



# Policies & Procedures

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WHAT YOU NEED TO KNOW ABOUT  
RUNNING AND GROWING YOUR BUSINESS

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**USA ENGLISH**  
Updated November 2024



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## OUR PURPOSE

We believe that natural health and wellness have the power to change lives; and through our products, our people and our business opportunity, we work to make that a reality every day.

### MISSION

Our mission is to transform lives around the world by providing the most innovative and highest quality health solutions.

### VALUES

For over 45 years, we have built a business together, based on five core values:

- **Quality:** Setting the standards, not just meeting them
- **Integrity:** Doing what's right because it's right
- **Service:** Providing value and showing respect for all
- **Community:** Connecting those who share our passion
- **Innovation:** Nurturing a spirit of discovery and advancement

While transformation is a bold promise to make, we do so with confidence. Nature's Sunshine brings the promise of better health and wellness to millions of customers every day. And when people are healthier, they are happier, and lives are truly transformed.

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## SECTION 1 INTRODUCTION

### 1.1 Policies, Part of the Membership Agreement

Nature's Sunshine Products, Inc. has established these Policies (the "Policies") in their present form and may amend them from time to time in its sole discretion in accordance with Section 1.4. The Policies, including any amendments, are incorporated into the Nature's Sunshine Independent Consultant Sign-Up Application ("Independent Consultant Application"), along with the Nature's Sunshine Independent Consultant Business Model ("Compensation Plan"). Throughout these Policies, when the term Membership Agreement is used, it collectively refers to the Nature's Sunshine Independent Consultant Application, the Nature's Sunshine Compensation Plan and these Policies. The Membership Agreement constitutes a complete contract between the Independent Consultant and Nature's Sunshine. By purchasing products from Nature's Sunshine for purposes of resale, the Independent Consultant agrees to adhere to the terms and conditions contained in his or her Independent Consultant Application (defined below), the Nature's Sunshine Compensation Plan, as well as all provisions in these Policies. It is the responsibility of each Independent Consultant to read, understand, follow and ensure that they operate their independent Nature's Sunshine business under the most current version of these documents, including any amendments. The most current versions will be found on Nature's Sunshine's corporate website at [www.naturesunshine.com](http://www.naturesunshine.com). The online version of the Policies will supersede all other versions.

### 1.2 Purpose

The purpose of the Nature's Sunshine Membership Agreement is to govern the manner in which an Independent Consultant does business with Nature's Sunshine, other Independent Consultants and customers. It sets standards of acceptable business behavior to ensure the efficient and ethical operation of your independent Nature's Sunshine business or membership (as defined below). Failure to comply with any aspect of the Membership Agreement provisions may

result in, among other things, the loss of the Independent Consultant's right to information concerning their Nature's Sunshine organization, the loss of the right to receive a Commissions check, fines, suspension, and/or termination of the Independent Consultant's membership.

### 1.3 Scope

These Policies apply in the U.S. Additional or other Policies may apply in other countries. All documents that constitute the Membership Agreement and any related documents will be interpreted under Utah law. In the event of conflict between the English version of the Membership Agreement and any foreign language version of these documents, the English version shall control.

These Policies are effective November 10, 2024. Any provision or cause of dealing established under a previous version of these Policies is no longer valid or recognized by Nature's Sunshine as of the above date. Additional or varying terms may also apply in certain jurisdictions based on legal or operating requirements specific to the particular jurisdiction.

### 1.4 Amendments

All Independent Consultants understand and agree that Nature's Sunshine, at its sole discretion, may amend The Membership Agreement from time to time. All Independent Consultants understand and agree to be bound by the most current versions of these Policies, the Nature's Sunshine Compensation Plan, and the other documents forming the Membership Agreement, including any revisions or amendments made after the date of the Independent Consultant's enrollment, upon the occurrence of any of the following:

(a) completing the Independent Consultant Application and entering into the Membership Agreement; (b) renewing a Membership; (c) enrolling a new Independent Consultant; or (d) accepting any Commissions or other payments from Nature's Sunshine under the Nature's Sunshine Compensation Plan.

All Independent Consultants will be bound by any revisions or amendments upon notification of the revisions or amendments through any Nature's Sunshine official channel of communication effective thirty (30) days after posting such notice (except where a longer period is required by law, in which case such longer period will apply). Official channels of communication include, but are not limited to, postings of information or these Policies, the Nature's Sunshine Compensation Plan, or the other documents forming the Membership Agreement to the Nature's Sunshine website, email to the email address on file, announcements in any Nature's Sunshine official newsletter, or by mail sent to the address on file.

### 1.5 Policies and Provisions Severable

If any provision of the Membership Agreement in current form or as amended is found to be invalid or unenforceable for any reason, only that provision will be severed and the remaining terms and provisions shall remain in full force and effect and shall be construed as if the invalid or unenforceable provision never comprised part of the Membership Agreement.

### 1.6 Waiver

Nature's Sunshine never gives up its right to require compliance of the Independent Consultants to all aspects of the Membership Agreement, and with all applicable laws governing business conduct. Nature's Sunshine reserves the right to overrule any policy or procedure at its discretion, and such waiver will be conveyed in writing by the head of Distributor Education and Compliance or an authorized officer of the company. The waiver will apply only to that specific case.

## 1.7 Membership Agreement Questions

Independent Consultants shall abide by applicable laws and established legal guidelines, including these Policies. Nature's Sunshine maintains full-time staff to help in this regard. If an Independent Consultant has questions concerning the Membership Agreement or these Policies, they may contact Customer Service and/or Distributor Education and Compliance.

Nature's Sunshine's Distributor Education and Compliance Department is available to discuss the application of the Policies, including the marketing of Nature's Sunshine products, proposed publications, and advertisements, interviews with the media and relations with government authorities. Nature's Sunshine does not provide legal advice to its Independent Consultants. Nature's Sunshine's Legal Department represents only Nature's Sunshine and not an Independent Consultant in any capacity.

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## SECTION 2 DEFINITIONS

**2.1** In these Policies, the following terms shall have the meanings specified below:

*Compensation Plan:* The business practices that allow an Independent Consultant to purchase our premium-quality health supplements at wholesale cost; build an independent business; earn Commissions, either in cash or as Product Credits; and to attend Nature's Sunshine-sponsored events and educational meetings.

*Credit:* A stored value amount maintained in a Customer's or Independent Consultant's account that they may apply to future purchases. Credits consist of both Product Credit and Promotional Credit.

*Established Nature's Sunshine Account:* A Nature's Sunshine Account that was originally formed by a previous owner.

*Home Office:* The Nature's Sunshine Products, Inc. corporate office located at 2901 W. Bluegrass Boulevard, Suite 100, Lehi, Utah 84043, or any successor address.

*Independent Consultant:* An independent contractor who has completed and submitted a Membership Agreement and whose Agreement has been accepted by Nature's Sunshine and continues so long as they remain in good standing. The term "Independent Consultant" includes any person with a beneficial interest in a Nature's Sunshine membership. Independent Consultants are not employees of Nature's Sunshine.

*Independent Consultant Application:* The Independent Consultant Application and all attachment documentation required to be submitted to Nature's Sunshine to apply to become an Independent Consultant. The "Independent Consultant Application" is subject to acceptance or rejection by Nature's Sunshine. Upon acceptance by Nature's Sunshine, the "Independent Consultant Application," along with the Nature's Sunshine Compensation Plan and Nature's Sunshine Policies, constitute the "Membership Agreement."

*Membership:* The right to distribute Nature's Sunshine products and fulfill obligations to Nature's Sunshine as an Independent Consultant. Neither the term "membership" nor the term "Independent Consultant" shall connote any right or interest in Nature's Sunshine, its products or anything other than the right to distribute Nature's Sunshine products.

*Membership Agreement:* The binding contract between the Independent Consultant and Nature's Sunshine, governing the Independent Consultant's membership and includes the Independent Consultant Application, the Nature's Sunshine Compensation Plan, and the Nature's Sunshine Policies.

*Network:* All Independent Consultants of Nature's Sunshine and its affiliated companies and all compilations of various lists describing that network or members thereof, including but not limited to, any and all contact or personal information collected by Nature's Sunshine regarding the Independent Consultants, their customers, and all information provided to Independent Consultants on the Nature's Sunshine website and Independent Consultant back office tools.

*Product Credit:* A form of Commission payment Customers and Independent Consultants elect to receive in lieu of cash Commissions. Product Credit added to an account is based on sales numbers, high volume purchases, or sponsorship activity, as fully described in the Compensation Plan. Product Credit in an account does not expire.

*Promotional Credit:* Credit added to a Customer's or Independent Consultant's account as a gift, part of a marketing initiative, or to promote Nature's Sunshine merchandise. Promotional Credit is not issued to reimburse any value paid for goods or services. No consideration is exchanged for Promotional Credit. Promotional Credit is not compensation. Promotional Credit expires twelve (12) months after issuance. In marketing materials, Nature's Sunshine may utilize different terminology to refer to Promotional Credit as it deems necessary or desirable.

*Sponsor:* An Independent Consultant who personally recruits a new Independent Consultant to enter into a Membership Agreement with Nature's Sunshine and is identified on the new Independent Consultant's Application.

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## SECTION 3 CODE OF ETHICS

### 3.1 The Code of Ethics

All Independent Consultants agree to conduct business as independent Nature's Sunshine product distributors, with honesty and fairness, acting ethically, legally, and professionally at all times, and in accordance with these Policies. Ethical violations by Independent Consultants damage the reputation of Nature's Sunshine. Nature's Sunshine reserves the right to impose corrective and protective measures as outlined in this document or otherwise available under applicable law.

As an independent contractor and Consultant of Nature's Sunshine, an Independent Consultant promises and agrees that, among other things:

- Independent Consultants will abide by and comply with, and must cause every person under their direction or control who is connected with the performance of the Membership Agreement to fully abide by and comply with, all applicable laws, rules, regulations and ordinances of the United States of America, the State(s) in which they consume and/or distribute Nature's Sunshine products, and their respective agencies, as well as all Nature's Sunshine rules, regulations and policies.
- Independent Consultants will be courteous, respectful, honest and fair in all dealings while acting as a Nature's Sunshine Independent Consultant;

furthermore, they will perform professional activities in a manner that will enhance their reputation and the positive reputation of Nature's Sunshine.

