

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): **March 4, 2013**

NATURE'S SUNSHINE PRODUCTS, INC.

(Exact Name of Registrant as Specified in its Charter)

Utah
(State or Other Jurisdiction of
Incorporation)

0-8707
(Commission File Number)

87-0327982
(I.R.S. Employer Identification No.)

2500 West Executive Parkway, Suite 100, Lehi, Utah
(Address of Principal Executive Offices)

84043
(Zip Code)

Registrant's telephone number, including area code: **(801) 341-7900**

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

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

Cautionary Statement Regarding Forward-Looking Statements

In addition to historical information, this report contains forward-looking statements. Nature's Sunshine may, from time to time, make written or oral forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements encompass Nature's Sunshine's beliefs, expectations, hopes, or intentions regarding future events. Words such as "expects," "intends," "believes," "anticipates," "should," "likely," and similar expressions identify forward-looking statements. All forward-looking statements included in this report are made as of the date hereof and are based on information available to the Company as of such date. Nature's Sunshine assumes no obligation to update any forward-looking statement. Actual results will vary, and may vary materially, from those anticipated, estimated, projected or expected for a number of reasons, including, among others: further reviews of the Company's financial statements by the Company and its Audit Committee; modification of the Company's accounting practices; the outcome of the various inquiries, requests for documents and proceedings by government agencies; foreign business risks; industry cyclicality; fluctuations in customer demand and order pattern; changes in pricing and general economic conditions; as well as other risks detailed in the Company's previous filings with the SEC.

Item 2.02 Results of Operations and Financial Condition

On March 6, 2013, Nature's Sunshine Products, Inc. (the "Company") issued a press release announcing, among other things, its financial results for fourth quarter and fiscal year ended December 31, 2012. A copy of the Company's press release is attached hereto as Exhibit 99.1 and incorporated herein by reference.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers

On March 6, 2013, the Company announced that Mr. Michael D. Dean has resigned as the Chief Executive Officer and a Director of the Company, effective March 31, 2013. Also on March 6, 2013, the Company announced that Mr. Gregory L. Probert, the Executive Chairman of the Board of Directors of the Company (the "Board"), was appointed to serve as Interim Chief Executive Officer, effective April 1, 2013 (the "Effective Date").

Mr. Probert, age 56, has served as the Executive Chairman of the Board since January 2013. He served as the Executive Vice Chairman of the Board from June 2011 to December 2012, and served as an independent consultant to the Company from September 2010 to June 2011. Previously, Mr. Probert was Chairman of the Board and Chief Executive Officer of Penta Water Company from 2008, President and Chief Operating Officer of Herbalife International of America from 2003 to 2008, Chief Executive Officer of DMX Music from 2001 to 2003. Prior to that, he held various senior positions at the Walt Disney Company from 1988. Mr. Probert received his B.A. from the University of Southern California in 1979.

Amendment to Mr. Probert's Employment Agreement

In connection with Mr. Probert's appointment, on March 4, 2013, the Company entered into an amendment to Mr. Probert's employment agreement, dated June 16, 2011 (the "First Amendment"), to become effective on the Effective Date. The First Amendment provides for, among other things, (i) an annual base salary of \$525,000 and (ii) a grant of an option to purchase 25,000 shares of common stock of the Company (the "Common Stock") under the Company's Stock Incentive Plan. The option will have an exercise price equal to the closing price of the Common Stock on the NASDAQ Global Market on the Effective Date, and such option will become exercisable on the one-year anniversary of the Effective Date, provided that Mr. Probert continues in the Company's employ through such date. The First Amendment also provides that Mr. Probert is eligible to receive a second option grant in 2013 to purchase

100,000 shares of Common Stock at the same terms and conditions as those offered to other executive employees of the Company. In addition, the First Amendment clarifies that the termination of Mr. Probert's position as Interim Chief Executive Officer will not constitute a termination by the Company or grounds for termination for "good reason" as long as he retains his position as Executive Chairman.

The foregoing description of the First Amendment is only a summary and qualified in its entirety by the First Amendment, a copy of which is included as Exhibit 10.1 hereto and incorporated herein by reference.

Amendment to Employment Agreement with Mr. Dean and Consulting Agreement

In connection with Mr. Dean's resignation, on March 4, 2013, the Company entered into an amendment to his employment agreement, dated March 12, 2010 (the "Amended Employment Agreement") that modified certain terms relating to Mr. Dean's severance benefits, including, but not limited to, the following:

- extending the restricted period during which Mr. Dean shall comply with the non-compete covenants in the Dean Employment Agreement from 12 months to 24 months following the Effective Date and modifying the definition of "Competing Business" in such non-compete covenants;
- extending the post-termination exercise period of Mr. Dean's stock options (except for the performance-based portion of such options) to 24 months;
- accelerated vesting of the remaining unvested time-based stock options previously granted to Mr. Dean (covering a total of 37,500 shares);
- providing for the payment of life insurance premiums and health care premium reimbursement under COBRA for a period of 18 months after the Effective Date; and
- providing for the reimbursement of transition costs in an amount not to exceed \$50,000, relocation costs of up to \$15,000 and realtor fees of up to \$40,000.

Furthermore, under Mr. Dean's employment agreement, he is entitled to receive a cash severance payment equal to his annual base salary if Mr. Dean is terminated without cause. Under the Amended Employment Agreement, the Company agreed to pay Mr. Dean a cash severance payment of \$470,000, which equals his annual base salary for 2013. This severance payment is payable in twelve (12) equal monthly installments, with the first installment to be made on April 15, 2014 and the last installment to be made on March 15, 2015 (the "Severance Payment"). In addition, we and Mr. Dean agreed to enter into a consulting agreement dated as of April 1, 2013 (the "Consulting Agreement"). Pursuant to the Consulting Agreement, Mr. Dean agrees to provide consulting services to the Company as and when reasonably requested by the Company's new chief executive officer. In exchange for the agreement to provide such services and the execution of a general release, as required under Mr. Dean's employment agreement dated March 12, 2010 (the "Dean Employment Agreement"), the Company agrees to pay Mr. Dean a fee equal to \$470,000 for the period from April 1, 2013 to March 15, 2014, which is payable on a monthly basis in 12 equal installments. Mr. Dean also agrees to comply with certain non-competition covenants under the Consulting Agreement. In the event of a "change of control" as defined in the Amended Employment Agreement, the Consulting Agreement will terminate and the Company will be required to pay Mr. Dean the remaining balance of the Severance Payment and any unpaid fees under the Consulting Agreement.

The foregoing description of the Amended Employment Agreement and Consulting Agreement and is only a summary and qualified in its entirety by the Amended Employment Agreement and a form

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of the Consulting Agreement, copies of which are included as Exhibit 10.2 and Exhibit 10.3 hereto and incorporated herein by reference. A copy of the Dean Employment Agreement was previously filed as Exhibit 10.2 to a Current Report on Form 8-K filed on March 16, 2010.

On March 6, 2013, the Company issued a press release announcing, among other things, the resignation and appointment described above, and a copy of the press release is attached as Exhibit 99.1 hereto and incorporated in this Item 5.02 by reference.

Item 9.01 Financial Statements and Exhibits

(d) The following documents are filed as exhibits to this report:

Item No.	Exhibit
10.1	First Amendment to Employment Agreement, dated March 4, 2013, by and between the Company and Gregory L. Probert
10.2	Form of Consulting Agreement, dated as of April 1, 2013, by and between the Company and Michael Dean
10.3	First Amendment to Employment Agreement, dated March 4, 2013, by and between the Company and Michael Dean
99.1	Press Release issued by Nature's Sunshine Products, Inc., dated March 6, 2013

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: March 8, 2013

NATURE'S SUNSHINE PRODUCTS, INC.

By: /s/ Stephen M. Bunker
Stephen M. Bunker
Executive Vice President, Chief Financial Officer and Treasurer

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FIRST AMENDMENT TO EMPLOYMENT AGREEMENT

This First Amendment to Employment Agreement (the "**Amendment**"), is entered into on this 4th day of March, 2013, by and between Nature's Sunshine Products, Inc., a Utah Corporation, having its principal place of business in Lehi, Utah ("the Company" or "NSP"), and Gregory L. Probert ("Executive").

