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): September 25, 2018

NATURE'S SUNSHINE PRODUCTS, INC.

(Exact name of registrant specified in its charter)

001-34483

87-0327982

Utah

(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)
	2500 West Executive Parkway, Suite 100, Lehi, Utah 8404 (Address of principal executive offices and zip code)	13
	Registrant's telephone, including area code: (801) 341-7900	
	N/A (Former name and former address, if changed since last report	rt)
Check the appropriate box below if the Form 8-K General Instruction A.2. below):	filing is intended to simultaneously satisfy the filing obligation of the	e registrant under any of the following provisions (ee
☐ Written communications pursuant to Rule 42	25 under the Securities Act (17 CFR 230.425)	
☐ Soliciting material pursuant to Rule 14a-12 u	under the Exchange Act (17 CFR 240.14a-12)	
☐ Pre-commencement communications pursuar	nt to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))	
☐ Pre-commencement communications pursuar	nt to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))	
ndicate by check mark whether the registrant is a he Securities Exchange Act of 1934 (§240.12b-2	in emerging growth company as defined in Rule 405 of the Securities of this chapter).	s Act of 1933 (§203.405 of this chapter) or Rule 12b-2 of
		Emerging growth company \Box
f an emerging growth company, indicate by chec accounting standards provided pursuant to Section	k mark if the registrant has elected not to use the extended transition n 13(a) of the Exchange Act. \Box	period for complying with any new or revised financial

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

Appointment of Mr. Terrence Moorehead

On September 26, 2018, Nature's Sunshine Products, Inc. (the "Company") announced that Mr. Terrence Moorehead has been appointed by the Company's Board of Directors (the "Board") to serve as Chief Executive Officer effective October 1, 2018, and as a member of the Board effective as of September 25, 2018.

Mr. Moorehead, age 55, brings more than 25 years of experience in the retail consumer products industry, most recently as Chief Executive Officer of Carlisle Etcetera LLC, a subsidiary of Royal Spirit Group, from 2015 through July 2018. From 2013 through 2015, he served as Chief Executive Officer of Dana Classic Fragrances, Inc. From 1991 to 2013 he served in various capacities at Avon Products, Inc., including, among other positions, as VP, Strategy and Digital, for North America from 2011 to 2013, President and Chairman of Avon Japan from 2006 to 2011, and President of Avon Canada from 2003 to 2006. Mr. Moorehead received his Masters of Business Administration in Marketing from Columbia University and a Bachelor of Arts in Economics and Marketing from Boston College.

In connection with his appointment, Mr. Moorehead entered into an employment agreement (the "Employment Agreement") that includes the following terms: (1) an annual base salary of \$650,000; (2) participation in the Company's executive bonus program based on satisfying certain performance criteria set the Board, with a target bonus of 100% of Mr. Moorehead's base salary, including a guaranteed bonus payment of \$162,500 for the fourth quarter of 2018; (3) participation in the Company's employee benefit plans and other incentive plans available generally to the Company's employees and executives; (4) certain long-term incentive awards, including (A) an equity award of restricted stock units with a fair value of \$1,000,000, which restricted stock units will vest equally over three years, (B) an equity award of performance-contingent restricted stock units will vest based on the Company's stock price reaching certain milestones determined by the Board, and (C) an equity award of restricted stock units with a fair value of at least \$1,000,000 to be granted in 2019, made up evenly of time-based (vesting 1/3 each year from the grant date) and performance-contingent awards; (5) reimbursement of reasonable business expenses; (6) a \$1,000 monthly car allowance; (7) reimbursement of the cost of an annual physical examination; (8) \$1,000,000 in additional term life insurance coverage above that provided by the Company to similarly situated employees, and (9) a payment of \$250,000 to cover relocation expenses.

Following a termination by Mr. Moorehead for good reason or by the Company without cause, then provided he has executed the release described in the Employment Agreement and complied with the other terms of the Employment Agreement, Mr. Moorehead will also be entitled to severance of (i) eighteen months of his then base salary, (ii) the pro-rated portion of any bonus payments for the year in which termination occurs, (iii) continued vesting of restricted stock units for a period of eighteen months as if he remained employed during such period, and (iv) reimbursement for the costs of health insurance under COBRA for Mr. Moorehead and his dependents for a period of eighteen months following termination. Mr. Moorehead will also be entitled to the payments described above in the event of his death or incapacity.