- Independent Consultants will fulfill their leadership responsibilities as a Sponsor by training, assisting and otherwise supporting the Independent Consultants in their sales organization. They will respect the sponsor relationship of every Independent Consultant in the Nature's Sunshine family, and they will not attempt to interfere with or change these relationships. They will not make disparaging or untrue claims about other Nature's Sunshine Independent Consultants.
- Independent Consultants will follow the Policies, using best efforts to follow the spirit as well as the letter of these Policies.
- Independent Consultants will abide by the Terms and Conditions committed to upon signing the Independent Consultant Application.
- Independent Consultants will not diagnose or prescribe treatment for disease, nor will they make any disease prevention or treatment claims. They will never recommend to anyone that they discontinue the services, recommendations or medications of any doctor or other healthcare professional.
- Independent Consultants will not misrepresent or make deceptive or misleading (even if true) representations regarding the income potential of the Compensation Plan.
- Independent Consultants will not misrepresent or make deceptive or misleading (even if true) representations regarding the Nature's Sunshine products or the Compensation Plan, nor will they engage in disparaging, misleading, deceptive or illegal practices.
- Independent Consultants will guarantee all customer sales according to the terms of the Customer Return Policy.
- Independent Consultants will not omit, or cause or permit to be omitted, any material relating to Nature's Sunshine's products, Compensation Plan or Policies.
- Independent Consultants will not use, cause, or permit to be used, fraud, coercion, harassment or unconscionable or unlawful means to promote Nature's Sunshine's products or Compensation Plan.

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## SECTION 4

### ENROLLMENT & ACCOUNT MANAGEMENT

#### 4.1 Independent Consultant Benefits

Independent Consultants may immediately enjoy the benefits stipulated in the Nature's Sunshine Compensation Plan. Those benefits include the ability to:

- Purchase Nature's Sunshine products at wholesale cost from Nature's Sunshine Home Office and/or from their Sponsor.
- Sell Nature's Sunshine products and sponsor new Independent Consultants in any territory or country, subject to product registrations and international sponsoring regulations and consistent with applicable federal, state and local government laws and regulations.
- Sponsor other individuals into a membership to build a sales organization and progress within the Compensation Plan.
- Sponsor any individual as a Customer who does not wish to become an Independent Consultant.
- Participate in incentive contests sponsored by Nature's Sunshine for its Independent Consultants.
- Enjoy the opportunity of attending Nature's Sunshine educational events.
- Attend training seminars upon payment of any applicable charges.

#### 4.2 Nature's Sunshine Independent Consultant Application

Nature's Sunshine requires no initial payment other than the purchase of a Welcome Kit, to become an Independent Consultant. A person can become a Nature's Sunshine Independent Consultant by completing a Nature's Sunshine Independent Consultant Application and purchase a Welcome Kit. Nature's Sunshine Independent Consultants enjoy Consultant Cost on their purchases of Nature's Sunshine products along with several other benefits. Memberships are granted on a 12-month basis only and must be renewed each year (see Membership Renewal on page 14).

#### 4.3 Independent Consultant ID Number

Every Independent Consultant will obtain a unique numerical identification number ("ID Number") issued by Nature's Sunshine.

#### 4.4 Legal Age

Independent Consultants 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.

#### 4.5 Ownership of Network

Independent Consultants acknowledge and agree:

- The Network is protected as a valuable, proprietary, trade secret asset that is owned by Nature's Sunshine and its affiliated companies;
- The Network has been developed for the exclusive benefit of Nature's Sunshine and its Independent Consultants as they promote authorized business activities and Nature's Sunshine products through the Network;
- The protection of the Network is fundamental to the ongoing success of both Nature's Sunshine and its Independent Consultants;
- A violation of these policies inflicts irreparable harm to the Network, to the Company and to fellow Independent Consultants. Therefore, Independent Consultants agree that a breach of the obligations detailed in these Policies will constitute an unwarranted and unreasonable interference with the contractual relationship between Nature's Sunshine, and its Independent Consultants and will damage the competitive business interest and integrity of Nature's Sunshine and the Network;
- Resignation or termination of a Membership results in the loss of all rights and benefits as an Independent Consultant, including the permanent loss of the downline organization and Network.

#### 4.6 Confidential Information

As a result of being an Independent Consultant, Consultants have access to confidential information that they acknowledge to be proprietary, highly sensitive and valuable to Nature's Sunshine and its affiliated businesses.

This information is available to them solely and exclusively for purposes of furthering the sale of Nature's Sunshine products, prospecting, training and sponsoring third parties who wish to become Independent Consultants, and to further build and promote the Independent Consultant's Nature's Sunshine business. Independent Consultants and Nature's Sunshine agree and acknowledge that, if not for the Independent Consultants agreement to confidentiality and nondisclosure, Nature's Sunshine would not make confidential information available to Independent Consultants. To the extent permitted by applicable law, for as long as a person is an Independent Consultant, and for a period of three years after the termination or expiration of the Membership Agreement, Independent Consultants will not, for any reason, on their own behalf, or on behalf of any other Person:

- Disclose any confidential information related to or contained in the Network to any third party directly or indirectly;
- Disclose, directly or indirectly, the password or other access code to the Network;
- Use the confidential information to compete with Nature’s Sunshine and its affiliated businesses, or for any purpose other than promoting the company;
- Solicit any Independent Consultant of Nature’s Sunshine and its affiliated businesses or of the Network, or in any manner attempt to influence or induce any Independent Consultant of Nature’s Sunshine and its affiliated businesses, to alter their business relationship with Nature’s Sunshine and its affiliated businesses;
- Use or disclose to any person any confidential information related to or contained in the Network that was obtained while the Membership Agreement was in effect; or
- Misuse proprietary and/or confidential Nature’s Sunshine information by recruiting or attempting to recruit an existing Independent Consultant for another direct sales/network marketing company.

Upon resignation or termination of the Membership, Independent Consultants will promptly destroy or return to Nature’s Sunshine all confidential information. The obligations under this provision will survive the termination or expiration of the Membership Agreement.

The Independent Consultant shall indemnify and hold harmless Nature’s Sunshine and its affiliated companies for all damages claims, liabilities and expenses arising out of any breach or failure to comply with this provision.

#### **4.7 Independent Consultant Compensation and Fees**

An Independent Consultant is compensated pursuant to the Nature’s Sunshine Compensation Plan applicable to the country of residence of the Membership.

As with any other sales opportunity, the compensation earned by Independent Consultants varies significantly. People choose to become Independent Consultants for various reasons. Many do so in order to purchase Nature’s Sunshine products at the Independent Consultant price. Others may join to improve their business skills, including the management of their own business. Consequently, many Independent Consultants never qualify to receive Commissions. Earning a meaningful compensation as an Independent Consultant requires considerable time, effort, and commitment. Nature’s Sunshine business opportunity is not a get rich quick program. An Independent Consultant is neither guaranteed a specific income nor assured any level of sales, profit, or success. An Independent Consultant is wholly responsible for meeting the Independent Consultant’s qualification requirements.

The policies outlined in the Compensation Plan section of this document and on Nature’s Sunshine’s website are the guidelines for payment of earnings under the Compensation Plan and the fees charged to Independent Consultants. In case of discrepancies for payment of earnings, the terms and conditions of the Compensation Plan prevail.

Although Nature’s Sunshine provides most Independent Consultant services free of charge, from time to time an Independent Consultant will request or require services that warrant additional time and expense to research or address. The Independent Consultant requesting services will be notified of any additional charges and charged at Nature’s Sunshine’s discretion.

#### **4.8 Territory and Global Sponsoring**

Acceptance of an Independent Consultant Application provides authorization to conduct product sales and business within the United States. Additionally, Nature’s Sunshine offers its Independent Consultants the ability to sponsor new Independent Consultants in any international market in which Nature’s Sunshine is open and operating as a direct selling company (“Global Sponsoring”). Through Global Sponsoring, you have the opportunity to build your business beyond the borders of your country of residence, which unlocks great potential for growth and success. We hope that all Nature’s Sunshine Independent Consultants 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 [www.naturesunshine.com](http://www.naturesunshine.com).

- Global Sponsors are obligated to observe the laws of the countries in which they operate.
- Global Sponsors are obligated to only operate in the countries/markets that have been officially opened for direct selling activities by Nature’s Sunshine. These countries are listed at [www.naturesunshine.com](http://www.naturesunshine.com).
- Global Sponsors must abide by the Agreement Form, Rules, Policies & Procedures, Compensation Plan, etc. of the legally recognized Nature’s Sunshine office/subsidiary in the country/market in which they operate.
- Global Sponsors are obligated to recruit new globally sponsored Independent Consultants according to the Agreement Form, Rules, Policies & Procedures, Compensation Plan, etc. of the country/market in which the new globally sponsored Independent Consultant resides.
- Global Sponsors do not qualify for Compensation Plan incentives in the country where the globally sponsored Independent Consultant resides (for example: local market convention attendance, My Passport trips, etc.)
- Global Sponsors may enroll as many Independent Consultants as desired in all participating countries; however, Global Sponsors cannot register as authorized Independent Consultants in any country except in their country of residence. As a company-wide policy, any Independent Consultant/Customer may operate only one Nature’s Sunshine membership at any time.
- Any Commissions earned through Global Sponsoring are based on the sale of products in the foreign country where the sponsored Customer or Consultant resides and are paid to the Global Sponsor by the legally recognized Nature’s Sunshine office/subsidiary in the country/market of residence. Where applicable, taxes will be handled as required by the laws of each country/market.
- Nature’s Sunshine products are NOT to be distributed/sold from one country/market to another.
- 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 Membership Agreement in the global sponsor’s country of residence.

#### **4.9 Beneficial Interest**

Independent Consultants 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 in total. The Membership Agreement is void if any member of the Family Unit has previously signed up as an Independent Consultant, and that original account is still active.

#### **4.10 Corporations, Partnerships, Trusts, Sole Proprietors and Other Entities**

To use a corporation, limited liability company or other legal entity as a vehicle for your Nature's Sunshine membership, you must:

1. Submit a written request to the Nature's Sunshine Customer Service Department, Attention: Distributor Education and Compliance.
2. Request that Nature's Sunshine 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. Provide the Articles of Incorporation for that entity. This should 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 Nature's Sunshine products on your entity's account.
6. The membership and all Commissions, payments, correspondence and information will be processed and addressed in the name of the corporation or entity.

#### **4.11 Independent Consultant Marriage**

Married couples or couples living together in a common-law relationship must be enrolled with a single membership. The application must be signed by both individuals, and a single identification number will be issued. Independent Consultants who subsequently marry or cohabit with another Independent Consultant may have their memberships merged with the most senior Independent Consultant's membership continuing and the most junior Independent Consultant's membership being cancelled.

