP Members sell products other than NSP products on their websites. NSP products must appear on a separate web page from any non-NSP products, and the website must clearly and conspicuously label and identify the products and website pages that feature products of NSP or of other companies. No NSP trademark may be used on any web page that contains information or advertising about any product or service that is not an NSP product.

7. Members may not register or use any website domain name or Internet advertising that contains any trademark, product name, slogan or promotion name of NSP in the domain name, or that otherwise does not meet with approval of NSP. A domain name/any advertising that merely misspells or is confusingly similar to any trademark, product name, slogan or promotion name of NSP is not approved and cannot be used. NSP may at any time notify a Member that a domain name is not approved, and the Member must immediately shut down the website/advertising or change the domain name. Failure to do so will subject the Membership to termination.

8. All Members must have written approval from the NSP Legal Department before linking their website to NSP's website (www.naturessunshine.com). Personal websites that NSP has created and maintains for its Members carry NSP's approval. When given permission to link to the corporate site, a Member must follow the "double-click" rule. This rule states that there must be a web page in between all

links from the Member's website and the corporate websites, and that web page must include the disclaimer provided by NSP's Legal Department. Framing of any part of NSP's website is strictly prohibited.

9. A Member's website or Internet advertising may not give to any users the impression or any reason to believe that they have reached or will be directed to NSP's website. The website/advertising must state clearly and conspicuously that it is owned and operated by an Independent Member of NSP and that NSP is not liable for any statement, omission or misrepresentation in the website.

10. Members should not design websites or landing pages so that they give the appearance or impression of being "the company" or NSP's corporate website. It is the responsibility of the Member to clearly identify their site as an independent website selling Nature's Sunshine products.

11. Members must not register any trademarks or names of third parties, especially of companies competitive with NSP, as metatags with Internet search engines. Such action is a violation of federal law, and is also cause for disciplinary action and termination of your Membership.

12. Members who maintain their own website(s) agree to be ethical in their business practices and advertising claims on the Internet. NSP has the right to terminate an account for unfair and/or unethical business practices, including, but not limited to, misleading statements and false advertising.

13. All Members who advertise via the Internet must include their name or business name (as recognized by NSP) on the "contact me" page or in another prominent location on their site. This is necessary for adequate customer service and problem resolution.

14. All Members shall be solely responsible for any liability or damages

caused by their utilization of a website to further their Membership business.

15. NSP may, from time to time, prohibit the advertising and marketing of any or all of its products or services over the Internet.

16. NSP may at any time prohibit Members in any particular country from filling orders for a product sold to persons in a jurisdiction or territory foreign to that of the Member's residence.

17. Any Member's website that does not comply with these Policies and Procedures may result in disciplinary action, including termination of Membership.

18. NSP publishes a Manufacturer's Suggested Retail Price (MSRP) for all of our products. To be compliant with U.S. Anti-Trust law, and due to the fact that our Members are Independent Distributors, NSP recommends and encourages Members/Managers to independently set the retail price according to their respective markets. NSP cannot "set" retail prices on products sold by Independent Distributors.

INTERNET PRICING POLICY

NSP believes that its goal of establishing NSP products as the leading line of herbal, vitamin, mineral and nutritional supplements is best served by offering our products through Members that provide superior service and support for NSP programs and who aggressively promote the NSP image. NSP also has determined that this goal is undermined by methods that eliminate personal interaction in the sales process, permit "free-riding" by some Members on the goodwill and brand recognition created through the efforts of others, or otherwise permit some Members to take unfair advantage of our promotional efforts for NSP products.

Therefore, NSP unilaterally has adopted the policy that any Member, regardless of rank or geographic location, that sells or advertises products, in any form or combination, via the Internet, at a

price that is below the current wholesale price (as published by NSP), will be subject to membership termination.

Placing metatags or wording on your site that would lead a person to believe you are selling below wholesale in any form is in direct violation of our policy and must be corrected immediately. You should not pay for advertising, online marketing or search terms that are deceptive or misleading in any way.