Following a termination by Mr. Moorehead for other than good reason or by the Company for cause, then provided he has executed the release described in the Employment Agreement and complied with the other terms of the Employment Agreement, Mr. Moorehead will be entitled to severance of (i) eighteen months of his then base salary, and (ii) reimbursement for the costs of health insurance under COBRA for Mr. Moorehead and his dependents for a period of eighteen months following termination. The Company may decide to cease making these payments under these circumstances, at which point the restrictive covenants relating to not competing against the Company would no longer apply.

In addition, if, within 18 months of a change of control of the Company, Mr. Moorehead is terminated other than for cause or if he terminates his employment for good reason, then, provided he has executed the release described in the Employment Agreement and complied with the other terms of the Employment Agreement, Mr. Moorehead will be entitled to severance of (i) an amount equal to one and one-half times his salary and bonus under the Company's executive bonus plan for the year in which termination occurs, and (ii) reimbursement for the costs of health insurance under COBRA for a period of eighteen months following termination, if COBRA is elected.

The Employment Agreement contains customary non-compete terms that pertain to Mr. Moorehead while he is employed by the Company and for 12 months after termination of employment.

The foregoing summary of the Employment Agreement does not purport to be complete and is subject to, and qualified in its entirety by, the full text of the Employment Agreement, a copy of which is attached as Exhibit 10.3 to this report and is incorporated by reference herein.

Retirement of Mr. Gregory L. Probert

Gregory L. Probert, Chairman and Chief Executive Officer of the Company, will retire from his position as Chief Executive Officer on September 30, 2018. Also on September 25, 2018, Mr. Probert provided notice to the Board that he will resign from his position as a director of the Company, including as the Chairman of the Board, on December 31, 2018.

Provided he signs and delivers the release and complies with the restrictive covenants described in his employment agreement, Mr. Probert will be entitled to receive, in addition to any earned but unpaid compensation, severance comprised of (1) monthly payments equal to one-twelfth of Mr. Probert's current base salary for a period of eighteen months, (2) the pro rata amount of any bonus related to the 2018 fiscal year, and (3) reimbursement for the cost of continuing health insurance coverage under COBRA for himself and his dependents for eighteen months. Mr. Probert's severance period will begin October 1, 2018.

The Company has also entered into a consulting agreement (the "Consulting Agreement") and a letter agreement (the "Letter Agreement") effective September 25, 2018 with Mr. Probert. Pursuant to the Consulting Agreement Mr. Probert will provide consulting services to the Company to assist with the transition of Mr. Moorehead into the role of Chief Executive Officer. The Consulting Agreement includes the following terms: (i) the consulting period will beginning on October 1, 2018 and ending on December 31, 2018, and (ii) monthly compensation of \$51,500 for the consulting period and eligibility to receive a target bonus of \$51,500 after the completion of the consulting period. The Letter Agreement provides that Mr. Probert's restricted stock units will continue to vest through January 5, 2019, as if he had remained employed during such time. The foregoing summary of the Consulting Agreement and the Letter Agreement between Mr. Probert and the Company does not purport to be complete and is subject to, and qualified in its entirety by, the full text of the Consulting Agreement and the Letter Agreement, copies of which are attached as Exhibit 10.1 and Exhibit 10.2, respectively, to this report and are incorporated by reference herein.

Item 7.01 Regulation FD Disclosure.

On September 26, 2018, the Company issued a press release announcing the appointment of Mr. Moorehead. A copy of the press release is attached hereto as Exhibit 99.1.

The information in Item 7.01 of this Current Report on Form 8-K, including Exhibit 99.1, is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act") or otherwise subject to the liabilities of that section, nor shall it be deemed to be incorporated by reference in any registration statement or other document filed under the Securities Act of 1933, as amended, or the Exchange Act, except as otherwise stated in such filing.