#### **4.12 Independent Consultant Divorce**

If married Independent Consultants obtain a divorce, Nature's Sunshine will continue to treat the membership pursuant to the original Membership Agreement until such time that Nature's Sunshine receives written notice from either parties, or official court documentation, directing otherwise. The written notice should come in the form of an Application to Remove an Owner (found on the corporate website) and be signed by all parties and then notarized. Please contact the Nature's Sunshine Customer Service or Distributor Education and Compliance Department for assistance.

#### **4.13 Independent Consultant Death**

In the event of an Independent Consultant's death, the membership may be conveyed by will or the laws of intestacy to the Independent Consultant's heirs. The death certificate, a certified copy of the will or court order, as well as a new Independent Consultant Application in the name of the new Independent Consultant receiving the membership and a Transfer of Ownership Form, must be forwarded to Nature's Sunshine Distributor Education and Compliance. Nature's Sunshine also provides a form called "Beneficiary of Account" to proactively assist in these matters (see the corporate website).

#### **4.14 Membership Account Changes**

Making account changes, e.g. adding/deleting a name, new business name, beneficiary, change of ownership, etc., requires a completed form from Nature's Sunshine, found on the corporate website. Please contact Nature's Sunshine Customer Service for assistance. Completed forms, including signatures and notarization as required should be submitted to Nature's Sunshine Distributor Education and Compliance.

#### **4.15 Membership Transfer by Will**

An Independent Consultant's business may be transferred by will. Appropriate legal preparation must be completed to ensure the transfer meets Nature's Sunshine's requirements and applicable laws. Successors acquire the right to an Independent Consultant's Commissions on the Independent Consultant's success line, but they must meet all PV, leadership and annual renewal requirements and must agree to conduct the business in accordance with the Membership Agreement.

#### **4.16 Membership Transfer by Sale**

No partial sale or division of a successline group is allowed. However, an Independent Consultant may sell their Nature's Sunshine membership. Nature's Sunshine provides the "Application to transfer ownership of Nature's Sunshine account" form for this purpose (found on the corporate website). Completed forms, including signatures and notarization as required should be submitted to Nature's Sunshine Distributor Education and Compliance. The seller should notify their Sponsor of the sale.

The terms and conditions of the Membership Agreement are still in force regardless of any organizational changes due to the sale of a Nature's Sunshine Membership.

NOTE: Any active Independent Consultant desiring to acquire an interest in another Independent Consultant's business must first terminate their existing Membership and cease functioning in any way as a Nature's Sunshine Independent Consultant, including purchasing products, for a period of at least six (6) months. The buyer must then reapply as an Independent Consultant in the newly acquired Membership by submitting a new Independent Consultant Application and incorporation or partnership paperwork, which must be accepted by Nature's Sunshine. Nature's Sunshine reserves the right to deny the transfer of any Nature's Sunshine Membership for any reason or for no reason.

#### **4.17 Recognition and Benefits for Accounts with a Change of Ownership**

Nature's Sunshine offers many benefits to Account Holders based on rank. Some elements of recognition and rewards may be designed to honor only those who originally grew the business.

An individual who gains any type of ownership interest in an Established Nature's Sunshine Account shall be designated as a "Heritage Account Holder." Heritage accounts are no different from any other Nature's Sunshine account except that Heritage Account Holders may obtain published and on-stage recognition separately from Nature's Sunshine Account Holders. Heritage Account Holders may receive further rank advancement and additional recognition as they grow their successlines subject to the qualification requirements set forth in the Compensation Plan and published by Nature's Sunshine from time to time.

#### **4.18 Event Reward Eligibility**

Nature's Sunshine holds many events on a regular basis, including some which are open to everyone who wishes to attend, and others which are by invitation only. These include National Convention, the My Passport trip, etc. Eligible Independent Consultants are able to have some or all of their expenses paid in attending many of these events, by fulfilling various business activities, as defined each year as part of the annual incentive programs.

In order to be eligible to receive and participate in any event, an Independent Consultant must be in good standing with the Company in actively be promoting Nature's Sunshine products, particularly in relation to adherence to the Policies. Examples of this include properly marketing Nature's Sunshine products in



accordance to Nature's Sunshine marketing guidelines, not recruiting other Nature's Sunshine Independent Consultants away from their sponsors, not recruiting Nature's Sunshine Independent Consultants to other Direct Sales/ Network Marketing companies, etc. All Independent Consultants should participate in every event they are able to attend.

All Independent Consultants should support Corporate sponsored events and training meetings within their geographic region, including conference calls, webinars, Education week trainings, etc., through personal attendance, and encouraging the participation of their successline, to build their business skills and product knowledge, and learn from the corporate team and other Independent Consultants.

#### INCENTIVE TRIPS

From time to time, Nature's Sunshine may offer top Independent Consultants the opportunity to qualify for an exclusive vacation to some of the world's most interesting locales, enjoying wonderful accommodations, food, entertainment and culture. These trips create memories and strengthen bonds between leaders and with Nature's Sunshine executives. Qualification requirements may vary for each trip.

#### NATIONAL CONVENTIONS/SUMMITS

All Independent Consultants may attend this event held at various locations in the U.S. The convention focuses on product education, training and business skills. All Independent Consultants may qualify to have Nature's Sunshine pay up to one hundred percent (100%) of the convention costs (excluding travel expenses). Qualification details may vary from year to year and available on the corporate website during the qualification period. If an Independent Consultant qualifies for two attendees, he or she may bring a spouse, partner or other Independent Consultant. Qualifications are nontransferable. Participating Independent Consultants must meet the event award eligibility criteria, as described above.

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## SECTION 5 OPERATION OF BUSINESS

### 5.1 Ethical Behavior

Each Independent Consultant must comply with the Nature's Sunshine Code of Ethics, these Policies, the Independent Consultant Application, the Compensation Plan, all contractual obligations, and state, federal and other applicable U.S. and foreign laws.

Nature's Sunshine will not tolerate activity by an Independent Consultant that is unethical. Nature's Sunshine may intercede when unethical behavior is discovered or reported. Nature's Sunshine reserves the right to use its best judgment and discretion in determining whether a certain Independent Consultant's activities are unethical.

Any breach or violation of these Policies may be deemed unethical. Any action that may cause Nature's Sunshine or its Independent Consultants the loss of reputation or that is detrimental to Nature's Sunshine business will be considered an unethical business practice and will be grounds for disciplinary action, including up to termination of membership.

### 5.2 No Side Agreements

There shall be no written or oral agreements or arrangements between or among any Independent Consultant and any other person, including, but not limited

to, Independent Consultants or former Independent Consultants regarding the resale of Nature's Sunshine products or other aspects of their business, other than the Membership Agreement. This includes but is not limited to agreements or arrangements regarding drop shipping, 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 Nature's Sunshine products or for stocking such locations.

Nature's Sunshine will not enforce nor adjudicate separate or side agreements between Independent Consultants, shall deem such agreement invalid and may terminate or otherwise discipline Independent Consultants for entering into any such agreement.

### 5.3 Independent Contractor Status

Each Independent Consultant is an independent contractor of Nature's Sunshine. Independent Consultants are not employees, agents, partners, joint ventures or representatives of Nature's Sunshine, their Sponsor or any other Independent Consultant. Independent Consultants are not entitled to claim unemployment or worker's compensation as a result of having been or being an Independent Consultant. No Independent Consultant is authorized to act on behalf of, or to legally bind Nature's Sunshine, their Sponsor or any other Independent Consultant or individual.

### 5.4 Privacy and Handling Personally Identifiable Information in your Nature's Sunshine Business

Personally identifiable information ("PII") is information that identifies, or permits you to contact, an individual. It includes customers', potential customers', Independent Consultants' and prospective Independent Consultants' names, mailing addresses, e-mail addresses, telephone numbers, payment card data, and government identification numbers and other information associated with these details.

Nature's Sunshine collects, uses and shares Independent Consultant's, Customers' and prospective Independent Consultants' PII in accordance with our Privacy Statement posted at: [naturesunshine.com/us/general/privacystatement/](http://naturesunshine.com/us/general/privacystatement/)

Because of the unique nature of network marketing, Independent Consultants will likely receive PII from us or directly from other Independent Consultants, customers and prospective Independent Consultants. Independent Consultants collect only the information that needed. It is an Independent Consultant's responsibility to maintain the security of all PII they receive. They should shred or irreversibly delete PII once it is no longer need. The law might require the Independent Consultant to notify the customer and, in some cases, regulators in the event of a data breach. Independent Consultants may not share, sell or trade PII with or to any third parties for direct marketing purposes and they may only use and share PII for the purpose of providing Nature's Sunshine products and services to their downline Independent Consultants, customers and prospects, and running their own independent Nature's Sunshine business. PII cannot be shared for purposes other than which Independent Consultant's have given the customer notice. The collection, processing, use and transfer of PII is highly regulated and Independent Consultant's must follow all applicable privacy and data protection laws.

### 5.5 Unfair Competition – Successline Cross Sponsoring/Raiding

To protect the interests described in sections 4.5 and 4.6 above, Independent Consultants will not, directly or indirectly, sponsor or solicit other Independent



Consultants into any other network-marketing or direct-sales company (i.e. “Cross Sponsoring”). Independent Consultants will not promote another company or its products during or in connection with any Nature’s Sunshine meeting or function nor any meeting or function sponsored by any Independent Consultant for that Independent Consultant’s successline or in social media and websites.

An Independent Consultant may not attempt to persuade other Independent Consultants to change Sponsors or positions in the successline within Nature’s Sunshine (i.e. “Successline Raiding”). Independent Consultants determined to be participating in these activities will have their memberships terminated.

### **5.6 Disparaging Activities**

Independent Consultants will conduct their business with professionalism and integrity and will not discredit or disparage Nature’s Sunshine, its employees or any other Independent Consultants in any way. Furthermore, Independent Consultants will not make false or derogatory statements concerning the quality of a competitor’s product or company. Complaints may be directed to appropriate Nature’s Sunshine personnel. These provisions are not intended to prohibit truthful statements as required by law or in response to inquiries from government agencies.

### **5.7 Marketing and Product Sales Claims**

Independent Consultants and their agents (including influencers or promoters) will not make any false, deceptive, or misleading claims or material omissions of relevant facts. Independent Consultants and their agents must not make inappropriate, false, deceptive or misleading (even if true) claims or other misrepresentations of Nature’s Sunshine products or services, financial rewards, earnings, potential income or tax advantages of membership (refer to Addendum A). Independent Consultants and their agents will not imply or assert that additional products, services or territories will be added until such fact has been officially announced by Nature’s Sunshine to all Independent Consultants.