NSP representatives and employees are strictly prohibited from discussing the application or interpretation of this sales policy, or of any other pricing practices, with any Member. Further, our representatives and employees are strictly prohibited from seeking or accepting any assurance of compliance with the policy from a Member. All questions regarding the application or interpretation of this policy should be directed, in writing, to:

NSP Legal Department
75 East 1700 South
Provo, UT 84606

NSP has adopted this policy unilaterally and has not and will not enter into any agreement with Members on issues subject to this policy. NSP does not seek any complaints or comments from its Members about the pricing practices of any other Members. Further, NSP will not under any circumstances discuss the business dealings of any Member as they relate to this policy with other Members. In addressing violations of this policy, NSP reserves the right to change, amend or discontinue this policy at any time, and no Member has any right to rely on the continued existence of this policy or any effort by NSP to enforce its terms and conditions.

NSP reserves the right to choose those Members with which it will do business and the right to accept or reject any product order from any Member at any time.

SOCIAL MEDIA AND SOCIAL NETWORKING

Nature's Sunshine recognizes that

Members may wish to utilize various "Social Media" applications (e.g., Blogger, FaceBook, Twitter, LinkedIn, etc.) as marketing tools to support online marketing efforts. Messaging over Social Media tends to be shorter, more frequent, more interactive, and, at times, more casual than other marketing media. As such, Social Media may carry a higher risk of violating the Policies and Procedures, as well as other applicable laws and regulations. All guidelines and restrictions on marketing found elsewhere in the Policies and Procedures also apply to Social Media messaging. In addition, the following caveats and restrictions apply with regard to its use by Members:

1. Identification – Account names/ identifiers may not include any trademark owned or controlled by NSP. Account profiles/ descriptions must disclose the Member's identity and the Independent Distributor nature of Member's affiliation with NSP. Account descriptions must clearly state that the account, and any statements made on or via the account, are solely the responsibility of the Member.

2. Avatars/logos – Members may only use NSP's "Independent Distributor" logo in association with their accounts. Other use of intellectual property belonging to NSP is forbidden unless express permission is given in writing by NSP.

3. Exclusivity – Professional marketing accounts should not be used for casual, non-professional messaging. No offensive or political videos, pictures, graphics, text or other messaging may be used in association with the account.

4. Accuracy – All account messaging and profile information must be accurate and not misleading and otherwise comply with all requirements in these Policies and Procedures and any instructions otherwise issued by NSP.

5. Non-professional Accounts – If comments made by Member on personal/ non-professional accounts are offensive

or objectionable, in NSP's sole discretion, whether or not directly related to NSP or any of its other Independent Distributors or affiliates, NSP reserves the right to terminate Member's Independent Distributor account in order to protect the interests and reputation of NSP.

6. Third-party Accounts – When posting or commenting on third-party Social Media accounts/sites, Member must abide by all of the aforementioned controls and restrictions. Such comments and exchanges should be professional and appropriate at all times.

MYNSP PERSONAL PRODUCTS ONLINE

NSP provides replicated websites for those Members interested in maintaining an online presence. We strive to keep these sites as current and up-to-date as possible. However, due to the large number of sites, NSP cannot be held liable or responsible for any programming costs or maintenance of links between a personally created website and your MyNSP website. It is the responsibility of the Member to maintain his/her personal site and any links to MyNSP. NSP will strive to inform the Member of any site changes as they occur.

SPAM NOT ALLOWED

Members are prohibited from sending unsolicited email (SPAM) communication of any kind. Members agree that they will not use rented or purchased lists when sending email communication or advertising. Sending unsolicited faxes is also considered spamming. Failure to abide by this policy may result in disciplinary action, including termination.

Ordering Products

Members may order product in two ways:

1. From their Sponsor, generally at 15% above direct cost, or
2. Directly from Home Office at direct cost via the Internet, mail, fax or phone.

Phone Orders

Members may place orders by phone using a credit card or a bank draft. The

telephone number for NSP's Order Sales Department is 1-800-453-1422 (English) or 1-800-321-0214 (Spanish).

