



Statement of Average Compensation Paid by NSP to U.S. Consultants

JANUARY-DECEMBER 2021

OVERVIEW

Nature's Sunshine Products, Inc. (NSP) 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, Affiliates 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. NSP 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.

CONSULTANTS

NSP markets its products primarily through independent contractors, called Consultants. A "Consultant" is a member of NSP who enters into a Membership Agreement (which collectively refers to the [NSP Consultant Application](#), the [NSP 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. Consultants generally purchase products for personal consumption or resale. In the United States, NSP had approximately 32,608 Consultants in the calendar year 2021.

For purposes of this statement, an "Active Consultant" is a Consultant who had at least one other Consultant or Customer in their personally sponsored downline during the calendar year of 2021. In the United States,

NSP had approximately 14,752 Active Consultants in 2021, representing approximately 45% of all Consultants.

COMPENSATION

There are two fundamental ways in which a Consultant can earn compensation through selling NSP 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 Customers in the Consultants' downline sales network.

Additionally, 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 2021 approximately 37% of all Consultants in the United States participated in this program.

There are many reasons why people choose to become NSP Consultants. Many Consultants join simply to enjoy purchasing NSP quality products at discounted prices which we refer to as our 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 NSP products. Others choose to join the business to improve their own skills and build their own business, assisting others to also become NSP business builders. Many Consultants never qualify to earn commissions or bonuses.

This statement is reflective of average compensation paid to U.S. Consultants during the year 2021. The terms of the NSP compensation plan are subject to change at any time pursuant to NSP's Policies found at www.naturessunshine.com.

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

PRODUCT MARKUP

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

Volume Discounts

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 2021, NSP granted approximately \$17.2 Million in Volume Discounts to all Consultants living in the United States.

NSP 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

Consultants may also earn commissions from the sale of products by their downline sales network. In the year 2021, the number of Active Consultants who earned commissions was 9,567, representing approximately 65% of the Active Consultant base.

In the year 2021, NSP paid approximately \$29 Million in commissions in the United States to Active Consultants. This amount does not represent Consultants’ actual profit, as it does not include any products sold at a markup or Volume Discounts granted to the Consultant, nor does it consider any expenses incurred by the Consultants in the promotion of their business.

Please address any questions regarding this information to NSP at (800) 223-8225.

ANNUAL COMMISSION-BASED INCOME	PERCENTAGE OF ACTIVE CONSULTANTS
\$0 (or less)	35%
\$0.01 - \$100	27%
\$100 - \$200	8%
\$200 - \$500	10%
\$500 - \$1000	6%
\$1,000 - \$1,500	3%
\$1,500 - \$2,000	2%
\$2,000 - \$5,000	4%
\$5,000 - \$10,000	2%
\$10,000+	4%
TOTAL	100%

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