### **5.8 Governmental Endorsement Claims**

Independent Consultants will not state, suggest or imply to individuals that Nature’s Sunshine’s Compensation Plan, Nature’s Sunshine products or memberships are approved, sponsored or endorsed by any state attorney general, government authority or agency or other third party unless such claims are true and approved by Nature’s Sunshine.

### **5.9 Liability Disclaimer**

IN NO EVENT WILL NATURE’S SUNSHINE, OR ANY NATURE’S SUNSHINE CONSULTANT, PROFESSIONAL, AFFILIATE, SHAREHOLDER, OFFICER, DIRECTOR OR EMPLOYEE OF ANY ENTITY MEMBERSHIP, BE LIABLE TO ANY CONSULTANT (OR ANYONE CLAIMING FOR OR THROUGH ANY CONSULTANT) FOR ANY CONSEQUENTIAL, INDIRECT, INCIDENTAL OR SPECIAL DAMAGES.

### **5.10 United States Foreign Corrupt Practices Act**

Independent Consultants shall not make, offer, promise or authorize any payment, loan, gift, donation or other giving of money or things of value, directly or indirectly, whether themselves or through their shareholders, partners, officers, employees, agents or representatives, whether in cash or kind, and whether or not pursuant to written contract, to or for the use of any government official, any political party or official thereof, or any candidate for political office, for the purpose of influencing or inducing any official act or decision in order to further the activities contemplated by these Policies, or otherwise violate in any

manner the United States Foreign Corrupt Practices Act or any convention, law or regulation prohibiting illicit payments to government officials, their agents or instruments or to third parties. A violation of this Section shall be a material violation of the Policies. Further, no Independent Consultant may do business in any country in which Nature’s Sunshine has not registered its products for lawful sale and communicated to the Independent Consultants that it is officially “open” for business. Specifically, under no circumstances may any Independent Consultant conduct business in Cuba, North Korea, Iran, Sudan or Syria. Violation of this requirement will lead to termination.

### **5.11 Reporting Unethical Behavior**

Independent Consultants should promptly discourage and report to Nature’s Sunshine any activity that would be injurious to Nature’s Sunshine, the nutritional supplement and personal care products industry, or the direct sales industry.

An Independent Consultant who has a specific complaint about another Independent Consultant or is aware of any violation of these Policies by another Independent Consultant should direct such complaints in writing to the Nature’s Sunshine Distributor Education and Compliance Department.

### **5.12 False Accusations**

Any claims made to Nature’s Sunshine Distributor Education and Compliance that are determined to be false can be construed as unethical behavior and may result in disciplinary action.

### **5.13 Taxes**

Nature’s Sunshine is not responsible for any tax or other withholdings for the Independent Consultant. Each Independent Consultant must promptly file all returns and reports required by taxing authorities and pay all taxes arising from or related to activities as an Independent Consultant.

### **5.14 No Sale/Purchase of Leads**

Nature’s Sunshine prohibits Independent Consultants from selling leads to other Independent Consultants and from purchasing leads from a third-party source.

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## **SECTION 6**

### **SPONSORSHIP RESPONSIBILITIES**

#### **6.1 General**

- Sponsoring is an important part of being an Independent Consultant and carries with it many benefits and responsibilities. An Independent Consultant may act as the Sponsor for new Independent Consultants if the Sponsor is in good standing with Nature’s Sunshine.
- A new Independent Consultant has the right to choose their sponsor and to have that sponsor listed on the Independent Consultant Application.
- Nature’s Sunshine will not mediate disputes resulting from one or more individuals contacting the same prospective Independent Consultant.
- If more than one Independent Consultant claims sponsorship of the same person, Nature’s Sunshine will recognize the sponsorship detailed on the first signed, completed and acceptable Independent Consultant Application form received by the home office.
- It may not be possible for Nature’s Sunshine to determine and verify cross-sponsoring. If an Independent Consultant has had their spouse or child (who lives at the same address) reapply under a different Sponsor, it is the first Sponsor’s responsibility to promptly notify Nature’s Sunshine of that fact. Such notification must be received by Nature’s Sunshine in writing

within six months of this action, or the Sponsor of the first Independent Consultant will have waived their right to object, and Nature's Sunshine will determine which membership to cancel.

- It may not be possible for Nature's Sunshine to determine if an account was originally assigned to the wrong Sponsor, and Nature's Sunshine will have no liability in connection therewith.
- The signed Independent Consultant Application will protect the Sponsor/ Independent Consultant relationship.

### 6.2 Responsibilities With Prospective Independent Consultants

A Sponsor must clearly state in all presentations to prospective Independent Consultants that there is no compensation paid to any Independent Consultant solely for sponsoring new Independent Consultants. Every commission is tied to an individual purchase. A Sponsor must also clearly state that all product purchases are voluntary, and that incurring debt to pursue a Nature's Sunshine business opportunity is discouraged.

### 6.3 Change of Sponsorship

Nature's Sunshine discourages any change in Sponsors. The only way for an Independent Consultant to change sponsors is for the Independent Consultant to resign or terminate their account by writing a letter to Nature's Sunshine Distributor Education and Compliance requesting resignation or termination. The Independent Consultant must wait six months from the date of resignation to reapply as an Independent Consultant under a new Sponsor. During this waiting period, the Independent Consultant must cease all participation in Nature's Sunshine activities, including attendance at any meetings, and the purchase and resale of Nature's Sunshine products.

An Independent Consultant whose account has passed the yearly expiration date may reapply for membership under a new sponsor immediately so long as no activity has been made on the account in the month prior to expiration and in the expiration month.

If there has been activity on the account in the month prior and during the expiration month, the Independent Consultant may reapply 30 days after the expiration, so long as there is no more activity during that time.

### 6.4 No Inventory Loading

Independent Consultants will not encourage their successline or any other Independent Consultant 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 an Independent Consultant. Nature's Sunshine expects that its products will be consumed—not merely purchased and warehoused. Independent Consultants must consume their products or sell their products to people who will consume them.

### 6.5 No Stacking

Stacking is prohibited. Stacking is defined as use by an Independent Consultant of one or more persons in the Independent Consultant's successline, where the purpose of such persons is ostensibly to sell products and receive 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. The person(s) so used is/are "stacked" into the successline of the Independent Consultant and is/are also participant(s) to fraudulent manipulation of the Nature's Sunshine Commissions system. Stacking is against

these Policies and is a violation of federal and state law. Independent Consultants may not have more than one Nature's Sunshine 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.

### 6.6 No Sponsoring Employees and Extended Families/No Employee Endorsements

An Independent Consultant shall not solicit or sponsor employees of Nature's Sunshine, Synergy or the extended family members of such employees to be Independent Consultants, nor request that they provide any endorsement of non-Nature's Sunshine or Synergy produced materials. No Nature's Sunshine or Synergy corporate officer, employee, product supplier, agent, representative, Independent Consultant or member of the extended families of such will be allowed to be an Independent Consultant or build a successline within Nature's Sunshine or Synergy. For purposes of this paragraph, "extended family" includes all blood relatives and their spouses/partners, as well as similar relatives through marriage, regardless of whether the person(s) are currently residing with the officer, employee, product supplier, agent, representative, or Independent Consultant or not. Examples include grandparents, parents, siblings, children, grandchildren, their spouses/ partners, as well as "in-laws" of the same type.

### 6.7 Competing Employment

An Independent Consultant cannot be an employee of another multi-level marketing/direct sales company. Any Independent Consultant found to be in violation of this is subject to immediate termination.

### 6.8 No Solicitation of Synergy Team Members

Synergy Worldwide (Synergy) is a wholly owned subsidiary of Nature's Sunshine. To protect the integrity of our separate Compensation Plans and the original successline organizations, it is imperative that Members/Independent Consultants of one brand be prohibited from recruiting Members/Independent Consultants of the other brand. No Nature's Sunshine Independent Consultant may solicit, directly or indirectly, any Synergy Team Member. Neither a Nature's Sunshine Independent Consultant, nor a Nature's Sunshine Independent Consultant's spouse may sign up with Synergy as a Synergy Team Member. In addition, Nature's Sunshine Independent Consultants shall not disparage or misrepresent Synergy or Synergy's products, business or Compensation Plans.

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## SECTION 7 SALES RESPONSIBILITIES

### 7.1 Product Payment

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

### 7.2 California Product Sales

Certain Nature's Sunshine products may not be sold to California consumers unless Nature's Sunshine has labeled the product for the California market. Due to the complexity and uniqueness of California laws, such as Proposition 65, Nature's Sunshine urges all Independent Consultants to allow Nature's Sunshine to fulfill orders destined for California. If an Independent Consultant instead elects to sell any Nature's Sunshine product in California, or directly to a California consumer, that Independent Consultant is responsible for meeting all legal standards, and the Independent Consultant will indemnify Nature's Sunshine against any claims or liabilities arising from such sale. Any questions

regarding whether a Nature's Sunshine product is labeled for the California market should be referred to the Nature's Sunshine Distributor Education and Compliance Department before making any sale or shipment. Orders by California consumers that are fulfilled by Nature's Sunshine will remain Nature's Sunshine's responsibility.

### 7.3 Customer Sales

Independent Consultants are expected to resell or consume 70% of all products purchased from Nature's Sunshine. All retail sales should be carefully documented. All Independent Consultants should remit all necessary sales tax as deemed by their state of residence. No Independent Consultant may sell or otherwise provide Nature's Sunshine products to any person for the purposes of such person reselling Nature's Sunshine products. Independent Consultants shall not sell to any person any quantity of Nature's Sunshine products greater than that generally purchased by an individual for personal use.

NOTE: Nature's Sunshine will audit Independent Consultants for retail sales and for compliance with these Policies. Should an Independent Consultant refuse to immediately and fully cooperate with a Nature's Sunshine audit, as may be initiated by Nature's Sunshine from time to time, the Independent Consultant recognizes that the Independent Consultant may be subject to disciplinary action, pursuant to Section 15.1.