Item 9.01 Financial Statements and Exhibits.

Item No.	Exhibit
10.1	Consulting Agreement between the Company and Gregory L. Probert.
10.2	Letter Agreement between the Company and Gregory L. Probert.
10.3	Employment Agreement between the Company and Terrence Moorehead.
99.1	Press release issued by the Company, dated September 26, 2018.

SIGNATURES

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.

NATURE'S SUNSHINE PRODUCTS, INC.

Dated: September 26, 2018 By: /s/ Nathan G. Brower

Nathan G. Brower, Executive Vice President, General Counsel and Secretary

CONSULTING SERVICE AGREEMENT

This Consulting Services Agreement ("Consulting Agreement") is entered into by and between Gregory L. Probert (<u>you</u>") and Nature's Sunshine Products, Inc., a Utah corporation (the "Company").

WHEREAS, your employment by the Company as its Chief Executive Officer under that certain Restated Employment Agreement between you and the Company dated January 1, 2015 (the "Employment Agreement") will terminate on September 30, 2018 and you have resigned from your position as a member of the Company's Board of Directors effective as of December 31, 2018; all in conformity with the terms and provisions of that certain letter agreement (the "Separation Agreement") between you and the Company of even date herewith;

WHEREAS, following the Separation Date it is anticipated that you will deliver a Release to the Company in the manner and form set forth in the Employment Agreement (the "Release");

WHEREAS, you have significant experience and knowledge as the former Chief Executive Officer of the Company;

WHEREAS, the Company believes it would be to its benefit to retain your consulting services during the period from October 1, 2018 through and including December 31, 2018 all upon the terms and subject to the conditions set forth herein in order to assist the Company in its transition to a new Chief Executive Officer; and

WHEREAS, based on the foregoing, you and the Company desire to enter into this Consulting Agreement to set forth the terms and conditions under which you will serve as an independent contractor providing consulting services to the Company in exchange for compensation as outlined below.

NOW, THEREFORE, in consideration of the mutual promises contained in this Consulting Agreement, you and the Company agree as follows:

- 1. TERM. This Consulting Agreement shall commence on October 1, 2018 and shall continue until December 31, 2018 (the "Consulting Period").
- 2. TERMINATION. The Company may terminate this Agreement immediately upon written notice if (i) you are in breach or violation of, or have breached or violated, the terms of the Separation Agreement, the Release or this Consulting Agreement or (ii) you fail to provide the Release, or subsequently revoke the Release, in the manner and in the form contemplated by the Employment Agreement (either such termination a "Company Termination"). You may at any time resign and terminate this Agreement either (iii) if the Company is in breach or violation of, or has breached or violated the terms of the Separation Agreement, the Release or this Agreement (such termination a "Consultant Termination") or (iv) without reason or cause upon providing the Company with not less than ten (10) days' advance written notice thereof (such termination a "Voluntary Termination"). If this Agreement is terminated (a) pursuant to a Company Termination or Voluntary Termination occurring prior to the completion of the Consulting Period, you forfeit any right to the receive the Monthly Consulting Fee (as defined below) and Consulting Period Bonus (as defined below) after the date of such Company Termination or Voluntary Termination or (b) pursuant to a Consultant Termination occurring prior to the completion of the Consulting Period, you shall remain entitled to receive and the Company shall pay the Monthly Consultant Fee (as defined below) and Consultant Period Bonus (as defined below) for the remaining unexpired duration of the Consulting Period as and when otherwise becoming due and payable hereunder.
- 3. <u>INDEPENDENT CONTRACTOR STATUS</u>. You will be an independent contractor during the Consulting Period. As an independent contractor, you will be solely responsible for satisfying your obligations to the Company and will control the manner in which your services are delivered, and will use your own tools and equipment in providing such services.
- 4. <u>SERVICES.</u> During the Consulting Period, you will provide such services to the Company as may be requested from time to time by the Company's Chief Executive Officer. Such services are expected to include, but are not limited to: providing information and know-how to the Chief Executive Officer regarding the Company's business, distributors, employees, business or distribution model, products and policies; making introductions for the Chief Executive Officer to vendors, distributors, supplies, shareholders, investors and other constituents of the Company; traveling from time-to-time (at the Company's expense) with the Company's Chief Executive Officer to make introductions.
- 5. <u>COMPENSATION</u>. In addition to all amounts payable and all benefits to be provided to you under the Employment Agreement, during the Consulting Period, the Company shall pay you a monthly consulting fee equal to FIFTY ONE THOUSAND FIVE HUNDRED DOLLARS (\$51,500) (the "<u>Monthly Consulting Fee</u>"). The Monthly Consulting Fee