NSP Order Sales representatives can process product orders and assist with questions about ordering. They cannot address other messages, questions or problems.

When placing an order by phone, please remember to:

1. Calculate the total cost and total QV for the order. NSP's computer system will automatically calculate these totals, but comparing your total with NSP's total will help assure correct processing of the order.

2. Identify yourself by name and account number.

3. Provide the stock number of each item first, then the quantity. The product name, QV or cost need not be included.

4. If paying by bank draft, the amount of the draft will be the same as the amount the Order Sales representative provides to you (unless you have requested special shipping options). If using a credit card, the name on the credit card must match the name on the NSP account or the name of the person to whom the order is being shipped. The NSP Account Holder is ultimately responsible for all credit card transactions that occur on his/her account. The name to whom the credit card is issued and the credit card billing zip code must be provided. NSP calls a credit card service center to obtain an authorization number. If the service center declines to give to NSP an authorization number, the order will be canceled or put on hold for a period (not to exceed 24 hours) until other payment arrangements are made. All orders must be paid in full on or before the last business day of the month in which the order is received. The Order Sales representative will provide an order number. Properly placed phone orders are typically processed 15 minutes after submission. Additional items called in after that time will be processed as a

separate order and will be subject to separate shipping and handling charges.

5. For a phone-in order to be shipped the same day, the order must be completed and payment approved before noon (based on the time at the warehouse from which the order is shipped, be it Utah, Texas, Ohio or Georgia). Please be aware that the states in which NSP warehouses are located participate in daylight savings time. Orders placed on Saturdays or holidays will be shipped on the following business day. No orders are processed, filled or shipped on Sundays or holidays. QV for phone orders will be credited to the month in which the order was accepted by NSP. QV for phone orders placed on the last two working days of the month may count for either the current month or for the following month, whichever the caller specifies.

6. Save all invoices for reference in case of questions or problems. Be aware that Customer Service requires order numbers for all product credits, replacements and returns (see Product Returns, pg. 30).

Internet Orders

Members may place orders, check QV totals and view order history through NSP's website, www.naturesunshine.com. This site provides 24-hour/7-day-a-week access to Member accounts and product and ordering information, subject to website availability. A personal identification number (PIN) is required for account or order access. This number may be obtained by calling the Customer Service Department.

Mail Orders

Members may place orders by mail. NSP's computer system matches the account number with a shipping address already on file and prints out a shipping label. If an order is to be shipped to an address different than the Member's normal shipping address, a notation to that effect must be made on the top of the order form.

Double-check each order for accuracy.

Keep a copy of the order form for your records. Send the original copy of the order form to:

Nature's Sunshine Products, Inc.
Order Sales Department
P.O. Box 19005
Provo, UT 84605-9005

A check, money order or credit card (card number, expiration date and signature) covering the total cost of the order must be included with the order form. NSP accepts Visa, MasterCard, American Express and Discover. Orders received without payment will be returned. NSP deposits all checks on the date of order, even post-dated checks. Checks need to be completed with the current date, order amount and signature. Make checks payable to "Nature's Sunshine Products, Inc." NSP does not accept "starter" checks that lack the customer name, address and phone number and the name of the bank commercially imprinted on the check for the bank account holder. Payments cannot be deducted from future rebate/commission checks. Please include all orders sent on the same day in one envelope. Properly placed orders are normally processed and entered within 24 hours of receipt, excluding Saturdays, Sundays and holidays.

To make sure QV is credited to the correct month, each Member should see that the order reaches NSP Home Office on or before the last working day of the month, and he/she should write the QV month on all order forms. NSP cannot be held responsible for orders delayed in the mail or not received.

Orders received by overnight delivery will be processed the same day they are received, unless the order is incomplete or defective. Shipping times cannot be guaranteed.

Any correspondence to NSP Home Office should be mailed in a separate envelope from any order.

Fax Orders

Members may also order products via fax transmission at the number below. Use the standard NSP order form when ordering by fax. Do not reduce the form in size.