### 7.4 United States Trade Regulation "Cooling Off Rule"

The Trade Regulation Rule at 16 C.F.R. Part 433, known as the "Cooling-Off Rule" is designed to give the customer an opportunity to reconsider a purchase from a direct seller under certain circumstances. Under this Rule, a buyer is able to cancel the sale within three (3) business days if the buyer decides the goods are not wanted, not needed or not affordable. The buyer does not need to give the reason. Following cancellation, Independent Consultants must cancel or refund the customer's payment within ten (10) days. Please go to the Federal Trade Commission (FTC) website for further details regarding compliance to this rule.

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## SECTION 8

### ACCOUNTING POLICIES

#### 8.1 Credit

Customer and Independent Consultant Accounts may hold Credit. Account holders can use a Credit toward Nature's Sunshine purchases. Credit may consist of both Product Credit and Promotional Credit. Account holders can choose to earn Product Credit as Commission instead of cash payment. Product Credit Commissions are applied to an account at the same rate and using the same formula as traditional cash Commission payments. Purchases using Product Credit are Commission eligible, as if the product was purchased with cash.

Nature's Sunshine may issue Promotional Credit to Customer or Consultant accounts. Promotional Credit is issued as gifts and are not intended to reimburse any value paid by account holders for goods or services. Promotional Credit is not compensation. No consideration is exchanged for Promotional Credit. Promotional Credit will expire twelve (12) months after issuance. Purchases using Promotional Credit do not generate Commission. Promotional Credit may not be redeemed as cash.

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## SECTION 9

### ORDERING PRODUCTS

#### 9.1 Phone Orders

Independent Consultants and Customers may place orders by phone using a credit card or a bank draft. The telephone number for Nature's Sunshine's Customer Service Department is 1-800-223-8225. Nature's Sunshine Customer Service representatives can process product orders and assist with questions about ordering.

When placing an order by phone, please remember to:

1. Calculate the total cost and total PV for the order. Nature's Sunshine's computer system will automatically calculate these totals, so comparing your total with Nature's Sunshine's total will help assure correct processing of the order.
2. Identify yourself by name and account number.
3. If paying by bank draft, the amount of the draft will be the same as the amount the Customer Service representative provides to you (unless you have requested special shipping options). The Nature's Sunshine Account Holder is ultimately responsible for all transactions that occur on their account. All orders must be paid in full at the time the order is placed. The Customer Service representative will provide an order number. Additional items called in after the initial order has been processed will be processed as a separate order and will be subject to separate shipping and handling charges.
4. Orders are not guaranteed to ship on the same day of placement. For questions regarding shipping, please contact Customer Service. No orders are processed, filled or shipped on weekends or holidays. PV for all orders will be credited to the month in which the order was placed.
5. 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 in section 11).

#### 9.2 Internet Orders

Independent Consultants and Customers may place orders, check PV totals and view order history through Nature's Sunshine's website, [www.naturessunshine.com](http://www.naturessunshine.com). This site provides 24-hour/7-day-a-week access to Independent Consultant Accounts, product and ordering information, subject to website availability. A username and password are required for account or order access.

#### 9.3 Mail Orders

Independent Consultants and Customers may place orders by mail. Nature's Sunshine'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 Independent Consultant'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.*  
*Customer Service Department*  
*1655 North Main Street*  
*Spanish Fork, Utah 84660*

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. Nature's Sunshine accepts Visa, MasterCard, American Express and Discover. Orders received without payment will be returned. Nature's Sunshine 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." Nature's Sunshine 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 Commissions. 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 weekends and holidays.

To make sure PV is credited to the correct month, each Independent Consultant should ensure that the order reaches Nature's Sunshine Home Office on or before the last working day of the month, and they should write the PV month on all order forms. Nature's Sunshine 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 Nature's Sunshine home office should be mailed in a separate envelope from any order.

#### **9.4 Fax Orders**

Independent Consultants may order products via fax transmission at 800-472-9328. Use the standard Nature's Sunshine order form when ordering by fax. Do not reduce the form in size.

Fax orders are payable by credit card or bank draft only. The order will not be accepted or processed until the payment is completed.

Please note that confirmations of transmission from fax machines do not guarantee legibility.

#### **9.5 Ordering Days and Hours**

Monday through Friday: 7:00 a.m. to 5:30 p.m. (Mountain Time).

#### **9.6 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 Commission payment, or a credit on the credit card used to pay for the order.

NOTE: Nature's Sunshine cannot accept returns of an Independent Consultant's inventory of NLA products.

#### **9.7 Payments via Bank Draft**

Independent Consultants may use the bank draft payment method with Nature's Sunshine's prior approval. This method allows Nature's Sunshine to draw funds directly from the Independent Consultant's checking account. Application forms for the bank draft payment method can be obtained on the Nature's Sunshine corporate website or may be requested from Nature's Sunshine Customer Service. The Independent Consultant must sign the application and return it to Nature's Sunshine with a voided check attached. Nature's Sunshine may request additional information once the application has been received.

Nature's Sunshine assesses a \$30 fee to the Independent Consultant if the bank draft payment is declined/returned. Nature's Sunshine will then bill the Independent Consultant's account for the outstanding amount until it is paid in full. Nature's Sunshine may, in its sole discretion, refuse the bank draft option if the Independent Consultant's bank draft is ever declined/returned. Independent Consultants agree that Nature's Sunshine may withhold or reduce the amount of Commissions paid if a bank draft has been declined/returned and the outstanding amount has not been paid in full.

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## **SECTION 10**

### **SHIPPING**

#### **10.1 Shipping Methods**

Unless otherwise specified, Nature's Sunshine contracts with UPS for shipping all orders. Nature's Sunshine 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.

#### **10.2 Special Shipping Arrangements**

Requests for special shipping instructions must be made at the beginning of a phone order, or printed in readily visible letters on mail orders. 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. Special packaging requests will incur an additional handling fee. International Bridge shipments follow the above guidelines.

#### **10.3 Change of Shipping Address**

Independent Consultants who move should promptly notify Nature's Sunshine of their new address either by mail or by phone. Permanent addresses may be updated Online or by contacting Customer Service. To guarantee proper product shipment after an address change, please give Nature's Sunshine two weeks' notice.

#### **10.4 Lost Orders/Tracking**

Order replacement timeframes vary depending on the shipping option selected. Upon verification that an order has been lost or returned, Nature's Sunshine can reship or refund the order. Please contact Customer Service for assistance.

NOTE: If Nature's Sunshine completes an order on time, but the shipment is delayed by UPS, Nature's Sunshine cannot refund the special shipping charges because UPS offers no refund to Nature's Sunshine.

Neither Nature's Sunshine 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.

#### **10.5 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, the back-ordered products will be shipped separately. Back-ordered products are billed and paid for with the original order.



## 10.6 Shipping and Handling Charges

Different shipping options and prices are offered when placing an order.

NOTE: Shipping options and prices may change at any time. For current shipping options and prices, please visit our website or contact Customer Service.

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## SECTION 11 PRODUCT RETURNS

### 11.1 Product Guarantee — 100% Satisfaction

Nature's Sunshine product quality is guaranteed. If, after purchasing a Nature's Sunshine product from an authorized seller, a retail customer determines it to be unsatisfactory, the customer should return it to their Nature's Sunshine Independent Consultant for replacement or a full refund.

This guarantee applies only to products that have not been misused, intentionally damaged, or discontinued, are outdated, or have not been purchased from an unauthorized seller, who are not subject to Nature's Sunshine's quality control standards.

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

Independent Consultants should promptly and professionally give the customer a full refund or replacement product. Subject to the Product Return Procedures below, refunds from Nature's Sunshine will be calculated at 100% of the price paid at purchase.

### 11.2 Product Return Procedures

All returns must be authorized in advance by the Customer Service Department. Please call 1-800-223-8225 to set up a return. All order numbers should be clearly marked on the outside of any package that is returned to Nature's Sunshine. Boxes returned to Nature's Sunshine without a visible order 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 Independent Consultant, 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 refund. Seasonal, discontinued or special promotional products are not returnable. If Nature's Sunshine receives a return that has not been authorized, the products will be discarded and no refund 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 Nature's Sunshine. Independent Consultants may, at their own discretion, apply a return policy of their choice to their customers so long as any such policy is no less protective of consumers than the Nature's Sunshine policy.

### 11.3 Defective or Damaged Product

Independent Consultants shall inspect all products prior to sale for damage, broken seals, evidence of tampering, or other defects. If a product is defective or damaged, the Independent Consultant should report the defect or damage to Nature's Sunshine and the product may be returned within 90 days of purchase

from Nature's Sunshine for refund or replacement. Refunds will be calculated at 100%. Commissions and/or PV already awarded may be adjusted following a refund. Nature's Sunshine will reimburse an Independent Consultant for shipping costs.

Shipping must be prepaid on all product returns. Returns will be credited to the credit card used at the time of purchase. Check, bank draft, or cash payments may be refunded via credit to the Independent Consultant account. If a product is being returned due to defect or damage in transit or an order error on Nature's Sunshine's part, please contact Customer Service prior to shipping the product back to Nature's Sunshine.

NOTE: Nature's Sunshine reserves the right to refuse a refund or return if it suspects fraud, abuse or breach of any of these Policies.

### 11.4 Terminating Accounts – Product Buyback Procedures

Independent Consultants may terminate or resign their membership with Nature's Sunshine at any time for any reason by providing Nature's Sunshine with at least 30 days' prior written notice, indicating their desire to discontinue, resign, retire or terminate their membership. When this happens, Nature's Sunshine may repurchase products from that Independent Consultant 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. Refunds will be given, less all Commissions paid. All returns must have advance authorization by Customer Service, 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 Nature's Sunshine. These rules pertain only to inventory returns and do not include regular returns made to satisfy customers who are dissatisfied with Nature's Sunshine products, or receive defective or damaged products.

EXCEPTIONS: The following buyback Procedures apply to Independent Consultants in the enumerated states:

- *Georgia:* Upon cancellation in accordance with these Policies, Nature's Sunshine will repurchase all unencumbered products in reasonably resalable condition at 90% of the original net purchase price paid by the Independent Consultant. However, Nature's Sunshine may refuse to repurchase items identified as non-returnable, discontinued or seasonal. Nature's Sunshine 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, Nature's Sunshine will repurchase all unencumbered products in reasonably resalable condition at 90% of the original net purchase price paid by the Independent Consultant.

### 11.5 Product Return – Death of an Independent Consultant

In the event of an Independent Consultant's death, the executor of the estate or a surviving family member may call Customer Service for information on returning unsold products to Nature's Sunshine.

All returns must be sent to:

Nature's Sunshine Products, Inc.