corresponding to a particular month shall be paid on or before the last day of the month to which such Monthly Consulting Fee relates. In addition to the Monthly Consulting Fee, you shall be eligible to receive a bonus following the completion of the Consulting Period (the "Consulting Period Bonus"). The target amount of the Consulting Period Bonus shall be 100% of the aggregate Monthly Consulting Fees (i.e., \$154,500), with a maximum amount of 175% of such target. The actual payout as a percentage of the target amount shall be equal to the payout of the target amount used to determine the annual cash incentive bonus you would have been eligible to receive if you had remained an employee throughout the remainder of 2018. The Consulting Period Bonus, if any, shall be paid on or before March 15, 2019.

- 6. TAXES AND WITHHOLDING. As an independent contractor, you agree and acknowledge that you shall be responsible for paying all applicable federal, state, and local taxes and withholdings. You shall be responsible for providing the Company with an accurate taxpayer identification number or for completing a Form W-9 upon request.
- WORK MADE FOR HIRE. All photographs, film, video images, soundtracks, written materials, software code, notes, reports, flowcharts and other work product created by you in performing your consulting services to the Company hereunder that are protected by copyright are "works made for hire" for which the Company is the "author" (as such terms are defined by the United States Copyright Act of 1976, as amended). The Company will exclusively own the copyright in all such works upon their creation. To the extent that any aspect of such work product is found as a matter of law not to be a "work made for hire" as contemplated above, you hereby irrevocably and unconditionally assign to the Company all right, title, and interest worldwide in and to such work product and all intellectual property rights thereto. You further agree that the Company is and shall remain the exclusive owner of all Proprietary Documents, whether created by the Company, Consultant, or either or both of them in conjunction with any third party. "Proprietary Documents" include all documents, acquired at the expense of the Company, or through the labor of the Company's employees, including forms, information summaries, servicing manuals or records, memoranda, notes, customer information, drawings, documents, or other writings if made, compiled, acquired, or received by you during the Consulting Period.
- 8. **CONFIDENTIALITY.** You agree that throughout the Consulting Period and thereafter, you shall continue to comply with those obligations imposed upon you under Section 7.2 of the Employment Agreement, subject to all applicable terms, provisions and exceptions contained therein, which obligations shall remain in full force and effect notwithstanding any termination of the Employment Agreement or your employment with the Company.
- 9. **CONTROLLING LAW.** This Consulting Agreement shall be governed by and interpreted in accordance with the laws of the State of Utah. To the extent any clause or provision of this Consulting Agreement shall be determined to be invalid and/or unenforceable, such a clause or provision shall be deleted and the validity and enforceability of the remainder of this Consulting Agreement shall be unaffected.
- 10. NON-ASSIGNABILITY. You understand and agree that this Consulting Agreement is personal to you. The duties, rights, and obligations set forth herein may not be delegated or assigned by either you or the Company to any other person or entity without prior written consent of the other party.
- 11. **ENTIRE AGREEMENT.** This Consulting Agreement contains all understandings and agreements between you and the Company regarding the subject of this Consulting Agreement and supersedes and replaces any prior correspondence or documents evidencing negotiations between the parties, whether written or oral, and any and all understandings, agreements or representations by or among the parties, whether written or oral, that related to the subject matter of this Consulting Agreement. Any change or addition to this Consulting Agreement must be in writing and signed by you and the Company. Notwithstanding the foregoing, (i) the terms of the Separation Agreement, (ii) the terms of the Employment Agreement referenced in the Separation Agreement and (iii) the terms of the Release, shall remain in effect and shall not be amended or modified by the terms of this Agreement.
- 12. **REPRESENTATION.** You agree and acknowledge that you have received and read this Consulting Agreement, that the provisions of this Consulting Agreement are understandable to you, and that you fully appreciate and understand the meaning of the terms of this Consulting Agreement and their effect. You agree that no promise or inducement has been offered except as set forth in this Consulting Agreement, and that you are signing this Consulting Agreement without reliance upon any statement or representation by the Company or any representative or agent of the Company except as set forth in this Consulting Agreement. You agree and acknowledge that you have entered into this Consulting Agreement freely and voluntarily.