A. The Company and Executive entered into that Employment Agreement dated June 16, 2011 (the "**Agreement**").

B. The Company and Executive now desire to amend certain provisions of the Agreement to properly reflect Executive's appointment as Interim Chief Executive Officer and Executive Chairman of the Company, effective April 1, 2013 (the "Effective Date").

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and Executive hereby amend the Agreement and agree as follows:

1. Positions and Duties. Section 1.1 of the Agreement is hereby amended in its entirety to read as follows:

Executive will serve as the Interim Chief Executive Officer and Executive Chairman and in such capacity will formally report to the Company's Board of Directors (the "Board"). All duties or services required of Executive hereunder shall be consistent with his title, status, and position with the Company. Executive shall devote his good faith efforts and dedicate substantially all of his business time and services to the Company hereunder. Executive shall also assist the Company in identifying and recruiting a new Chief Executive Officer. In the performance of his duties, but in all events subject to Section 1.3 below, Executive shall abide by the Company's Code of Conduct and any other applicable Company policies or procedures made known to him (including, without limitation, those contained in the Company's employee handbook or manual), and shall comply with any and all applicable laws, including but not limited to insider trading/reporting requirements. Executive agrees to relinquish the position of Interim Chief Executive Officer upon the appointment by the Board of a new Chief Executive Officer.

2. Place of Performance. Section 1.2 of the Agreement is hereby amended in its entirety to read as follows:

Executive shall perform his services hereunder at the Company's executive offices in Lehi, Utah, or elsewhere as designated by the Board; provided, however, Executive will be required to undertake temporary travel from time to time as reasonably required for or in connection with the Company's business purposes.

3. Base Salary. As of the Effective Date of this Amendment, Executive's annual salary shall be \$525,000. All other provisions of Section 2.1 of the Agreement shall remain in full force and effect.

4. Residence. Executive shall make a good faith and reasonable effort to acquire long-term housing, at the Company's expense, within 50 miles of the Company's executive offices in Lehi, Utah.

5. Employee Benefits. Section 2.3 of the Agreement is hereby amended in its entirety to read as follows:

Executive will be eligible to participate in retirement/savings, health insurance, term life insurance, long term disability insurance and other employee benefit plans, policies or arrangements maintained by the Company for its employees generally and, at the discretion of the Board, in incentive plans, stock option plans and change in control severance plans maintained by the Company for its executives, if any, subject to the terms and conditions of such plans, policies or arrangements.

6. Stock Options. On the Effective Date of this Amendment, the Company shall grant to Executive an option (the "Option") to purchase 25,000 shares of NSP common stock under the Company's Stock Incentive Plan (the "Plan"). The Option will have an exercise price per share equal to the closing price of NSP common stock on the Effective Date and the Option will become fully vested and exercisable on the one-year anniversary of the Effective Date of this Amendment, provided Executive continues in employment with the Company through such date. The other standard terms for options granted under the Plan will apply to the Option. In addition to the Option, Executive will be eligible to receive a grant of an option in 2013 to purchase 100,000 shares of NSP common stock under the Plan upon terms and conditions uniformly applicable and no less favorable than those offered to any other executive employee of the Company.

7. Termination by Executive. Section 5.2 of the Agreement is hereby amended in its entirety to read as follows:

Executive may terminate his employment for Good Reason or at any time without Good Reason; provided that any such termination by Executive without Good Reason shall require Executive's provision to the Company of not less than thirty (30) days' advance written notice of any such termination without Good Reason. For purposes of this Agreement, Executive's termination for Good Reason will be deemed to occur if (i) without Executive's express written consent, there is either (a) a material breach by the Company of any material obligation owed to Executive under the terms of this Agreement, (b) a change in Executive's title or position to one of lesser stature and with materially less authority, duties or responsibility, (c) a change in Executive's reporting such

that Executive is required to report to an office or any governing body of the Company at a lower level and with materially less authority, duties or responsibilities than the Board, or (d) Executive no longer serves as a member of the Board for any reason other than Executive's resignation or removal for Cause; (ii) Executive provides written notice of the occurrence of such event to the Company within sixty (60) days of the onset of such occurrence; (iii) the Company fails to cure or rectify and remove such occurrence within thirty (30) days after receipt of such notice from Executive, and (iv) Executive terminates his employment with the Company within thirty (30) days following the expiration of such cure period. Notwithstanding anything to the contrary in this Section 5.2, Executive acknowledges that his role as interim Chief Executive Officer is inherently temporary and the appointment by the Company of a new Chief Executive Officer, and Executive's relinquishment of the interim Chief Executive Officer position, will not constitute a termination of the Executive by the Company or grounds for termination by the Executive for Good Reason as long as the Executive continues in his role as Executive Chairman.

8. Continued Effectiveness of Agreement. Except as expressly set forth above, the Agreement, as amended, shall continue in full force and effect in accordance with its terms. In the event of any conflict between this Amendment and the Agreement, the provisions of this Amendment shall govern. Each party hereto represents and warrants to the other that this Amendment has been duly authorized, executed and delivered by or on behalf of such party.

9. Effective Date of Amendment. This Amendment and the terms contained herein shall be deemed effective as of the Effective Date.

(signature page follows)

EXHIBIT B

CONSULTING AGREEMENT

This Consulting Agreement ("Consulting Agreement") is made and entered into as of April 1, 2013 ("Effective Date"), by and between Nature's Sunshine Products, Inc. ("Company"), and Michael Dean ("Consultant") (together, the "Parties"). Company desires to retain Consultant as an independent contractor to perform consulting services for Company and Consultant is willing to perform such services, on terms set forth more fully below. This Consulting Agreement shall become effective on the date that the Release required under the Employment Agreement between the Parties dated on or about March 12, 2010, as amended March 4, 2013 (the "Employment Agreement") becomes effective and enforceable following the expiration of any applicable revocation period (the "Effective Date"). In consideration of the mutual promises contained herein, the parties agree as follows:

1. SERVICES AND COMPENSATION

Services. Consultant shall perform for the Company the services mutually agreed to between the Parties as and when reasonably requested by the Company's new CEO ("Services").

Fees. Provided Consultant continues to comply with the Restrictive Covenants set forth in Section 6 of the Employment Agreement, as amended, the Company shall pay Consultant in the following fashion:

- a. For the period from the Effective Date until March 15, 2014, \$470,000 payable on a monthly basis in 12 equal installments, with the first such installment to be paid on April 15, 2013, and the last such installment to be paid on March 15, 2014; provided, however, the Release required under the Employment Agreement must have become effective and enforceable in accordance with its terms following expiration of the applicable revocation period before any payments are made under this Consulting Agreement. The Company and Executive agree that all payments required under this section 1.a. shall be made in full on or before March 15, 2014. All payments hereunder shall be subject to withholding of all applicable taxes by the Company.

2. CONFIDENTIALITY

Definition. "Confidential Information" means any Company proprietary information, technical data, trade secrets or know-how, including, but not limited to, research, product plans, products, services, customers, customer lists, markets, software, developments, inventions, processes, formulas, technology, designs, drawings, engineering, hardware configuration information, marketing, finances or other business information disclosed by Company either directly or indirectly in writing, orally or by drawings or inspection of parts or equipment.

Non-Use and Non-Disclosure. Consultant shall not, during or subsequent to the term of this Consulting Agreement, use Company's Confidential Information for any purpose whatsoever other than the performance of the Services on behalf of Company or disclose Company's Confidential Information to any third party. It is understood that said Confidential Information

will remain the sole property of Company. Consultant further shall take all reasonable precautions to prevent any unauthorized disclosure of such Confidential Information.

Third Party Confidential Information. Consultant recognizes that Company has received and in the future will receive from third parties their confidential or proprietary information subject to a duty on Company's part to maintain the confidentiality of such information and to use it only for certain limited purposes. Consultant agrees that Consultant owes Company and such third parties, during the term of this Consulting Agreement and thereafter, a duty to hold all such confidential or proprietary information in the strictest confidence and not to disclose it to any person, firm or corporation or to use it except as necessary in carrying out the Services for Company consistent with Company's agreement with such third party.

Return of Materials. Upon the termination of this Consulting Agreement, or upon Company's earlier request, Consultant shall deliver to Company all of Company's property or Confidential Information that Consultant may have in Consultant's possession or control.