Fax orders are payable by credit card or bank draft only. Faxed checks and money orders cannot be accepted as payment to expedite processing, even if the actual check/money order is subsequently mailed to NSP. The order will not be accepted or processed until the payment is received.

The fax number for the Order Sales Department is 1-800-472-9328. Please note that confirmations of transmission from fax machines do not guarantee legibility.

Due to the large number of faxes received daily and the numerous fax machines receiving them, Customer Service/Order Sales representatives cannot confirm receipt of faxes.

Ordering Days and Hours

Monday through Friday: 6 a.m. to 6:30 p.m. (Mountain Time).

Saturday: 7 a.m. to 3:30 p.m. (Mountain Time).

No Longer Available Products (NLA)

Occasionally it becomes necessary to discontinue a particular item. Products marked NLA will not be invoiced, and the ordering account will receive a refund in the next rebate/commission check, or a credit on the credit card used to pay for the order.

NOTE: NSP cannot accept returns of a Member's or Manager's inventory of NLA products.

Payments via Bank Draft

Only Managers of at least six months can use the bank draft payment system. This system allows NSP to draw funds from your checking account. The draft is treated like a check when NSP deposits it. Application forms for the bank draft system can be ordered free of charge (Stock No. 2160-3) or requested from NSP Customer Service. The Manager must sign the

application, then return it to NSP with a voided check attached. NSP will notify the Manager by mail when NSP's bank has approved the application.

Shipping

Shipping Methods

Unless otherwise specified, NSP contracts with UPS for shipping all orders that weigh over 1 pound, generally using regular ground delivery. Since UPS cannot deliver to a post office box, a street address is required. If circumstances do not permit delivery to such an address, NSP can ship via Parcel Post through the U.S. Postal Service. NSP does not ship orders via UPS outside the continental U.S. NSP ships to Puerto Rico and the Virgin Islands via Priority Mail through the U.S. Postal Service. Orders going to Alaska and Hawaii are shipped via International Bridge. Orders weighing less than 1 pound can be sent through Mail Innovations. These orders will arrive by United States Postal Service. This may result in increased transit time.

If faster service is required, UPS blue label (two days guaranteed), UPS red label (one day guaranteed) or Federal Express (next-day air) services are available at additional cost. The cost of such shipping is based on the weight of the boxed order and the distance it travels.

NOTE: If NSP completes a UPS blue or red label order on time, but the shipment is delayed by UPS, NSP cannot refund the special shipping charges to the Member because UPS offers no refund to NSP. NOTE: All orders for residents of the Dominican Republic must be picked up at the local distribution office.

Special Shipping Arrangements

Requests for order pickup at NSP warehouses or special shipping instructions must be made at the beginning of a phone order, or printed in readily visible letters on mail orders. One-half of the applicable shipping and handling fee is applied to all pick-up orders. Arrangements for picking

up orders from NSP warehouses require at least 24 business hours' advance notice. All pickup orders must be paid for at the time the order is placed.

Extra charges for special shipping arrangements are the responsibility of the account holder placing the order.

When placing a drop-ship order (i.e., an order to an address other than that which appears on the account), the addressee's phone number (with area code) must be included so he/she can be notified when the shipment arrives.

Special packaging requests will incur an additional handling fee.

Change of Address

Members who move should promptly notify NSP of their address change either by mail or by phone. Permanent address changes cannot be effected by noting the change on an order form. All address changes sent in by mail should be submitted separately to the attention of the Order Sales Department. To change an address by telephone, contact Customer Service or Order Sales. To guarantee proper product shipment after an address change, please give NSP two weeks' notice.

Lost Orders

UPS ground shipments are not considered lost until the fifth business day after placement of the order. If five business days have passed and the order has not been delivered, NSP can trace the order with UPS. Upon verification that an order has been lost or returned, NSP can reship or refund the order.

International Bridge shipments follow the above guidelines.