[signature page follows]

IN WITNESS WHEREOF, the parties have executed this Consulting Agreement by their signatures below.

/s/ Gregory L. Probert

Gregory L. Probert

NATURE'S SUNSHINE PRODUCTS, INC.

By: /s/ Mary Beth Springer

Mary Beth Springer Lead Independent Director

Dated: September 25, 2018

Dated: September 25, 2018

NATURE'S SUNSHINE

September 25, 2018

Delivered via email: Gregory.probert@gmail.com

Gregory L. Probert 3270 Tatanka Trail Park City, Utah 84098

Re: Transition of Employment

Dear Mr. Probert,

This letter confirms that effective September 30, 2018 (the "Separation Date) your employment with Nature's Sunshine Products, Inc. ("NSP" or the "Company"), including as its Chief Executive Officer is terminating per your and the Company's mutual understanding set forth herein. In addition, effective as of December 31, 2018, you are resigning and withdrawing as a member of the Company's Board of Directors. Between the Separation Date and the end of the year, it is anticipated that you will assist with the Company's transition to a new Chief Executive Officer, and that you will sign a separate consulting agreement (the "Consulting Agreement") that will provide continuing compensation (salary and bonus) similar to that which you are presently receiving from the Company through year end.

By signing below, you resign from the Company's Board of Directors effective December 31, 2018. No further written notice from you or the Company shall be required to effect such resignation on the effective date.

As additional consideration for your execution of this letter agreement and your providing the Release, the Company agrees that notwithstanding the termination of your employment with the Company on the Separation Date, your resignation from the Company's Board of Directors on December 31, 2018, and/or any continuing provision contained under the governing plan programs or grant agreements otherwise applicable thereto (the "Governing Documents"), any restricted stock units ("RSUs") held or retained by you on the date hereof that are scheduled to vest on or before January 5, 2019, shall continue to be retained by you and shall vest as if you remained employed through January 5, 2019, subject to your continued compliance with this letter, the terms of the Employment Agreement referenced herein, and the Consulting Agreement. As of January 6, 2019, no further vesting will occur and any unvested RSUs will be forfeited. All stock options exercisable as of December 31, 2018 (respectively the "Options"), shall remain exercisable as applicable until the later of July 1, 2019 or the date provided for the exercise of such Options under their Governing Documents.

You acknowledge and agree that on the Separation Date, your employment with NSP shall terminate consistent with Section 5 of your Amended and Restated Employment Agreement, dated as of January 1, 2015 (the "Employment Agreement"). You and the Company agree to treat your termination as if it were based on the grounds set forth in Section 5.1 (Termination without Cause) for purposes of determining your post-termination benefits if you have complied and continue to comply with, and have not breached and continue not to breach, the terms and conditions of the Employment Agreement, including without limitation those set forth in Section 6.4 of the Employment Agreement, and have not rescinded or revoked the Release as defined therein.

You and the Company agree that subject to the foregoing, you shall receive and the Company shall pay and provide you with those payments and benefits provided under each of Sections 6.1 and 6.2 of the Employment Agreement and under the Release all in conformity with the terms of the Employment Agreement, the Release and this letter; provided that failure by you to comply with the duties and obligations set forth in in Sections 6.4 and 7 and 9 of the Employment Agreement shall result in the Company having those remedies provided the Company thereunder.