3. OWNERSHIP

Assignment. Consultant agrees that all copyrightable material, notes, records, drawings, designs, inventions, improvements, developments, discoveries and trade secrets conceived, made or discovered by Consultant, solely or in collaboration with others, during the term of this Consulting Agreement which relate in any manner to the business of Company that Consultant may be directed to undertake, investigate or experiment with, or which Consultant may become associated with in work, investigation or experimentation in the line of business of Company in performing the Services hereunder (collectively, "Work Product"), are the sole property of Company. Consultant further shall assign (or cause to be assigned) and does hereby assign fully to Company all Work Product and any copyrights, patents, mask work rights or other intellectual property rights relating thereto.

Further Assurances. Consultant shall assist Company, or its designee, at Company's expense, in every proper way to secure Company's rights in the Work Product and any copyrights, patents, mask work rights or other intellectual property rights relating thereto in any and all countries, including the disclosure to Company of all pertinent information and data with respect thereto, the execution of all applications, specifications, oaths, assignments and all other instruments that Company deems necessary in order to apply for and obtain such rights and in order to assign and convey to Company, its successors, assigns and nominees the sole and exclusive right, title and interest in and to such Work Product, and any copyrights, patents, mask work rights or other intellectual property rights relating thereto. Consultant further agrees that Consultant's obligation to execute or cause to be executed, when it is in Consultant's power to do so, any such instrument or papers will continue after the termination of this Consulting Agreement.

Pre-Existing Materials. Consultant agrees that if in the course of performing the Services, Consultant incorporates into any invention developed hereunder any invention, improvement, development, concept, discovery or other proprietary information owned by Consultant or in which Consultant has an interest, (1) Consultant shall inform Company, in writing before incorporating such invention, improvement, development, concept, discovery or

other proprietary information into any invention; and (2) Company is hereby granted and shall have a nonexclusive, royalty-free, perpetual, irrevocable, worldwide license to make, have made, modify, use and sell such item as part of or in connection with such invention. Consultant shall not incorporate any invention, improvement, development, concept, discovery or other proprietary information owned by any third party into any Invention without Company's prior written permission.

Attorney in Fact. Where Company is unable because of Consultant's unavailability, dissolution, mental or physical incapacity, or for any other reason, to secure Consultant's signature to apply for or to pursue any application for any United States or foreign patents or mask work or copyright registrations covering the Work Product assigned to Company above, then Consultant hereby irrevocably designates and appoints Company and its duly authorized officers and agents as Consultant's agent and

attorney in fact, to act for and in Consultant's behalf and stead to execute and file any such applications and to do all other lawfully permitted acts to further the prosecution and issuance of patents, copyright and mask work registrations thereon with the same legal force and effect as if executed by Consultant.

4. CONFLICTING OBLIGATIONS

Conflicting Obligations/Restrictive Covenants. Consultant certifies that Consultant has no outstanding agreement or obligation that is in conflict with any of the provisions of this Consulting Agreement, or that would preclude Consultant from complying with the provisions hereof, and further certifies that Consultant will not enter into any such conflicting agreement during the term of this Consulting Agreement. Consultant explicitly agrees that during the Term of this Consulting Agreement (as defined under Section 5, below), Consultant shall not, other than on behalf of the Company or with the prior written consent of the Company, (i) serve as a partner, employee, independent contractor, consultant, advisor, officer, director, proprietor, manager, agent, associate, or (ii) directly or indirectly, own (except for passive ownership of two (2%) or less of any entity whose securities have been registered under the Securities Act of 1933 or Section 12 of the Securities Exchange Act of 1934), purchase, invest in, organize or take preparatory steps for the organization of, or (iii) directly or indirectly, build, design, finance, acquire, lease, control, operate, manage, invest in, work or consult for, or otherwise affiliate himself with, any firm, partnership, corporation, entity or business that is a Competing Business. For purposes of this Consulting Agreement, a "Competing Business" is (i) any business enterprise that is primarily engaged in any activity that competes anywhere in the world with any activity in which the Company is then engaged, or for which it has then current plans to engage, including sales or distribution of herbs, vitamins or nutritional supplements, weight management products, or any product, which the Company sells, distributes or has developed at the time of Executive's termination; or (ii) any business enterprise seeking to effectuate a transaction that would result in a Change of Control as defined in the Employment Agreement. Moreover, Consultant agrees not to influence or attempt to influence any employee, sales leader, manager, coordinator, consultant, supplier, licensor, licensee, contractor, agent, strategic partner, distributor, customer or other person to terminate his or her employment with the Company or modify any written or oral agreement, relationship, arrangement or course of dealing the Company; nor will consultant solicit for employment or employ or retain (or arrange to have any other person or entity employ or retain) any person who has been employed or retained by any member of the Company within the preceding twelve (12) months.

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5. TERM AND TERMINATION

Term. This Consulting Agreement will commence on the Effective Date and will continue until the earlier of (1) March 15, 2014, or (2) termination as provided below.

Termination. Consultant may terminate this Consulting Agreement without cause upon giving one (1) month's prior written notice thereof to the Company in accordance with Section 6 of this Consulting Agreement. If Consultant terminates this Consulting Agreement under the prior sentence, Company shall pay to Consultant any fees that became payable prior to the effective date of termination and the rights of Executive under Section 6 of the Amendment to Consultant's Employment Agreement (other than Section 6b thereof) shall remain in full force and effect in accordance with their terms. Either party may terminate this Consulting Agreement prior to the expiration of its term in the event of a material breach of the terms or conditions of this Consulting Agreement by the other party, which breach is not cured within thirty (30) days of written notice from the party not in breach. In addition, the Company may terminate this Consulting Agreement prior to the expiration of its term in the event of a breach by the Consultant of the Restrictive Covenants set forth in Section 6 of his Employment Agreement, as amended and such termination shall be deemed to be a termination for cause. In addition to these rights of termination, each party will have the right, in the event of an uncured breach by the other party, to avail itself of all remedies or causes of action, in law or equity, for damages as a result of such breach. A material provision of this Consulting Agreement shall include, but is not limited to, the provisions labeled Non-Use and Non-Disclosure, Conflicting Obligations, and Confidentiality of Consulting Agreement. Company may terminate this Consulting Agreement without cause at any time, provided that upon such termination all payments owing to Consultant for the remainder of the Term shall be paid monthly to Consultant through the end of the term (March 15, 2014) as set forth in Section 1.

Survival. Upon such termination all rights and duties of the parties toward each other will cease except:

- a. Company shall pay amounts it is otherwise obligated to pay, including payments for the remainder of the term to the extent specified above; and
- b. Sections 2 (Confidentiality), 3 (Ownership), 4 (Conflicting Obligations), and 6 (Miscellaneous) will survive termination of this Consulting Agreement.

6. MISCELLANEOUS

Services and Information Prior to Effective Date. All Services performed by Consultant and all information and other materials disclosed between the parties prior to the Effective Date shall be governed by the terms of this Consulting Agreement, except where those Services are covered by a separate agreement between Consultant and Company.

Nonassignment/Binding Consulting Agreement. The parties acknowledge that the unique nature of Consultant's services is substantial consideration for the Parties' entering into this Consulting Agreement. Neither this Consulting Agreement nor any rights under this Consulting Agreement may be assigned or otherwise transferred by Consultant, in whole or in part, whether voluntarily or by operation of law, without the prior written consent of Company. Subject to the

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foregoing, this Consulting Agreement will be binding upon and will inure to the benefit of the Parties and their respective successors and assigns. Any assignment in violation of the foregoing will be null and void.

Non-Solicitation. Consultant agrees, during the term of this Consulting Agreement and for a period of twelve (12) months immediately following the termination of this Consulting Agreement, not to directly or indirectly solicit any of the Company's employees to leave their employment at the Company.

Indemnity. Consultant agrees to indemnify and hold harmless the Company and its directors, officers and employees from and against all taxes, losses, damages, liabilities, costs and expenses, including attorneys' fees and other legal expenses, arising directly or indirectly from or in connection with (i) any grossly negligent, reckless or intentionally wrongful act of Consultant or Consultant's assistants, employees or agents, (ii) any material breach by the Consultant or Consultant's assistants, employees or agents of any of the covenants contained in this Consulting Agreement, (iii) any material failure of Consultant to perform the Services in accordance with all applicable laws, rules and regulations, or (iv) any material violation or claimed violation of a third party's rights resulting in whole or in part from the Company's use of the work product of Consultant under this Consulting Agreement.