Parcel Post shipments cannot be traced. If 30 business days have transpired since the order was shipped, NSP will attempt to verify that the order has been returned, and may reship the package.

Priority Mail shipments cannot be traced and will not be reshipped until 15 business

days from the Priority Mail date.

In the event of an emergency, NSP can ship and bill a duplicate order prior to the tracing process. Credit is applied for the original order when it is returned to NSP Home Office.

Neither NSP nor any shipping carrier it uses is responsible for any delays in product shipment caused by circumstances beyond their reasonable control, including interruptions or delays due to war, terrorist attacks or natural disasters.

Other Charges

NSP will assess a \$15 reshipping fee (or any greater amount UPS or another carrier bills NSP) for non-deliverable orders that are due to the ordering Member's error. When applicable, this reshipping fee will be added to the cost of the order. The reshipping fee will be charged in any of the following situations:

- The Member moves without giving NSP prior notification of the new address, and the order is placed for delivery to the old address.
- A Member completes his/her application form with an incorrect address.
- A Member provides NSP with an incorrect address for a drop shipment.
- UPS is forced to correct the address.
- UPS is forced to reroute the order.

Back Orders

Products unavailable at the time of order go on back-order status. Products on back order are noted by a "B.O." on the packing slip. When the item becomes available, it is shipped with the next order from that account.

If no new order is placed within five days, the back-ordered products will be shipped separately. Back-ordered products are billed and paid for with the original order.

Shipping and Handling Charges

Regular UPS Shipping & Handling Charges

(Prices are subject to change without notice)

Order Total	Phone/Mail/Fax	Online Orders
\$0-99.99	\$9.00	\$7.50
\$100-199.99		\$11.00
\$200-299.99		\$13.50
\$300-399.99		\$16.00
\$400-499.99		\$18.00
\$500 +		\$20.00

- Mail Innovations (for orders under one pound/available by request) = \$4.00
- Orders shipped via Next Day Air, 2nd Day Air or U.S. Priority Mail will incur additional charges.

One-half of the shipping and handling charges apply to orders that are picked up from an NSP warehouse.

NOTE: Shipping charges can change at any time.

Product Returns

Product Guarantee— 100 Percent Satisfaction

NSP product quality is guaranteed. If, after purchasing an NSP product and using it for a reasonable time, a retail customer determines it to be unsatisfactory, the customer should return it to his/her NSP Member for replacement, credit or a full refund.

This guarantee applies only to products that have not been misused, intentionally damaged, discontinued or outdated, and does not apply to the Nature's Spring water treatment system or NatureSeal cookware, which carry their own limited warranties.

Customer satisfaction is NSP's goal. If, for any reason, a customer is not 100% satisfied with an NSP product, Members should politely accept the return of any unused portion of the product and then return it to NSP within 90 days of the date of purchase from NSP for a refund/replacement, as per NSP's Product

Return Procedures below. Members should promptly and professionally give the customer a full refund or replacement product. Subject to the Product Return Procedures, below, credit from NSP will be calculated at 100% of the price paid at purchase minus any rebates or commissions paid on the product.

Product Return Procedures

• All returns must be authorized in advance by the Customer Service Department. Please call 1-800-223-8225 for a "returned goods" (RG) authorization number. All returned goods (RG) numbers should be clearly marked on the outside of any package that is returned to NSP. Boxes returned to NSP without a visible RG number will not qualify for a refund and cannot be returned to the sender.

• Order numbers are your proof of purchase and give you, the Member, the potential right to return products. Keep all invoices for reference for at least a year, since the original order numbers and lot numbers are required for all returns.

• Overstocked or obsolete products cannot be returned for credit. Seasonal, discontinued or special promotional products are not returnable.

• If NSP receives a return that has not been authorized, the products will be discarded and no credit will be given. Authorized returns must be sent to the Utah warehouse only.

• All product to be returned must have a lot number of within 12 months from date of purchase from NSP.

• Returned product will be discarded.
• Members may, at their own discretion, apply a return policy of their choice to their customers.