You agree that you will continue to be bound by the terms of Sections 6.4, 7, 9, 10 and 11 of the Employment Agreement and the Release and that the Company retains all of its rights and benefits thereunder, and that nothing herein constitutes an amendment, modification or change the Employment Agreement or the Release. This letter includes the entire agreement and understanding of the parties hereto relating to the subject matter hereof; and supersedes all prior and contemporaneous discussions, agreements and understandings relating to the subject matter hereof. The terms of this letter may not be changed or modified except by an agreement in writing signed by each of the parties hereto.

If these terms are agreeable to you, please indicate by signing and dating this letter in the appropriate space at the bottom. Should you have any questions, please feel free to contact me.

Respectfully,

/s/ Mary Beth Springer

Mary Beth Springer Lead Independent Director

Agreed and Accepted: /s/ Gregory L. Probert

Gregory L. Probert

Date: September 25, 2019

EXECUTIVE AGREEMENT

THIS EXECUTIVE AGREEMENT (the "Agreement"), is made on this 14 day of September, 2018 (the "Effective Date"), 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 Terrence Moorehead ("Executive").

The Company desires to engage Executive to provide services for NSP and Executive desires to provide such services on the terms and conditions below.

1. Employment.

- 1.1. Positions and Duties. Beginning on or before October 1, 2018 (the "Date of Employment"), and continuing until Executive's employment with the Company is terminated either by the Company's Board of Directors (the "Board") or by the Executive (the "Term"), Executive will be employed by the Company as the Company's Chief Executive Officer and in such capacity will report to the Board. Following the Effective Date, the Board shall appoint Executive to serve on the Board until the next annual meeting of shareholders at which directors are elected. Executive shall devote all of his business time and services to the Company to perform such duties as may be customarily incident to such position of an enterprise of the size and nature of the Company and as may reasonably be assigned from time to time by the Board. Executive will render his services hereunder to the Company, shall use his best efforts, judgment and energy in the performance of the duties assigned to him, shall abide by the Company's Code of Conduct and any other applicable Company policies, and shall comply with any and all applicable laws, including but not limited to insider trading/reporting requirements and the policies and procedures as may be set forth in the employee handbook, manuals and other materials provided by the Company.
- 1.2. <u>Place of Performance</u>. Executive shall perform his services hereunder at the Company's current principal office in Lehi, Utah, or in another location designated by the Board that is within 50 miles of Lehi, Utah; *provided, however*, that Executive will be required to travel from time to time as reasonably required for business purposes.

2 Compensation and Benefits.

- 2.1. <u>Base Salary.</u> Executive shall receive an annual salary of \$650,000 paid in accordance with the Company's payroll practices, as in effect from time to time. Executive's base salary shall be subject to review and modification on at least an annual basis by the Board.
- 2.2. <u>Discretionary Bonuses</u>. Executive shall be eligible to participate in the Company's executive bonus program (as modified from time to time in the Board's discretion) or any successor program (the "EBP"). The EBP, as currently constituted, provides for additional cash compensation commensurate with Executive's responsibilities based upon company and individual performance measures determined annually by the Board. For 2018 and based on a commencement date of October 1, 2018, Executive is guaranteed a bonus payment of \$162,500 for service during the fourth (4th) quarter of in 2018 (the "2018 Guaranteed Bonus"). Should Executive not commence his position and duties on October 1, 2018 as set forth in Section 1.1, the amount of the 2018 Guaranteed Bonus will be adjusted pro-rata. The EBP target shall be 100% of Executive's base salary for all subsequent years and a maximum bonus potential payout of 175% of target. Other than the 2018 Guaranteed Bonus, payment of any bonus under the EBP is in the Board's sole discretion and such payments will be made in accordance with Internal Revenue Code Section 409A and the Treasury Regulations thereunder ("Code Section 409A") and the terms of the EBP. The Board shall set forth criteria for achievement of the EBP for each year, and the EBP shall be paid to Executive in accordance with the criteria set forth. If the Board fails to set forth criteria prior to March 15 of the year of performance, Executive shall be paid at target for that performance year.
- 2.3. Employee Benefits. 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 as provided to similarly situated employees 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. Benefits may be modified by the Board at any time without notice to Executive. In addition to the employee benefits provided to similarly situated employees, the Company shall provide the following benefits to Executive: (i) a \$1,000 per month car allowance; (ii) reimbursement of the cost of an annual executive physical examination; and (iii) \$1,000,000 in additional term life insurance coverage above what the Company provides to similarly situated employees, subject to underwriter requirements and approval, as well as limitations or conditions set by the underwriter of such policy, and as permitted by law.