Notices. Any notice required or permitted under the terms of this Consulting Agreement or required by law must be in writing and must be (i) delivered in person, (ii) sent by first class registered mail, or air mail, as appropriate, or (iii) sent by overnight air courier, in each case properly posted and fully prepaid to the appropriate address as follows:

For the Company:	Nature's Sunshine Products, Inc. Attn: General Counsel P.O. Box 19005
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75 East 1700 South
Provo, UT 84605-9005

For Consultant: Michael Dean
2188 East Tuscany Creek Way
Draper, UT 84020

Either Party may change its address for notices by notice to the other Party given in accordance with this Section. Notices will be deemed given at the time of actual delivery in person, three (3) business days after deposit in the mail as set forth above, or one (1) day after delivery to an overnight air courier service.

Waiver. Any waiver of the provisions of this Consulting Agreement or of a Party's rights or remedies under this Consulting Agreement must be in writing to be effective. Failure, neglect, or delay by a Party to enforce the provisions of this Consulting Agreement or its rights or remedies at any time, will not be construed as a waiver of such Party's rights under this Consulting Agreement and will not in any way affect the validity of the whole or any part of this Consulting Agreement or prejudice such Party's right to take subsequent action. No exercise or enforcement by either Party of any right or remedy under this Consulting Agreement will

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preclude the enforcement by such Party of any other right or remedy under this Consulting Agreement or that such Party is entitled by law to enforce.

Severability. If any term, condition, or provision in this Consulting Agreement is found to be invalid, unlawful or unenforceable to any extent, the Parties shall endeavor in good faith to agree to such amendments that will preserve, as far as possible, the intentions expressed in this Consulting Agreement. If the Parties fail to agree on such an amendment, such invalid term, condition or provision will be severed from the remaining terms, conditions and provisions, which will continue to be valid and enforceable to the fullest extent permitted by law.

Integration. This Consulting Agreement, contain the entire agreement of the Parties with respect to the subject matter of this Consulting Agreement and supersedes all previous communications, representations, understandings and agreements, either oral or written, between the Parties with respect to said subject matter. This Consulting Agreement may not be amended, except by a writing signed by both Parties.

Counterparts. This Consulting Agreement may be executed in counterparts, each of which so executed will be deemed to be an original and such counterparts together will constitute one and the same agreement.

Governing Law. This Consulting Agreement will be interpreted and construed in accordance with the laws of the State of Utah and the United States of America, without regard to conflict of law principles.

Independent Contractor. It is the express intention of the parties that Consultant is an independent contractor. Nothing in this Consulting Agreement, including the election of the rules in the arbitration provision, will in any way be construed to constitute Consultant as an agent, employee or representative of Company, but Consultant shall perform the Services hereunder as an independent contractor. Without limiting the generality of the foregoing, Consultant is not authorized to bind the Company to any liability or obligation or to represent that Consultant has any such authority. Consultant shall furnish all tools and materials necessary to accomplish this contract, and will incur all expenses associated with performance. Consultant acknowledges and agrees that Consultant is obligated to report as income all compensation received by Consultant pursuant to this Consulting Agreement, and Consultant acknowledges its obligation to pay all self-employment and other taxes thereon.

Benefits. Consultant acknowledges that Consultant will, except as set forth herein and with respect to those benefits in which Executive already has a vested interest, receive no Company-sponsored benefits from Company that are available to employees, including without limitation paid vacation, sick leave, medical insurance, and 401(k) participation. If Consultant is reclassified by a state or federal agency or court as an employee, Consultant will become a reclassified employee and will receive no benefits except those mandated by state or federal law, even if by the terms of Company's benefit plans in effect at the time of such reclassification Consultant would otherwise be eligible for such benefits.

Attorney's Fees. In any court action at law or equity which is brought by one of the Parties to enforce or interpret the provisions of this Consulting Agreement, the prevailing Party

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will be entitled to reasonable attorney's fees, in addition to any other relief to which that Party may be entitled.

Voluntary Nature of Consulting Agreement. The Parties hereto acknowledge and agree that they are executing this Consulting Agreement voluntarily and without any duress or undue influence. The Parties further acknowledge and agree that they have carefully read this Consulting Agreement and that they have asked any questions needed to fully understand the terms, consequences and binding effect of this Consulting Agreement. The Parties further agree that they have been provided an opportunity to seek the advice of an attorney of their choice before signing this Consulting Agreement.

The Parties have executed this Consulting Agreement below to indicate their acceptance of its terms.

MICHAEL DEAN

NATURE'S SUNSHINE PRODUCTS, INC.

/s/ Michael Dean
Michael Dean

/s/ Stephen M. Bunker
Stephen M. Bunker
Executive Vice President, Chief Financial
Officer and Treasurer

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FIRST AMENDMENT TO MICHAEL DEAN EMPLOYMENT AGREEMENT

This First Amendment to Employment Agreement (the "Amendment") is entered into on this 4th day of March, 2013, by and between Nature's Sunshine Products, Inc. ("the Company" or "NSP") and Michael Dean ("Executive"). NSP and Executive are collectively referred to herein as the "Parties."

RECITALS

A. The Parties entered into that Employment Agreement, dated on or about March 12, 2010 (the "Employment Agreement"). Each capitalized term in this Amendment shall have the meaning ascribed to it in the Employment Agreement, except as otherwise defined herein.

B. The Parties now desire to modify certain provisions of the Employment Agreement through this Amendment.

C. The Company and Executive have previously entered into: (1) a stock option agreement entitled Nature's Sunshine Products, Inc. 2009 Stock Incentive Plan Non-Incentive Stock Option Agreement, dated September 24, 2009, granting Executive the option to purchase 25,000 shares of the Company's common stock; (2) a stock option agreement entitled Nature's Sunshine Products, Inc. 2009 Stock Incentive Plan Non-Incentive Stock Option Agreement, dated March 12, 2010, granting Executive the option to purchase 200,000 shares of the Company's common stock; (3) a stock option agreement entitled Nature's Sunshine Products, Inc. 2009 Stock Incentive Plan Non-Incentive Stock Option Agreement, dated January 3, 2011, granting Executive the option to purchase 150,000 shares of the Company's common stock; and, (4) a stock option agreement entitled Nature's Sunshine Products, Inc. 2012 Stock Incentive Plan Non-Incentive Stock Option Agreement, dated March 1, 2012 (the "March 2012 Stock Option Agreement"), granting Executive the option to purchase 100,000 shares of the Company's common stock (the "March 2012 Option"). The stock option agreements described in this paragraph shall be collectively referred to herein as the "Stock Option Agreements," and the stock options granted under the Stock Option Agreements shall be collectively referred to herein as the "Stock Options."

D. The Parties now desire to modify certain provisions of the Stock Option Agreements through this Amendment.

E. The Parties wish to resolve any and all disputes, claims, complaints, grievances, charges, actions, petitions, and demands that the Executive may have against the Company, including, but not limited to, any and all claims arising out of or in any way related to Executive's employment with or separation from the Company;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and Executive hereby amend the Employment Agreement and agree as follows:

1. Resignation. Executive agrees to resign from his regular full-time employment with the Company and to resign his seat on the Company's Board of Directors effective March 31, 2013 (the "Resignation Date").

2. Restrictive Period. Section 6.1 of the Employment Agreement is hereby amended to extend the Restricted Period from twelve (12) months to twenty-four (24) months from the Resignation Date and to revoke any right of the Company under subsection 6.1.5 of the Employment Agreement to extend the Restricted Period beyond the expiration of such twenty-four (24) month period. In addition, the definition of "Competing Business" in Section 6.1.1 of the Employment Agreement shall be modified as follows:

"Competing Business" means (i) any business enterprise that is primarily engaged in any activity that competes anywhere in the world with any activity in which the Company is then engaged, or for which it has then current plans to engage, including sales or distribution of herbs, vitamins or nutritional supplements, weight management products, or any product, which the Company sells, distributes or has developed at the time of Executive's termination; or (ii) any business enterprise seeking to effectuate a transaction that would result in a Change of Control as defined in Section 6b of the First Amendment to the Employment Agreement.