Defective or Damaged Product

If a product is defective or damaged, it may be returned within 90 days of purchase from NSP for credit or replacement. Credit

will be calculated at 100% less any rebates paid on the product. NSP will reimburse a Member for shipping costs incurred for such returned product limited to the amount of ground UPS or regular mail only, or Priority Mail for orders shipped from Hawaii, Alaska, Puerto Rico or the Virgin Islands.

Shipping must be prepaid on all product returns. Returns will be issued to the credit card used at the time of purchase. Check or cash payments will be refunded via check. If a product is being returned due to defect or damage in transit or an order error on NSP's part, the Member will be reimbursed for shipping costs as authorized by Customer Service.

NOTE: NSP reserves the right to refuse a refund or return if it suspects fraud, abuse or breach of any of these Policies and Procedures.

Terminating Accounts/Product Buyback Procedures

Members may terminate or resign their Membership with NSP at any time for any reason by providing NSP with at least 30 days' prior written notice, indicating their desire to discontinue, resign, retire or terminate their Membership business.

When a Member resigns or otherwise terminates his/her Membership, NSP may repurchase products from that Member, according to the "70 Percent Rule."*

THE 70 PERCENT RULE

The maximum return allowed is 100% of the last order placed and up to 30% of the preceding order. It is expected that at least 70% of the products purchased will have been sold to non-participating consumers or personally consumed prior to reordering. No returns will be authorized for products purchased on earlier orders.

Credit will be given at a rate of 90% of the purchase price, less all rebates and commissions paid. All returns must have advance authorization by Customer Service,

include a visible RG (Returned Goods) number, and they must otherwise meet the procedures for returning products. Such properly placed returns will be processed within 10 business days of receipt.

All products to be returned must have lot numbers of less than 12 months from date of purchase from NSP.

These rules pertain only to inventory returns and do not include regular returns made to satisfy customers who are dissatisfied with NSP products, or defective or damaged NSP products.

***EXCEPTIONS:**

The following buyback procedures apply to Members in the enumerated states:

GEORGIA: Upon cancellation in accordance with these Policies and Procedures, NSP will repurchase all unencumbered products in reasonably resalable condition at 90% of the original net purchase price paid by the Member. However, NSP may refuse to repurchase items identified as non-returnable, discontinued or seasonal. NSP will only repurchase discontinued goods if returned within one year from the original purchase date.

LOUISIANA, MARYLAND, MASSACHUSETTS, PUERTO RICO AND WYOMING: Upon cancellation in accordance with these Policies and Procedures, NSP will repurchase all unencumbered products in reasonably resalable condition at 90% of the original net purchase price paid by the Member.

Death of a Member

In the event of a Member's death, the executor of the estate or a surviving family member may call Customer Service for information on returning unsold products to NSP.

Return Address

All returns (except NatureSeal® cookware and Nature's Spring water treatment units) must be sent to:

Nature's Sunshine Products, Inc.
1655 North Main Street
Spanish Fork, Utah 84660

Returning NatureSeal Products

A six-month deadline exists for any returns on NatureSeal cookware, whether new or minimally used. No returns can be authorized after six months from the date of purchase from NSP unless the product is defective. One hundred percent credit of the purchase price will be given on return of defective products, minus any rebate or commission paid on the products. Upon return of new products, a 15% restocking fee is charged, and the customer pays all shipping and handling fees. All returns must be authorized by Customer Service, have an RG (returned goods) number on the outside of the box when returned and otherwise follow the procedures for returns. The order number and stock number will still be required. Returns of NatureSeal cookware must be sent to:

Nature's Sunshine Products, Inc.
ATTN: Customer Service
75 East 1700 South
Provo, Utah 84606

Nature's Spring Limited Warranty

NSP warrants to the original owner each Nature's Spring RO to be free from defects in materials and workmanship for a period of one (1) year from the date of installation.

Exceptions to Basic Warranty

Disposable filter cartridges are covered for defects in material and workmanship ONLY.

The reverse osmosis membrane is covered for manufacturing defects only, and warranty replacement is pro-rated as follows:

First 90 days (from installation): full replacement at no charge.