1655 North Main Street

Spanish Fork, Utah 84660

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## SECTION 12

### GENERAL MARKETING GUIDELINES

#### 12.1 Rules and Guidelines for the Discussion of Products

1. Nature's Sunshine products are sold as food and dietary supplements only. No Nature's Sunshine product is sold for direct or indirect use in the prevention, cure, treatment or mitigation of disease. 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 Independent Consultant recruiting materials, and from product selling and recruiting meetings.
4. Motivate customers and successful Independent Consultants to study and learn how to use herbs and other nutritional supplements.
5. Nature's Sunshine does not allow products to be sold through Non-Profit Organizations. Nature's Sunshine is a direct people-to-people business.
6. Independent Consultants are independent business people and shall conduct business in a professional, ethical, lawful, prudent manner.

#### 12.2 Internet Auction or Marketplace Sites

Independent Consultants shall not sell any Nature's Sunshine products through any Internet auction site, marketplace site, shopping site or order fulfillment store, including but not limited to, eBay, Amazon, Walmart.com, etc. The provisions of this Section shall survive the termination, cancellation or expiration of an Independent Consultant's membership.

#### 12.3 Catalog Sales

Independent Consultants may not sell Nature's Sunshine products through national or regional catalog sales.

#### 12.4 Retail Outlets

Independent Consultants will not sell any Nature's Sunshine 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, Long's, etc.),

Independent Consultants 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. Nature's Sunshine does not provide

advice or recommendations or otherwise become involved in decisions regarding the location of retail outlets or kiosks.

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

#### 12.5 Product Care and Quality Controls

Independent Consultants shall comply with all instructions provided by Nature's Sunshine regarding the proper care, storage, and handling of the products. Independent Consultants shall regularly inspect inventory for products that are expired or that will expire within 90 days and shall not sell such products. Products must be sold in their original packaging. Independent Consultants shall not relabel or repackage products (including by separating product bundles or bundling products). Products shall not be altered or diluted in any manner. Independent Consultants shall not remove, translate, or modify the contents of any label or literature on or accompanying the products, unless directed to do so by Nature's Sunshine in writing. Independent Consultants shall not remove, deface, or modify any serial number, UPC code, batch or lot code, or other identifying information on products or packaging. Independent Consultants shall cooperate with Nature's Sunshine in the investigation and resolution of any quality or customer service issues related to sales of Nature's Sunshine products, including disclosing information regarding product sources, shipment, and handling.

#### 12.6 Consumer Safety and Product Recalls

Independent Consultants shall cooperate with Nature's Sunshine with respect to any product recall or other consumer safety information dissemination efforts.

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## SECTION 13

### ADVERTISING NATURE'S SUNSHINE PRODUCTS

#### 13.1 General Advertising Guidelines

Nature's Sunshine has adopted the following policies for the advertising of Nature's Sunshine products by its Independent Consultants. If Nature's Sunshine determines that its products were advertised by an Independent Consultant in contravention of these policies, or in any way which Nature's Sunshine feels, in its sole discretion, did not serve the best interest of Nature's Sunshine, Nature's Sunshine may elect not to continue to supply products to that Independent Consultant. This is a Nature's Sunshine corporate policy, and no Independent Consultant is authorized to interpret it or waive it.

#### 13.2 Independent Consultant Identification

When advertising Nature's Sunshine products, an Independent Consultant should take special care that he/she operates and clearly designates their business as independent from Nature's Sunshine. An Independent Consultant should identify themselves in the following format: "John/Jane Doe, Independent Consultant of Nature's Sunshine Products." All Independent Consultants shall identify their toll-free phone number as that of an Independent Consultant of Nature's Sunshine and not directly as Nature's Sunshine, and shall not lead callers to believe they may be calling Nature's Sunshine Home Office.

Independent Consultants may use Nature's Sunshine's "Independent Consultant" logo, provided that this logo is only used with Nature's Sunshine products and not with any competitor's products or services.

### 13.3 No Medicinal Uses

An Independent Consultant must ensure that an advertisement will not attribute any medicinal uses to any Nature's Sunshine herb or other food or nutritional supplement.

### 13.4 Nature's Sunshine Intellectual Property

Nature's Sunshine trade names, trademarks and service marks are important and valuable business assets. They help identify the source and the reputation of Nature's Sunshine products and services worldwide and distinguish them from competitors. Therefore, Nature's Sunshine 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. Nature's Sunshine is the sole and exclusive owner of all right, title, and interest in all trademarks, logos, literature and forms produced or owned by Nature's Sunshine Home Office, subject only to the licenses granted to Independent Consultants in Section 13.5. Independent Consultants may not use any Nature's Sunshine trade names, trademarks, logos or symbols without Nature's Sunshine's prior written consent, except as permitted by Section 13.5. Nature's Sunshine will not allow use of its trade name (company name), trademarks (brand names), designs or symbols by any person, including an Independent Consultant, without prior permission being granted by Nature's Sunshine. A breach of this policy may result in disciplinary action against the Independent Consultant, including termination of membership.

### 13.5 License

Independent Consultants who wish to use a Nature's Sunshine logo must use the Nature's Sunshine Independent Consultant Logo. Subject to full compliance with the terms and conditions of the Membership Agreement and this Section, Nature's Sunshine grants each Independent Consultant a non-transferable, non-exclusive right during the term of the Membership Agreement to use the Nature's Sunshine Independent Consultant Logo solely to promote Nature's Sunshine products and to indicate that the Independent Consultant is an authorized Nature's Sunshine Independent Consultant. Independent Consultants are not permitted to change or modify the Independent Consultant Logo in any way. Nature's Sunshine literature or logos for advertising use can be acquired from the Customer Service Department or downloaded from the Nature's Sunshine website, [www.naturessunshine.com](http://www.naturessunshine.com)

### 13.6 Reporting of Legal Claims

If anyone makes a legal claim against an Independent Consultant as a result of their use of advertising materials created by Nature's Sunshine, that claim should be reported to the Nature's Sunshine Distributor Education and Compliance Department immediately.

### 13.7 Independent Consultant-Produced Advertising and/or Consultant Modification of Nature's Sunshine Materials

To the extent that an Independent Consultant creates any advertising materials independently or modifies any materials created by Nature's Sunshine, 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 Nature's Sunshine 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 Nature's Sunshine or any third party, and does not make any false, deceptive or misleading claims about Nature's Sunshine or the products advertised.

Independently Created Advertising Materials are solely the responsibility of the Independent Consultant who creates them and any person who uses them.

Except as noted below with respect to compliance with federal advertising laws, Nature's Sunshine disclaims any right or obligation to control the content of Independently Created Advertising Materials in any medium, including print, television, radio and the Internet. Nature's Sunshine will not indemnify any Independent Consultant against any claim that Independently Created Advertising Materials violate the rights of any third party. Nature's Sunshine, however, retains the right to demand that an Independent Consultant revise, take down, or cease the use of any independently Created Advertising Materials if, in the judgment of Nature's Sunshine, such materials violate the law, Nature's Sunshine's rights or the rights of any third party. An Independent Consultant who fails to adhere to a demand by Nature's Sunshine to cease the use of any Independently Created Advertising Materials shall be subject to account termination.

### 13.8 Product Claims

When advertising Nature's Sunshine products, Independent Consultants may not make inappropriate, false, deceptive or misleading (even if true) claims as described in the Code of Ethics, Marketing and Advertising sections of this Policies document. Nature's Sunshine has provided examples of appropriate product claims on the labels of each product and in the Nature's Sunshine produced Marketing materials, including the "A Guide to Acceptable Product Claims (Can I Say That)" brochure. Further general instruction can be found by reviewing the U.S. Food and Drug Administration (FDA) website at [www.fda.gov](http://www.fda.gov).

### 13.9 Nature's Sunshine Produced General Interest Materials

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

### 13.10 Telemarketing

Any Independent Consultant who uses the telephone to market Nature's Sunshine products must comply with all applicable state and federal regulations for telephone marketing and solicitation, including registration as a telemarketer. It is Nature's Sunshine policy that all Independent Consultants must respect the federal "do not call" list. Independent Consultants must identify themselves as independent from Nature's Sunshine.

### 13.11 Internet Marketing

1. All advertising and marketing guidelines under these Policies also apply to an Independent Consultant's use of the Internet to sell Nature's Sunshine products, advertise or advance the Independent Consultant's business, including those guidelines prohibiting the practice of medicine or diagnosing in connection with the marketing and sale of Nature's Sunshine products.
2. These Policies, 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, and Internet advertising), the statement "Independent Consultant of Nature's Sunshine Products" must be prominently displayed. This statement should be placed on the Home Page of the website.