3. Stock Options. Except for the Performance-Based Portion of the Option (as defined in the March 2012 Stock Option Agreement) subject to the March 2012 Option, all Stock Options that are outstanding and vested on the Resignation Date shall vest as of the Resignation Date; the Performance-Based Portion of the March 2012 Option shall terminate on the Resignation Date. The post-termination exercise period of each outstanding Stock Option shall be extended so that each such Stock Option may be exercised during the twenty-four (24) month period following the Resignation Date but in no event later than the expiration of the term of the Stock Option. All Stock Option Agreements shall be deemed amended to reflect the foregoing sentences. The Company and Executive acknowledge and agree that upon fully accelerating all outstanding Stock Options, Executive will have vested in an aggregate of 450,000 Stock Options under the Stock Option Agreements.

4. Life Insurance. The Company will pay all premiums on Executive's life insurance policy obtained through the Company and in effect on the Resignation Date for a period of eighteen (18) months following the Resignation Date.

5. Release/Consulting Agreement. On the Resignation Date, Executive agrees to execute the release agreement attached hereto as Exhibit A ("Release") in exchange for: (1) severance payments and benefits as set forth in Section 6 below, (2) an agreement for the Company to enter into a consulting agreement with Executive in the form attached hereto as Exhibit B (the "Consulting Agreement"); and, (3) reimbursement of the cost of Executive's health insurance coverage under COBRA (and for his family members if the Company provided for their coverage during his employment) for up to eighteen (18) months from the Resignation Date, or as long as Executive is eligible for COBRA coverage, whichever is shorter. COBRA reimbursements shall be made by the Company to Executive consistent with the Company's

normal expense reimbursement policy, provided that Executive submits documentation to the Company substantiating his payments for COBRA. In order for Executive to receive any of the foregoing, the Release must become effective and enforceable in accordance with its terms following expiration of the applicable revocation period.

6. Company Covenants. Provided Executive complies with the Restrictive Covenants set forth in Section 6 of the Employment Agreement as modified herein and the Release has become effective and enforceable in accordance with its terms following expiration of the applicable revocation period, the Company agrees as follows:

a. Severance Payments following Resignation Date. In addition to the payments owing pursuant to the Consulting Agreement, the Company shall pay Executive \$470,000 representing severance pay pursuant to subsection 5.1.2. of the Employment Agreement, provided that such payment shall be payable in twelve (12) equal monthly installments with the first such installment to be made on April 15, 2014 and the last such installment to be made on March 15, 2015.

b. Change of Control. In the event of any "change of control" of NSP at any time during the twenty four (24) month period following the Resignation Date, (i) the Company shall immediately notify Executive of the change of control (the "Change of Control Notice"), and in no event later than thirty (30) days prior to the change of control taking effect, (ii) the Consulting Agreement shall terminate upon Company's approval of a change of control, which termination shall be deemed without cause notwithstanding anything in the Consulting Agreement to the contrary, and (iii) the Company will pay Executive the remaining balance under the Consulting Agreement and the payments required under section 6(a) above. A "change in control" shall be deemed to have occurred:

i. At such time as a third person, including a "group" as defined in Section 13(d)(3) of the Securities Exchange Act of 1934, as amended, becomes the beneficial owner of shares of the Company having 50% or more of the total number of votes that may be cast for the election of Directors of the Company;

ii. On the effective date of and immediately prior to: (i) the closing of any agreement for a merger or consolidation of the Company with another entity, provided that there shall be no change of control if the persons and entities who were the stockholders of the Company immediately before such merger or consolidation continue to own, directly or indirectly, shares of the corporation resulting from such merger or consolidation ("Newco") having more than 70% of the total number of votes that may be cast for the election of directors of Newco, in substantially the same proportion as their ownership of the voting securities of the Company outstanding immediately before such merger or consolidation; or (ii) the closing of any sale, exchange or other disposition of all or substantially all of the Company's assets; or (iii) a dissolution or liquidation of the Company's assets; or

iii. On the effective date of any sale, exchange or other disposition of 50% or more in fair market value of the Company's assets, other than in the ordinary course of business, whether in a single transaction or a series of related transactions.

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iv. In determining whether clause (i) of the preceding provision has been satisfied, the third person owning shares must be someone other than a person or an affiliate of a person that, as of the effective date, was the beneficial owner of shares of the Company having 20% or more of the total number of votes that may be cast for the election of Directors of the Company.

c. Executive's Attorneys' Fees. The Company shall pay up to \$10,000 of Executive's attorney's fees, for all legal expenses incurred in connection with the negotiation, drafting, review and analysis of this Amendment, the Employment Agreement, the Release and related documentation and issues, to the extent such expenses are incurred no later than the effective date of the Release. Executive must submit an invoice substantiating the services provided.

d. Transition Services. Company shall reimburse Executive for certain fees and costs incurred prior to March 15, 2014 related to, concerning or arising out of transition services for Executive up to an amount to be agreed upon by Company and Executive on or before the Resignation Date, but in no event to exceed a total of \$50,000. For the purposes of this Amendment, transition services shall mean an individual or entity whom Executive engages, with the consent of Company, which consent Company shall not unreasonably withhold, for the purposes of assisting Executive in obtaining new employment, including but not limited to individuals or entities that provide head-hunting services, career guidance, network development services, job search services, psychological support and coaching and similar services. Reimbursements shall be made by the Company to Executive consistent with the Company's normal expense reimbursement policy, provided that Executive submits documentation to the Company substantiating his payments for such transition services.

e. Relocation Cost Reimbursement. Company shall reimburse the reasonable costs directly related to Executive and his family members moving out of Utah incurred prior to March 15, 2014, up to a maximum allowable expense of \$15,000. For purposes of this Amendment, relocation costs shall include, but not be limited to, costs for packing, unpacking and moving household and personal property, automobiles and trucks and recreational equipment, along with travel costs for Executive and his family members, including but not limited to, air fare, room and board and mileage reimbursement at \$.50 per mile for travel between Utah and the new location for purposes of relocation.

f. Reimbursement of Realtor Fees. Company shall reimburse Executive for realtor fees associated with the sale of Executive's home in the Draper, Utah area, authorized at 6% of the selling price of the home, up to a maximum allowable expense of \$40,000, provided the sale occurs prior to March 15, 2014.

g. Joint Statement. In conjunction with its earnings release for the 2012 fiscal year, the Company agrees to issue a Press Release announcing the Executive's resignation. The portion of the Press Release regarding Executive's resignation shall be subject to the approval of the Company and Executive.

7. Successor and Assign. In the event of the death or incapacity of Executive, this Amendment shall inure to the benefit of his estate, spouse, heirs, successor or assigns.

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8. Interpretation. The Employment Agreement shall be construed, to the extent possible, so as to be consistent with this Amendment. In any conflict between the Employment Agreement, the Consulting Agreement, or any other agreements between the Company and Executive and this Amendment, the terms of this Amendment shall prevail. In particular, the parties agree that the provisions of Section 6 of the Employment Agreement will remain in effect except as modified as set forth in Section 2 herein.

9. Legal Counsel and Code Section 409A. Executive acknowledges that he has consulted with an attorney regarding the terms of this Amendment, the Release and the Consulting Agreement, and any ancillary issues related to these agreements, including, but not limited, issues related to compliance with Internal Revenue Code Section 409A ("Code Section 409A"). The parties intend that this Amendment comply with the requirements of Code Section 409A. The payments under this Amendment and the Consulting Agreement are intended to be exempt from Code Section 409A. To the extent there is any ambiguity as to whether any provision of the Amendment would otherwise contravene one or more requirements or limitations of Code Section 409A, such provision shall be interpreted and applied in a manner that does not result in a violation of the applicable requirements or limitations of Code Section 409A and the Treasury Regulations thereunder. For purposes of Section 409A, the right to receive one or more payments or benefits under this Amendment shall be treated as a right to a series of separate payments. Any reimbursement hereunder shall be made during 2014 provided Executive has timely submitted all required documentation. The in-kind benefits provided in any calendar year shall not affect the in-kind benefits to be provided in any other taxable year and Executive's right to in-kind benefits cannot be liquidated or exchanged for any other benefit. Executive acknowledges that Executive shall be solely responsible for all taxes, interest, and penalties arising from the payments and benefits under the Employment Agreement, this Amendment, the Consulting Agreement and the Stock Option Agreements.