Months 4 through 12: buyer pays a fraction of the selling price of a replacement

module corresponding to the fraction of the 12 months that the module is in service (i.e. 4/12 to 12/12 of selling price).

To validate your warranty, return the completed warranty card to NSP within ten (10) days from the date of installation. Product should be installed within three (3) months from the shipping date shown on the packaging slip.

Returning Nature's Spring Water Treatment Units

Returns must be authorized through NSP's Customer Service Department.

Returned units must be sent to:

Nature's Sunshine Water
1700 E Walnut Avenue #A
Fullerton, CA 92831

NOTE: Please refer to owner's manual for complete details.

Boomerang Air & Surface Sanitizer

NSP gives you the following limited warranty for this product only if it was originally purchased directly from NSP or an NSP distributor.

90 Days, 100% refund, exceptions may apply.

NSP will repair or replace, free of charge, to the original purchaser, any part (not including replaceable parts) that is found to be defective in material or workmanship within three (3) years of the date of purchase. The replaceable PCO Cell is covered for a one-year period.

The limited warranty does not apply to any part subjected to accident, abuse, alteration, misuse, lack of reasonable care, the affixing of any attachment not provided with the product, loss of parts, damage caused by acts of God or the use of voltages other than indicated on the label displayed on this product by anyone other than NSP.

NSP does not authorize any person or distributor to assume or grant any other warranty obligation with the sale of this product.

To obtain service, the customer must first register the unit by returning the Warranty Card, or register online at www.naturessunshine.com/Boomerang. If you purchase this product from any source other than NSP or an NSP distributor, your purchase is "AS IS," which means NSP grants you no warranty, and that you, not NSP, assume the entire risk of the quality and performance of this product, including the entire cost of any necessary servicing or repairs of any defects.

For service, an RMA number or for other information, contact an NSP Customer Service representative at 1-800-223-8225, or e-mail questions@natr.com.

NOTE: An RMA number is required for any warranty service work. All returned packages that do not have an RMA number will be refused.

Legal Consultation with Assistance from NSP

NSP intends that its Members abide by the laws and established legal guidelines, including these Policies and Procedures. NSP maintains full-time legal staff to help in this regard. NSP's Legal Department is available to discuss the application of the policies and procedures, including the marketing of NSP products, proposed publications, proposed advertisements, interviews with the media and relations with government authorities. NSP's legal department does not provide legal advice about matters that do not affect NSP business or that are unique to a Member's business. NSP's Legal Department represents only NSP and not a Member or Manager in any capacity.

Contact Information

Questions concerning any aspect of a Member's business, problems with orders, shipments, procedures, organization or compensation should always be directed to Customer Service.

Customer Service may be reached at:
1-800-223-8225 (English) or
1-800-321-4652 (Spanish).

Customer Service Hours of Operation

Monday through Friday: 6 a.m. to 6:30 p.m. (Mountain Time).

Saturday: 7 a.m. to 3:30 p.m. (Mountain Time).

Customer Service cannot and does not diagnose, prescribe or recommend use of specific products.

NSP monitors incoming calls (to both Customer Service and the Order Sales Department) to make sure callers receive prompt, courteous and helpful service. Such monitoring may include recording calls for future review and training purposes.

Corporate Offices

ATTN:
Nature's Sunshine Products, Inc.
P.O. Box 19005
Provo, Utah 84605-9005

Other Contacts:

www.naturessunshine.com
web email: questions@natr.com

Warehouse addresses:

Utah:

1655 North Main Street
Spanish Fork, Utah 84660

All returns must be sent to this address with prior authorization from Customer Service.

Texas:

2740 Regency Drive
Grand Prairie, Texas 75050

Ohio:

2252 Westbrook Drive, Bldg. K
Columbus, Ohio 43228

Georgia:

7990 Second Flag Drive, Suite C
Austell, Ga. 30168

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**NATURE'S SUNSHINE
PRODUCTS, INC.**