4. Nature's Sunshine discourages Independent Consultants from placing their Nature's Sunshine account number on their websites because it may allow anyone to contact Nature's Sunshine Customer Service and request information about said account, purchase product in the Independent Consultant's name or otherwise abuse account privileges. In doing so, the privacy of the account information may be jeopardized. The Independent Consultant, not Nature's Sunshine, will be responsible for abuses of its account and any violations of the Membership Agreement or these Policies that may occur.
5. Some Nature's Sunshine Independent Consultants sell products other than Nature's Sunshine products on their websites. Nature's Sunshine products must appear on a separate web page from any non-Nature's Sunshine products, and the website must clearly and conspicuously label and identify the products and website pages that feature products of Nature's Sunshine or of other companies. No Nature's Sunshine trademark may be used on any web page that contains information or advertising about any non-Nature's Sunshine product or service.
6. Independent Consultants may not register or use any website domain name or Internet advertising that contains any trademark, product name, slogan or promotion name of Nature's Sunshine in the domain name, or that otherwise does not meet with approval of Nature's Sunshine. A domain name/ any advertising that merely misspells or is confusingly similar to any trademark, product name, slogan or promotion name of Nature's Sunshine is not approved and cannot be used. Nature's Sunshine may at any time notify an Independent Consultant that a domain name is not approved, and the Independent Consultant must immediately shut down the website/advertising, change the domain name, and/or transfer ownership of the domain name to Nature's Sunshine. Failure to do so will subject the membership to termination.
7. All Independent Consultants must have written approval from the Nature's Sunshine Distributor Education and Compliance Department before linking their website to Nature's Sunshine's website [www.naturessunshine.com](http://www.naturessunshine.com). Personal websites that Nature's Sunshine has created and maintains for its Independent Consultants carry Nature's Sunshine's approval. When given permission to link to the corporate site, an Independent Consultant must follow the "double-click" rule. This rule states that there must be a web page in between all links from the Independent Consultant's website and the corporate websites, and that web page must include the disclaimer provided by Nature's Sunshine's Distributor Education and Compliance Department. Framing of any part of Nature's Sunshine's website is strictly prohibited.
8. An Independent Consultant's website or Internet advertising may not create the impression that a user has reached or will be directed to Nature's Sunshine's website. The website/ advertising must state clearly and conspicuously that it is owned and operated by an Independent Consultant of Nature's Sunshine and that Nature's Sunshine is not liable for any statement, omission or misrepresentation in the website.
9. Independent Consultants should not design websites or landing pages so that they give the appearance or impression of being "Nature's Sunshine/ the Company" or Nature's Sunshine's corporate website. It is the responsibility of the Independent Consultant to clearly identify their site as an independent website selling Nature's Sunshine products.
10. Independent Consultants must not register any trademarks or names of third parties, especially of companies competitive with Nature's Sunshine, as metatags with Internet search engines. Such action is cause for disciplinary action and termination of membership.
11. Independent Consultants who maintain their own Nature's Sunshine website(s) agree to be ethical in their business practices and advertising claims on the Internet. They also agree not to advertise another company's products on such Nature's Sunshine web page or on the same web page with Nature's Sunshine-branded products. Nature's Sunshine has the right to terminate an Independent Consultant for unfair and/or unethical business practices, including, but not limited to, deceptive or misleading statements and false advertising.
12. All Independent Consultants who advertise via the Internet must include their name or business name (as recognized by Nature's Sunshine) on the "contact me" page or in another prominent location on their site. This is necessary for adequate customer service and problem resolution.
13. All Independent Consultants shall be solely responsible for any liability or damages caused by their utilization of a website to further their membership business.
14. Nature's Sunshine may, from time to time, prohibit the advertising and marketing of any or all of its products or services over the Internet.
15. Nature's Sunshine may at any time prohibit Independent Consultants in any particular country from filling orders for a product sold to persons in a jurisdiction or territory foreign to that of the Independent Consultant's residence.
16. Any Independent Consultant's website that does not comply with these Policies may result in disciplinary action, including termination of membership.

### 13.12 Social Media and Social Networking

Nature's Sunshine recognizes that Independent Consultants may wish to utilize various "Social Media" applications (e.g., Instagram, TikTok, Facebook, X, LinkedIn, etc.) as 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 websites/ applications may carry a higher risk of violating the Policies, as well as other applicable laws and regulations. All guidelines and restrictions on marketing found elsewhere in the Policies also apply to Social Media messaging. In addition, the following caveats and restrictions apply with regard to its use by Independent Consultants:

1. *Identification:* Account names/identifiers may not include any trademark owned or controlled by Nature's Sunshine. Account profiles/ descriptions must disclose the Independent Consultant's identity and the Independent Consultant nature of Independent Consultant's affiliation with Nature's Sunshine. Account descriptions must clearly state that the account and any statements made on or via the account are solely the responsibility of the Independent Consultant.
2. *Avatars/logos:* Independent Consultants may only use Nature's Sunshine's "Independent Consultant" logo in association with their accounts. Other use of intellectual property belonging to Nature's Sunshine is forbidden unless specific permission is given in writing by Nature's Sunshine.
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 any instructions otherwise issued by Nature's Sunshine.
5. *Non-professional Accounts:* If comments made by an Independent Consultant on personal/non-professional accounts are offensive or objectionable, in Nature's Sunshine's sole discretion, whether or not



directly related to Nature's Sunshine or any of its other Independent Consultants, Nature's Sunshine reserves the right to terminate Independent Consultant's account in order to protect the interests and reputation of Nature's Sunshine.

6. *Third-Party Accounts:* When posting or commenting on Third Party Social Media accounts/sites, Independent Consultants must abide by all of the aforementioned controls and restrictions. Such comments and exchanges should be professional and appropriate at all times.

### 13.13 Links to Nature's Sunshine Websites

Nature's Sunshine provides personalized links to [naturesunshine.com](http://naturesunshine.com) for Independent Consultants interested in maintaining an online presence. Nature's Sunshine strives to keep these sites as current and up-to-date as possible. However, due to the large number of sites, Nature's Sunshine cannot be held liable or responsible for any programming costs or maintenance of links between a personally created website and a Nature's Sunshine provided personalized Independent Consultant link. It is the responsibility of the Independent Consultant to maintain their personal site and any links to Nature's Sunshine official sites. Nature's Sunshine will strive to inform the Independent Consultant of any site changes as they occur.

### 13.14 Spam Not Allowed

Independent Consultants are prohibited from sending unsolicited email (SPAM) communication of any kind. Independent Consultants 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 of membership.

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## SECTION 14 INACTIVITY AND CANCELLATION

### 14.1 Membership Renewal

Memberships are active for one year from the date of acceptance. To extend active membership for another year, each Independent Consultant must pay the then-applicable membership renewal fee to Nature's Sunshine by the indicated deadline. By default, memberships renew automatically each year and the corresponding membership renewal fee is automatically charged unless an Independent Consultant notifies Nature's Sunshine before their account's automatic renewal date. The Independent Consultant hereby authorizes Nature's Sunshine (without notice to the Independent Consultant, unless required by applicable law) to collect the then-applicable annual membership fee using any method of payment the Independent Consultant has saved on their account. If all eligible payment methods on the Independent Consultants account are declined for payment of the membership renewal fee, the Independent Consultant must provide Nature's Sunshine a new eligible payment method promptly or their membership will be canceled. The new membership period will be based on the date of the successful payment of the membership renewal fee. If he/she chooses not to renew, the Independent Consultant's membership will become inactive and will drop to Customer status and any existing Product Credit on the account will still be available. Any Promotional Credit on a customer's account will expire twelve (12) months after issuance.

NOTE: Independent Consultants may turn auto-renewal off at any time before the automatic renewal of their membership by contacting Customer Service or going to the renewal page in Account Settings.

### 14.2 Membership Termination

Nature's Sunshine may, in its sole discretion, terminate, upon notice, the membership of any Independent Consultant who:

1. Breaches any provision of the Membership Agreement.
2. Engages in any conduct that may bring disrepute in any way to Nature's Sunshine (or any of its officers, agents or employees), the nutritional supplement and personal care products industry or the direct sales industry.
3. Violates governmental laws, regulations, ordinances or any Nature's Sunshine Policies or guideline. To the extent permitted by applicable law, Nature's Sunshine may also, upon notice, terminate the membership of any Independent Consultant who, through his or her capacity as an Independent Consultant, files any legal action proceeding or induces or facilitates any government agency to file any action against Nature's Sunshine, which Nature's Sunshine considers, within its sole discretion, to be without legal foundation or basis in fact.

Any Independent Consultant may terminate or resign their membership at any time by sending to Nature's Sunshine a signed and dated letter indicating their 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 Independent Consultant understands that upon the termination of the membership by either the Independent Consultant or by Nature's Sunshine, the Independent Consultant may not recover any future profits that would have been received from sales made before or after the date of termination if the Independent Consultant had remained an Independent Consultant.

Upon termination of their membership, an Independent Consultant will lose all privileges related to such membership including the right to receive any Commissions or other payments. The Independent Consultant understands that upon termination of their membership, each of the provisions of these Policies relating to confidentiality, non-solicitation, resale of products, including prohibitions of certain online sales, arbitration, and other provisions as expressly stated herein will survive.

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## SECTION 15 DISPUTE RESOLUTION AND DISCIPLINARY ACTIONS

### 15.1 Investigations and Disciplinary Action

Nature's Sunshine reserves the right to conduct investigations into Independent Consultants and their activities to ensure compliance with these Policies. Failure to abide by the Policies may lead to an investigation and appropriate disciplinary action. During the course of these investigations, Nature's Sunshine Distributor Education and Compliance will communicate with the Independent Consultants involved and, if required, issue an investigation letter formally notifying the Independent Consultant of an investigation. The Independent Consultant will be notified in an investigation letter the terms of the investigation, including but not limited to the period of time an Independent Consultant has to respond to the details of the investigation and impending disciplinary action. When an investigation letter is sent to an Independent Consultant, the Independent Consultant's account is placed on hold. When an Independent Consultant's account is placed on hold, the Independent Consultant will not be eligible to engage in Independent Consultant activities, including but not limited to, placing product orders, accessing the back office, receiving compensation, awards or

Commissions from Nature's Sunshine, or participating in any Nature's Sunshine functions or programs.

At the conclusion of an investigation, a letter will be issued to the Independent Consultant notifying him/her that Nature's Sunshine Distributor Education and Compliance has completed its investigation. One of the following responses will be issued from Nature's Sunshine Distributor Education and Compliance:

- *Completion of Investigation Notice:* Issued to the offending Independent Consultant, this notice informs him/her of the results of the investigation as well as any further disciplinary action that has been deemed necessary by Nature's Sunshine.
- *Termination Notice:* This is issued to the offending Independent Consultant when violation of the Policies warrants termination.

### 15.2 Involuntary Termination

If necessary, an Independent Consultant's membership may be terminated by Nature's Sunshine. Nature's Sunshine has the right to take quick and decisive action in limiting or terminating a membership that is found in violation of the Policies, the Independent Consultant Application, rules governing the Compensation Plan, or any state or federal laws, statutes and/or regulations that pertain to the business of Nature's Sunshine.

In extreme cases of violations by an Independent Consultant, Nature's Sunshine also reserves the right to pursue legal recourse as described in Section 15.4 below, as well as reimbursement by an Independent Consultant for any expenses, including attorney's fees and legal fees generated from a violation, and to seek and obtain other appropriate remedies, relief and damages.

If an Independent Consultant is terminated, Nature's Sunshine will send notification by mail to the terminated Independent Consultant at the most recent address on file. Upon receipt of notice from Nature's Sunshine of termination, the Independent Consultant must immediately cease all Independent Consultant activities, including, but not limited to, selling Nature's Sunshine products, and remove and cease distribution of any applicable Website or print advertising.

If an Independent Consultant wishes to appeal membership termination, Nature's Sunshine must receive the written appeal within ten (10) business days of receipt of the termination letter. If the appeal is not received within this time period, the termination will be final. Nature's Sunshine will review the timely appeal and notify the Independent Consultant of the decision. This decision will be final. The termination will be effective from the date of Nature's Sunshine's original termination notice.

### 15.3 Effect of Termination

Whether a membership is terminated through voluntary resignation or through involuntary termination by Nature's Sunshine, that Independent Consultant is no longer entitled to sell Nature's Sunshine products or to sponsor other prospective Independent Consultants.