10. Delayed Commencement Date. Notwithstanding any provision to the contrary in the Employment Agreement, this Amendment, the Release, or the Consulting Agreement (together, the "Agreements"), no payments or benefits to which Executive becomes entitled in accordance with the Agreements shall be made or paid to Executive prior to the earlier of (i) the first day of the seventh (7th) month following the date of his separation from service, or (ii) the date of his death, if Executive is deemed, pursuant to the procedures established by the Company's Compensation Committee in accordance with the applicable standards of Code Section 409A and the Treasury Regulations thereunder and applied on a consistent basis for all non-qualified deferred compensation plans of the Employer Group subject to Code Section 409A, to be a "specified employee" within the meaning of Code Section 409A at the time of such separation from service and such delayed commencement is otherwise required in order to avoid a prohibited distribution under Code Section 409A(a)(2). Upon the expiration of the applicable deferral period, all payments deferred pursuant to this Section 10 shall be paid to Executive in a lump sum, and any remaining payments due under the Agreements shall be paid in accordance with the normal payment dates specified in the Agreements.

11. Withholding. All payments and benefits under this Amendment shall be subject to withholding of all applicable taxes by the Company.

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12. Authorization. Each person executing this Amendment represents and warrants that they have been duly authorized and directed to execute, deliver, and perform the terms of this Amendment, and that they have the authority to bind the entity on whose behalf the Amendment is executed.

Except to the extent amended hereunder, the terms and conditions of the Employment Agreement shall remain in full force and effect.

[Signature Page Follows]

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NATURE'S SUNSHINE PRODUCTS, INC.

/s/ Stephen M. Bunker
By: Stephen M. Bunker
Its: Executive Vice President, Chief
Financial Officer and Treasurer

EXECUTIVE

/s/ Michael Dean
Michael Dean

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NATURE'S SUNSHINE

FOR IMMEDIATE RELEASE

NATURE'S SUNSHINE PRODUCTS REPORTS FOURTH QUARTER AND FISCAL YEAR FINANCIAL RESULTS

INCREASES QUARTERLY CASH DIVIDEND TO \$0.10 PER SHARE

Michael D. Dean to resign as CEO Gregory L. Probert, Executive Chairman, to become interim CEO

LEHI, Utah, March 6, 2013 — Nature's Sunshine Products, Inc. (NASDAQ:NATR), a leading natural health and wellness company engaged in the manufacture and direct selling of nutritional and personal care products, today reported its consolidated financial results for the fourth quarter and fiscal year ended December 31, 2012, and increased its quarterly cash dividend to \$0.10 per share.

The Company also announced that Michael D. Dean has resigned as Chief Executive Officer and as a member of the Board of Directors, effective March 31, 2013. Gregory L. Probert, Executive Chairman of the Board, has been appointed to serve as interim Chief Executive Officer until such time as the Board of Directors names a new CEO. Mr. Dean will enter into a one-year consulting agreement with the Company, and work with Mr. Probert to ensure a smooth transition. Mr. Probert has worked with the Company in a consulting and executive capacity since September 2010. He is the former President and Chief Operating Officer of Herbalife International of America.

Mr. Dean said: "Now that the Company has made significant progress and is well positioned for future growth, this is an appropriate time for me to exit. I am pleased to leave the Company stronger than ever and in capable hands with an outstanding team and talented, loyal sales managers and independent distributors. I will miss working with every one of them."

Mr. Probert stated: "In 2010, when Michael was a Board member, the Board asked him to step in as CEO to stabilize the Company's business, return it to profitability, build a world-class management team and set a strategy for future growth. Michael has successfully accomplished all these goals. We thank him for all of his contributions and wish him all the best in his future endeavors. I am looking forward to working with the Company's outstanding senior management team, talented employees and our loyal distributors to implement an ambitious growth plan."

For the Fourth Quarter of 2012:

- Net sales were \$90.4 million, compared with \$92.1 million in the same quarter a year ago, a decrease of 1.8 percent, and net sales decreased 1.5 percent in local currencies.
- As of December 31, 2012, total active Managers worldwide were 16,600, a decrease of 1.2 percent from December 31, 2011, while total active Distributors and customers worldwide were 333,400, a decrease of 2.0 percent from the end of the quarter a year ago.
- Operating income was \$5.8 million, compared with \$9.6 million in the same quarter a year ago, a decrease of 39.3 percent year over year. Operating income decreased by \$3.8 million, of which \$2.6 million was due to lower sales and higher raw material and distribution costs, and \$1.2 million was due to non-recurring costs and expenses (\$0.8 million primarily related to legal and restructuring charges in certain foreign markets, and \$0.4 million of obsolete inventory and expedited freight costs).
- Adjusted EBITDA, defined here as net income before taxes, depreciation and amortization, and other income, and adjusted to exclude share-based compensation expense was \$7.8 million, compared with \$12.3 million in the same quarter a year ago, a decrease of 36.7 percent.
- Net income was \$4.5 million, compared with \$7.6 million in the same quarter a year ago, a decrease of 41.0 percent year over year.
- Basic and diluted net income per share was \$0.28, compared with basic and diluted net income per share of \$0.49 and \$0.48, respectively, for the same quarter a year ago.
- As of December 31, 2012, shareholders' equity was \$115.6 million, compared to \$87.4 million on December 31, 2011, an increase of 32.1 percent.

For the Full Year of 2012:

- Net sales were \$367.5 million, compared with \$367.8 million in the same period a year ago, a decrease of 0.1 percent; however, net sales increased 1.0 percent in local currencies.
- Operating income was \$34.0 million, compared with \$20.2 million, or an increase of 6.9 percent, compared with non-GAAP operating income of \$34.9 million (excluding contract termination costs of \$14.7 million) in the same period a year ago, a decrease of 2.6 percent year over year.
- Adjusted EBITDA, defined here as net income before taxes, depreciation and amortization, and other income, and adjusted to exclude share-based compensation expense and contract termination costs, was \$41.0 million, compared with \$42.8 million in the same period a year ago, a decrease of 4.2 percent.

- Net income was \$25.4 million, compared with net income of \$17.6 million, or an increase of 44.2 percent, and compared with Non-GAAP net income of \$27.6 million (excluding contract termination costs of \$14.7 million) in the same period a year ago, a decrease of 8.0 percent year over year.
- Basic and diluted net income per share was \$1.62 and \$1.59, respectively, compared with basic and diluted net income per share of \$1.13 and \$1.12, respectively, for the same period a year ago.

Declaration of Quarterly Cash Dividend

The Company's Board of Directors declared a regular quarterly cash dividend of \$0.10 per share payable on March 28, 2013 to shareholders of record as of the close of business on March 18, 2013. The quarterly dividend was doubled from \$0.05 to \$0.10 per share due to the Company's strong cash flow, its record high year-end cash balance of \$79.2 million and the Board's commitment to return excess capital to shareholders.

NSP Americas, Asia Pacific and Europe Segment Results for the Fourth Quarter:

- Net sales were \$49.7 million, compared with \$51.6 million in the same quarter a year ago, a decrease of 3.7 percent. In local currencies, net sales decreased by 4.2 percent compared to the same quarter a year ago. The decrease in local currency net sales was due to lower sales to Managers and lower recruiting in the United States. We are continuing our efforts to return to growth through training, new products and incentive programs, while at the same time ensuring stability in sales to existing Distributors and customers. In addition, sales were lower in Peru due to a change in local regulations that has restricted our ability to sell our key products in this market through a direct selling business model. We are currently selling our products through a wholesale channel and continue to evaluate our product mix for Peru.
- Active Managers within NSP Americas, Asia Pacific and Europe totaled approximately 8,100 and 8,700 at December 31, 2012 and 2011, respectively. Active Distributors and customers within NSP Americas, Asia Pacific and Europe totaled approximately 153,000 and 165,600 at December 31, 2012 and 2011, respectively. The number of total Managers, Distributors and customers decreased due to lower recruiting in the NSP United States and Mexico markets and a change in the operating model in the NSP Peru market.
- Contribution margin, defined as net sales less cost of sales and volume incentive expense, was \$19.1 million, compared with \$21.3 million in the same quarter a year ago, a decrease of 10.6 percent. The decrease was primarily the result of increased product material and related distribution costs, as well as the lower sales described above.

NSP Russia, Central and Eastern Europe Segment Results for the Fourth Quarter:

- Net sales were \$15.9 million, compared with \$14.6 million in the same quarter a year ago, an increase of 8.9 percent. The impact of foreign currency fluctuations on net sales was negligible. The Russian markets continue to build on the momentum as a

result of improved Manager and Distributor recruiting efforts and Distributor engagement.

- Active Managers within NSP Russia, Central and Eastern Europe totaled approximately 5,600 and 5,400 at December 31, 2012 and 2011, respectively. Active Distributors and customers within NSP Russia, Central and Eastern Europe totaled approximately 125,800 and 122,800 at December 31, 2012 and 2011, respectively. Managers and Distributors within NSP Russia, Central and Eastern Europe are network marketing oriented.
- Contribution margin was \$5.9 million, compared with \$5.4 million in the same quarter a year ago, an increase of 8.1 percent. The increase was primarily the result of higher net sales in our Russian markets.

Synergy WorldWide Segment Results for the Fourth Quarter:

- Net sales were \$24.8 million, compared with \$25.9 million in the same quarter a year ago, a decrease of 4.1 percent. In local currencies, net sales decreased 4.0 percent compared to the same quarter a year ago. The decrease in local currency net sales was driven by lower sales in Japan due to a non-recurring promotion in the prior year, declines in North America as a result of a lower level of recruiting, retention and training efforts, and lower net sales in Norway as a result of temporary shipping restrictions to Norwegian Distributors imposed by the Norwegian Food Authority in late November 2012. All issues were resolved with the Norwegian Food Authority in late December 2012. Shipments to Norwegian Distributors recommenced at the beginning of January 2013. These decreases were offset by improvements in Korea due to continued collaboration between the Company and key Distributor leadership in developing groups with strong selling systems and a broad product line.
- Active Managers within Synergy Worldwide totaled approximately 2,900 and 2,700 at December 31, 2012 and 2011, respectively. Active Distributors and customers within Synergy Worldwide totaled approximately 54,600 and 51,700 at December 31, 2012 and 2011, respectively. Synergy Worldwide is a traditional network-marketing business model.
- Contribution margin was \$8.6 million, compared to \$9.9 million in the same quarter a year ago, a decrease of 13.2 percent. The decrease was primarily the result of increased product material and related distribution costs, as well as the lower sales described above.

Selling, General and Administrative Expenses for the Fourth Quarter:

- Selling, general and administrative expenses were \$27.7 million, compared with \$27.1 million in the same quarter a year ago, an increase of 2.1 percent. The impact of foreign currency changes on net sales was negligible. The increase in selling general and administrative expenses were primarily related to one-time charges incurred in resolving the interruption in our Norway business as described above, restructuring our operations in some of our foreign markets, and other non-recurring charges, collectively totaling approximately \$0.8 million.

Effective Income Tax Rate

The effective income tax rate was 39.8 percent, compared with 26.7 percent in the same quarter a year ago. The current quarter's effective income tax rate was above the U.S. federal statutory tax rate of 35.0 percent, which was primarily attributed to a decrease in blended state income tax rate, which causes a permanent difference relating to state deferred tax assets and an increase in liabilities associated with uncertain tax positions. The effective income tax rate of 26.7 percent for the same quarter a

year ago was below the U.S. federal statutory tax rate of 35.0 percent, which was primarily attributed to increased foreign tax credit utilization, foreign deductible items, lower tax rates in foreign jurisdictions than the rates in the U.S., and a decrease in the recognition of previous expense related to unremitted earnings.

Non-GAAP Financial Measures

The Company has included information concerning adjusted EBITDA, non-GAAP operating income and non-GAAP net income because management utilizes this information in the evaluation of its operations and believes that these measures are a useful indicator of the Company's ability to fund its business. Adjusted EBITDA has not been prepared in accordance with generally accepted accounting principles (GAAP). These non-GAAP financial measure should not be considered as an alternative to, or more meaningful than, U.S. GAAP net income as an indicator of the Company's operating performance. Moreover, this non-GAAP financial measure, as presented by the Company, may not be comparable to similarly titled measures reported by other companies. Other companies may use the same or similarly named measures, but exclude different items, which may not provide investors with a comparable view of our performance in relation to other companies. The Company has included a reconciliation of these non-GAAP measures to reported earnings under GAAP in the attached financial tables.

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About Nature's Sunshine Products

Nature's Sunshine Products (NASDAQ:NATR), a leading natural health and wellness company, markets and distributes nutritional and personal care products through a global direct sales force of over 340,000 active independent Managers, Distributors and customers in more than 40 countries. 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. The Company has three reportable business segments that are divided based on the characteristics of their Distributor base, similarities in compensation plans, as well as the internal organization of NSP's officers and their responsibilities (NSP Americas, Asia Pacific and Europe; NSP Russia, Central and Eastern Europe; and Synergy WorldWide). The Company also supports health and wellness for children around the world through its partnership with the Little Heroes Foundation. Additional information about the Company can be obtained at its website, www.natr.com.

Cautionary Statement Regarding Forward-Looking Statements

In addition to historical information, this release contains certain forward-looking statements, including statements regarding Distributors and Managers and payment of dividends. Nature's Sunshine may, from time to time, make written or oral forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements include, but are not limited to, Nature's Sunshine's beliefs, expectations, hopes, or intentions regarding future events. Words such as "expects," "intends," "believes," "anticipates," "should," "likely," and similar expressions identify forward-looking statements. All forward-looking statements included in this release are made as of the date hereof and are based on information available to the Company as of such date. Nature's Sunshine assumes no obligation to update any forward-looking statement. Actual results will vary, and may vary materially, from those anticipated, estimated, projected or expected for a number of reasons, including, among others: further reviews of the Company's financial statements by the Company and its Audit Committee; modification of the Company's accounting practices; foreign business risks; industry cyclicality; fluctuations in customer demand and order pattern; changes in pricing and general economic conditions; as well as other risks detailed in the Company's previous filings with the SEC.

Contact:

Stephen M. Bunker
Chief Financial Officer
Nature's Sunshine Products, Inc.
Lehi, Utah 84043
(801) 341-7303

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NATURE'S SUNSHINE PRODUCTS, INC. AND SUBSIDIARIES CONDENSED CONSOLIDATED BALANCE SHEETS (Amounts in thousands)

	December 31, 2012	December 31, 2011
Assets		
Current Assets:		
Cash and cash equivalents	\$ 79,241	\$ 58,969
Accounts receivable, net of allowance for doubtful accounts of \$631 and \$647, respectively	9,614	9,868
Investments available for sale	2,071	5,677
Inventories	43,280	41,611
Deferred income tax assets	5,307	4,395
Prepaid expenses and other	5,820	4,583
Total current assets	<u>145,333</u>	<u>125,103</u>
Property, plant and equipment, net	27,950	25,137
Investment securities	1,276	1,429
Intangible assets	1,002	1,151
Deferred income tax assets	11,516	16,576
Other assets	6,842	6,415
	<u>\$ 193,919</u>	<u>\$ 175,811</u>
Liabilities and Shareholders' Equity		
Current Liabilities:		
Accounts payable	\$ 6,226	\$ 5,980
Accrued volume incentives	18,130	19,326
Accrued liabilities	27,302	27,938
Deferred revenue	4,311	2,603
Current installments of long-term debt	3,350	3,296
Income taxes payable	2,071	8,655
Total current liabilities	<u>61,390</u>	<u>67,798</u>

Liability related to unrecognized tax benefits	10,571	10,426
Long-term debt	2,270	5,894
Deferred compensation payable	1,276	1,429
Other liabilities	2,776	2,826
Total long-term liabilities	16,893	20,575
Shareholders' Equity:		
Common stock, no par value; 50,000 shares authorized, 15,810 and 15,569 issued and outstanding as of December 31, 2012 and December 31, 2011	77,292	71,628
Retained earnings	48,910	25,879
Accumulated other comprehensive loss	(10,566)	(10,069)
Total shareholders' equity	115,636	87,438
	<u>\$ 193,919</u>	<u>\$ 175,811</u>

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NATURE'S SUNSHINE PRODUCTS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Amounts in thousands, except per share information)
(Unaudited)