The terminated Independent Consultant shall lose all rights to the existing successline and shall no longer be entitled to receive Commissions, awards or any compensation whatsoever from Nature's Sunshine, nor shall the Independent Consultant be entitled to any rights to Independent Consultant Lists. The terminated Independent Consultant should immediately cease all marketing efforts related to Nature's Sunshine, including but not limited to advertising,

personal websites and mailing. The terminated position cannot be transferred or sold to any other party.

### 15.4 Arbitration/Governing Law

Any legal cause of action arising out of or relating to the Membership Agreement, or the breach thereof, or the business relationship between the Independent Consultant and Nature's Sunshine shall be settled by arbitration administered by the American Arbitration Association under its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. Independent Consultants waive all rights to a trial by jury or to any court proceeding. All arbitration proceedings will be held in Utah County, Utah, unless the laws of the state in which the Independent Consultant resides expressly require the application of that state's laws, in which case the arbitration shall be held in the capital city of that state. This agreement to arbitrate survives any termination or expiration of the Membership Agreement.

Notwithstanding the rules of the American Arbitration Association and its Commercial Arbitration Rules, the following apply to any arbitration under these Policies and supersede any rules of the American Arbitration Association:

- All parties will be entitled to all discovery rights and obligations under the Federal Rules of Civil Procedure.
- The Federal Rules of Evidence will apply.
- The parties will be entitled to bring motions under Rules 12 and 56 of the Federal Rules of Civil Procedure.
- The arbitration will occur within 180 days after an arbitrator is appointed and will not last more than five (5) business days.
- The American Arbitration Association's Employment/Workplace Fee Schedule shall not apply to any arbitration.

There shall be one arbitrator, an attorney at law, who must have expertise in business law transactions with a strong preference being an attorney knowledgeable in the direct selling industry, selected from the panel that the American Arbitration Panel provides. The party filing an arbitration demand shall be solely responsible for the entire filing fee required by the American Arbitration Association. The parties agree to equally share all costs and fees charged by the arbitrator. Further, each party to the arbitration will be responsible for any other costs or expenses of the arbitration they incur, including their attorneys fees, or costs of obtaining evidence or witnesses. The decision of the arbitrator will be final and binding on the parties and may, if necessary, be reduced to a judgment in any court of competent jurisdiction. Nothing in these Policies prohibits Nature's Sunshine from applying to and obtaining from any court having jurisdiction a writ of attachment, a temporary injunction, preliminary injunction, permanent injunction, or other relief available to safeguard and protect Nature's Sunshine's interest before, during, or following the filing of any arbitration or pending the rendition of a decision or award in connection with any arbitration or other proceeding.

Each Independent Consultant and Nature's Sunshine agrees that each party may bring disputes against the other party only in an individual capacity, and not as a plaintiff or class member in any purported class or representative proceeding, or as part of any consolidated action with more than one claimant, including without limitation, federal or state class actions, or class arbitrations. Under the arbitration Procedures outlined in this Section, an arbitrator will not join, combine or consolidate more than one party's claims without the written consent of all parties to an arbitration proceeding. For clarity, under these rules, every arbitration will have no more than one Independent Consultant

as a party. No Independent Consultant, nor Nature's Sunshine (nor any of its related entities, officers, directors, employees, investors, or vendors) will have any liability for any punitive, incidental, consequential, special or indirect damages, including loss of future revenue or income, lost profits, or loss of business reputation or opportunity relating to the breach or alleged breach of the Membership Agreement or for any act, omission, or other conduct arising out of the parties' relationship.

Jurisdiction and venue of any matter not subject to arbitration resides in Utah County, Utah, unless the laws of the state in which an Independent Consultant resides expressly require the application of its laws, in which case that state's law shall govern all issues relating to jurisdiction and venue. The laws of the State of Utah govern all other matters relating to or arising from the Membership Agreement unless the laws of the state in which an Independent Consultant resides expressly require the application of that state's laws.

The parties shall pay their own attorneys' fees and costs and the arbitrator will have no discretion to apportion the parties' attorneys' fees, costs, or fees paid to the American Arbitration Association or the arbitrator. The arbitrator may not require Nature's Sunshine to pay any portion of the Independent Consultant's attorneys' fees, costs, or fees paid to the American Arbitration Association or the arbitrator. Notwithstanding the foregoing, if a party is forced to file a motion to compel arbitration then that party will be entitled to its fees, costs, and expenses incurred in compelling arbitration under this agreement.

Any claim for breach of the Membership Agreement or any claim arising out of the Independent Consultant and Nature's Sunshine's business relationship shall be brought within one year of the date when the claim accrues or the claim will be barred.

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## SECTION 16

### CONTACT INFORMATION

Questions concerning any aspect of an Independent Consultant's business, problems with orders, shipments, Procedures, organization or compensation should always be directed to Customer Service at 1-800-223-8225.

Customer Service Hours of Operation: Monday through Friday: 7:00 a.m. to 5:30 p.m. (Mountain Time). Customer Service cannot and does not diagnose, prescribe or recommend use of specific products.

Nature's Sunshine monitors incoming calls to make sure callers receive prompt, courteous, accurate and helpful service. Such monitoring may include recording calls for future review and training purposes.

#### CORPORATE OFFICES:

Nature's Sunshine Products, Inc.  
2901 W. Bluegrass Boulevard, Suite 100  
Lehi, Utah 84043  
www.naturesunshine.com  
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



# Statement of Average Compensation Paid by Nature's Sunshine to U.S. Independent Consultants

JANUARY-DECEMBER 2023

## OVERVIEW

Nature's Sunshine Products, Inc. (Nature's Sunshine) is a leading natural health and wellness company that markets and distributes nutritional and personal care products primarily through a global direct sales force of over 600,000 Independent Consultants and Customers in more than 40 countries.

We believe that natural health and wellness has the power to change lives; and through our products, our people and our business opportunity, we work to make it a reality every day. Nature's Sunshine manufactures most of its products through its own state-of-the-art facilities to ensure its products continue to set the standard for the highest quality, safety and efficacy on the market today. Proven quality, expertise and results are why we are trusted and recommended by natural health practitioners and customers around the world.

## INDEPENDENT CONSULTANTS

Nature's Sunshine markets its products primarily through independent contractors, called Independent Consultants. An "Independent Consultant" is a member of Nature's Sunshine who enters into a Membership Agreement (which collectively refers to the [Nature's Sunshine Independent Consultant Application](#), the [Nature's Sunshine Compensation Plan](#) and the [Policies and Procedures](#)) by purchasing a Welcome Kit, or paying the renewal fee. The cost of the Welcome Kit and the Renewal fee is \$40. Independent Consultants generally purchase products for personal consumption or resale. In the United States, Nature's Sunshine had approximately 31,170 Independent Consultants in the calendar year 2023. For purposes of this statement, an "Active Consultant" is an Independent Consultant who had at least one other Independent Consultant or Customer in their personally sponsored downline during the calendar year of 2023. In the United

States, Nature's Sunshine had approximately 13,184 Active Independent Consultants in 2023, representing approximately 42% of all Independent Consultants.

## COMPENSATION

There are two fundamental ways in which an Independent Consultant can earn compensation through selling Nature's Sunshine Products:

1. Through the resale of products purchased at the Consultant price.
2. Through Commissions or bonuses earned on their own product sales and the sales of other Consultants or Independent Customers in the Consultants' downline sales network.

Additionally, Independent Consultants are invited to participate in the Subscribe & Thrive program, where they can receive free shipping, an additional discount and free products. In the year 2023 approximately 41% of all Independent Consultants in the United States participated in this program.

There are many reasons why people choose to become Nature's Sunshine Independent Consultants. Many Independent Consultants join simply to enjoy purchasing Nature's Sunshine quality products at discounted prices which we refer to as our Independent Consultant price for their own consumption. Some choose to manage their own sales business, through retail channels or other methods because of the positive experiences people have in using Nature's Sunshine products. Others choose to join the business to improve their own skills and build their own business, assisting others to also become Nature's Sunshine business builders. Many Independent Consultants never qualify to earn Commissions or bonuses.

*This statement is reflective of average compensation paid to U.S. Independent Consultants during the year 2023. The terms of the Nature's Sunshine Compensation Plan are subject to change at any time pursuant to Nature's Sunshine's Policies found at [www.naturessunshine.com](http://www.naturessunshine.com).*





As is the case with all sales businesses, the compensation earned by Independent Consultants will vary significantly and there is no guarantee of success.

**PRODUCT MARKUP**

Independent Consultants can purchase products from Nature’s Sunshine at the Independent Consultant price for personal consumption, or to resell to customers. Nature’s Sunshine suggests a markup of approximately 33% above the Independent Consultant price; however, this is a suggested price, as Independent Consultants are able to set their own prices for their customers in accordance to our “MAP” policy.

**Volume Discounts**

Independent Consultants may also receive additional discounts of up to 30%, based on product purchases in addition to any Commissions or payments they may earn. In the year 2023, Nature’s Sunshine granted approximately \$16 Million in Volume Discounts to all Independent Consultants living in the United States. Nature’s Sunshine does not track products sold at a marked up price and does not provide an estimate of average compensation from such

sales, nor does it include such earnings in the included average compensation statement.

**COMMISSIONS**

Independent Consultants may also earn Commissions from the sale of products by their downline sales network. In the year 2023, the number of Active Consultants who earned Commissions was 8,377 representing approximately 64% of the Active Consultant base.

In the year 2023 Nature’s Sunshine paid approximately \$21 Million in Commissions in the United States to Active Consultants. This amount does not represent Independent Consultants’ actual profit, as it does not include any products sold at a markup or Volume Discounts granted to the Independent Consultant, nor does it consider any expenses incurred by the Independent Consultants in the promotion of their business.

**Please address any questions regarding this information to Nature’s Sunshine at (800) 223-8225.**

ANNUAL COMMISSION-BASED INCOME	PERCENTAGE OF ACTIVE CONSULTANTS
\$0 (or less)	37%
\$0.01 - \$100	30%
\$100 - \$200	8%
\$200 - \$500	8%
\$500 - \$1000	5%
\$1,000 - \$1,500	2%
\$1,500 - \$2,000	1%
\$2,000 - \$5,000	4%
\$5,000 - \$10,000	2%
\$10,000+	3%
<b>TOTAL</b>	<b>100%</b>

NOTE: Independent Consultants’ business results vary significantly, and past results are not an indicator of future success.

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