	Three Months Ended December 31,	
	2012	2011
Net sales revenue (net of the rebate portion of volume incentives of \$10,375 and \$10,813, respectively)	\$ 90,377	\$ 92,056
Cost of sales	(23,841)	(21,911)
Gross profit	66,536	70,145
Operating expenses:		
Volume incentives	32,991	33,462
Selling, general and administrative	27,719	27,086
	61,204	60,548
Operating income	5,826	9,597
Other income, net	1,639	798
Income before provision for income taxes	7,465	10,395
Provision for income taxes	2,969	2,774
Net income	<u>\$ 4,496</u>	<u>\$ 7,621</u>
Basic and diluted net income per common share		
Basic:		
Net income per common share	<u>\$ 0.28</u>	<u>\$ 0.49</u>
Diluted:		
Net income per common share	<u>\$ 0.28</u>	<u>\$ 0.48</u>
Weighted average basic common shares outstanding	15,781	15,567
Weighted average diluted common shares outstanding	16,064	15,568
Dividends declared per common share	<u>\$ 0.05</u>	<u>\$ —</u>

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NATURE'S SUNSHINE PRODUCTS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Amounts in thousands, except per share information)

	Year Ended December 31,	
	2012	2011
Net sales revenue (net of the rebate portion of volume incentives of \$43,121 and \$44,628, respectively)	\$ 367,468	\$ 367,813
Cost of sales	(93,324)	(89,409)
Gross profit	274,144	278,404
Cost and expenses:		
Volume incentives	133,267	133,883
Selling, general and administrative	106,861	109,606
Contract termination costs	—	14,750
	240,128	258,239
Operating income	34,016	20,165
Other income, net	1,480	1,847
Income before provision for income taxes	35,496	22,012
Provision for income taxes	10,116	4,411
Net income	<u>\$ 25,380</u>	<u>\$ 17,601</u>

Basic and diluted net income per common share		
Basic:		
Net income per common share	\$ 1.62	\$ 1.13
Diluted:		
Net income per common share	\$ 1.59	\$ 1.12
Weighted average basic common shares outstanding	15,648	15,550
Weighted average diluted common shares outstanding	15,987	15,695
Dividends declared per common share	\$ 0.15	\$ —

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NATURE'S SUNSHINE PRODUCTS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in thousands)

Year Ended December 31,	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 25,380	\$ 17,601
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for doubtful accounts	45	(133)
Depreciation and amortization	4,078	4,362
Tax benefit from stock option exercise	(378)	—
Share-based compensation expense	2,878	3,478
Loss on sale of property and equipment	85	224
Deferred income taxes	4,270	(5,073)
Amortization of bond discount	9	9
Purchase of trading investment securities	(92)	(102)
Proceeds from sale of trading investment securities	354	438
Realized and unrealized gains	(90)	(44)
Foreign exchange gains	(290)	(466)
Changes in assets and liabilities:		
Accounts receivable	266	(3,742)
Inventories	(1,466)	(5,566)
Prepaid expenses and other	(1,155)	1,032
Other assets	(193)	2,986
Accounts payable	77	1,316
Accrued volume incentives	(1,279)	805
Accrued current and other long-term liabilities	(1,289)	(6,152)
Deferred revenue	1,708	(782)
Income taxes payable	(6,259)	5,009
Liability related to unrecognized tax positions	145	(10,943)
Deferred compensation payable	(153)	(349)
Net cash provided by operating activities	<u>26,651</u>	<u>3,908</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property, plant and equipment	(6,629)	(2,419)
Purchases of investments available for sale	(174)	(6,968)
Proceeds from sale/maturities of investments available for sale	3,789	7,697
Proceeds from sale of property, plant and equipment	25	11
Net cash used in investing activities	<u>(2,989)</u>	<u>(1,679)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments of cash dividends	(2,349)	—
Proceeds from issuance of long-term debt	—	10,000
Principal payments of long-term debt	(3,570)	(810)
Tax benefit from stock option exercise	378	—
Proceeds from exercise of stock options	2,408	398
Net cash provided by (used in) financing activities	<u>(3,133)</u>	<u>9,588</u>
Effect of exchange rates on cash and cash equivalents	(257)	(452)
Net increase in cash and cash equivalents	20,272	11,365
Cash and cash equivalents at beginning of the year	58,969	47,604
Cash and cash equivalents at end of the year	<u>\$ 79,241</u>	<u>\$ 58,969</u>

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NATURE'S SUNSHINE PRODUCTS, INC. AND SUBSIDIARIES
RECONCILIATION OF NET INCOME TO ADJUSTED EBITDA
(Amounts in thousands)
(Unaudited)

	Three Months Ended December 31,	
	2012	2011
Net income	\$ 4,496	\$ 7,621
Adjustments:		

Depreciation and amortization	1,050	1,158
Share-based compensation expense	877	1,561
Other (income) expense, net*	(1,639)	(798)
Taxes	2,969	2,774
Adjusted EBITDA	<u>\$ 7,753</u>	<u>\$ 12,316</u>

	Year Ended December 31,	
	2012	2011
Net income	\$ 25,380	\$ 17,601
Adjustments:		
Depreciation and amortization	4,078	4,362
Share-based compensation expense	2,878	3,478
Contract termination costs	—	14,750
Other (income) expense, net*	(1,480)	(1,847)
Taxes	10,116	4,411
Adjusted EBITDA	<u>\$ 40,972</u>	<u>\$ 42,755</u>

* Other income (expense), net is primarily comprised of foreign exchange gains (losses), interest income, and interest expense.

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Distributor Information

Our revenue is highly dependent upon the number and productivity of our Managers, Distributors and customers. Growth in sales volume requires an increase in the productivity and/or growth in the total number of Managers, Distributors and customers.

The following table provides information concerning the number of total Managers, Distributors and customers by segment, as of the dates indicated.

Total Managers, Distributors and Customers by Segment as of December 31,

	2012		2011		2010	
	Distributors & Customers	Managers	Distributors & Customers	Managers	Distributors & Customers	Managers
NSP Americas, Asia Pacific & Europe	350,400	8,100	388,400	8,700	431,300	9,300
NSP Russia, Central and Eastern Europe	252,700	5,600	266,200	5,400	236,600	5,400
Synergy WorldWide	118,200	2,900	112,300	2,700	95,600	2,300
Total	<u>721,300</u>	<u>16,600</u>	<u>766,900</u>	<u>16,800</u>	<u>763,500</u>	<u>17,000</u>

“Total Managers” includes independent Managers under our various compensation plans that have achieved and maintained specified and personal groups sale volumes as of the date indicated. To maintain Manager status, an individual must continue to meet certain purchase volume levels. As such, all Managers are considered to be active Managers.

“Total Distributors and customers” includes our independent Distributors and customers who have purchased products directly from the Company for resale and/or personal consumption during the previous twelve months ended as of the date indicated. This includes Manager, Distributor and customer accounts that may have become inactive since such respective dates.

The following table provides information concerning the number of active Distributors and customers by segment, as of the dates indicated.

Active Distributors and Customers by Segment as of December 31,

	2012	2011	2010
	Distributors & Customers	Distributors & Customers	Distributors & Customers
NSP Americas, Asia Pacific & Europe	153,000	165,600	181,600
NSP Russia, Central and Eastern Europe	125,800	122,800	123,400
Synergy WorldWide	54,600	51,700	45,100
Total	<u>333,400</u>	<u>340,100</u>	<u>350,100</u>

“Active Customers and Distributors” includes our independent Distributors and customers who have purchased products directly from the Company for resale and/or personal consumption during the previous three months ended as of the date indicated. All of our Managers are active.

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The following tables provide information concerning the number of new Managers, Distributors and customers by segment, as of the dates indicated.

New Managers, Distributors and Customers by Segment for the Year Ended December 31,

	2012		2011		2010	
	Distributors & Customers	Managers	Distributors & Customers	Managers	Distributors & Customers	Managers
NSP Americas, Asia Pacific & Europe	166,400	4,200	185,600	4,800	218,100	6,900
NSP Russia, Central and Eastern Europe	78,000	1,500	74,700	1,700	74,800	2,000

Synergy WorldWide	73,700	1,700	72,000	1,600	n/a	n/a
Total	<u>318,100</u>	<u>7,400</u>	<u>322,300</u>	<u>8,100</u>	<u>292,900</u>	<u>8,900</u>

“New Managers” includes independent Managers under our various compensation plans that first achieved the rank of Manager during the previous twelve months ended as of the date indicated.

“New Distributors and customers” include our independent distributors and customers who have made their initial product purchase directly from us for resale and/or personal consumption during the previous twelve months ended as of the date indicated.