2.4. Equity.

2.4.1. Grant of RSUs. The Company shall grant to Executive, within five (5) days of the Effective Date, an award of restricted stock units (**RSUs**"), under the Company's 2012 Stock Incentive Plan (the "**Plan**), with a grant date

fair value of \$1,000,000 based on the number of shares and the closing price of the Company's common stock on the Effective Date, which will vest equally (1/3 each year) over three years from the Effective Date. The Company shall also grant to Executive, within five (5) days of the Effective Date, an award of performance-contingent RSUs under the Plan with a grant date fair value of \$1,350,000 based on the number of shares and the closing price of the Company's common stock on the Effective Date, which will vest based on the Company's stock price reaching certain milestones to be determined by the Board and set forth in a an RSU Agreement (as defined below). The terms of the RSUs shall be as set forth in the Plan and a separate RSU award agreement ("RSU Agreement"). The Company may from time to time grant to Executive additional RSUs pursuant to the terms and conditions set forth in the then applicable stock incentive plan, as amended from time to time, or as otherwise set forth in an RSU Agreement; provided that for 2019 Executive will be granted RSUs with a grant date fair value of no less than \$1,000,000 based on the number of shares and the closing price of the Company's common stock on the grant date, which grant shall be made during the months of February or March 2019 and will be made up evenly of RSUs subject to time based vesting conditions (1/3 each year from the grant date) and RSUs subject to performance based vesting conditions that will be determined at the discretion of the Board. Executive will be responsible for reporting and paying all state and federal taxes associated with the RSUs in accordance with the Plan and applicable law. Executive should consult Executive's tax advisor regarding the tax consequences of the RSUs.

- 2.4.2. Stock Ownership. Subject to his continued employment with the Company, within four years after the Date of Employment, Executive will acquire (the "Acquisition"), and agrees to maintain at all times thereafter during the Term, ownership of capital stock or a comparable equity position (in each case Equity"), in the Company having an aggregate value equal to one million dollars (\$1,000,000) (the "Held Equity"). Executive may maintain such Held Equity through the vesting of Executive's grants of stock options and RSUs, in addition to any shares of the Company's capital stock that Executive then currently owns. For purposes of determining Executive's compliance with this Section 2.4.2. (i) the value of any shares of the Company's capital stock owned by Executive, shall equal the greater of the then fair market value of such stock or the price paid by Executive to acquire such stock and (ii) the value of any stock options or RSUs held by Executive, shall equal the greater of the then fair market value of any stock represented thereby or, with respect solely to stock options, the strike price required to be paid for any shares of capital stock represented thereby or, with respect solely to stock options, the strike price required to be paid for any shares of capital stock represented thereby on exercise. Executive shall execute such agreements and definitive documents as are customary and reasonably requested by Company to evidence and complete the Acquisition and shall ensure that the Acquisition and all transactions included therein are in compliance with applicable laws, rules and regulations. Notwithstanding anything to the contrary, nothing contained in this Section 2.4.2 shall be construed to limit or prevent Executive from obtaining a greater amount of Equity. In the event that Executive wishes or needs to sell any Equity such that his holdings would drop below the Held Equity amount set forth above, such sale shall not constitute a violation of this Section 2.4.2 if Executive obtains the preapproval o
- 3. <u>Indemnification; D & O Insurance.</u> Company shall indemnify Executive to the fullest extent permitted by applicable law with regard to Executive's actions (or inactions) on behalf of the Company; *provided*, Executive acted in good faith and in a manner Executive reasonably believed to be in or not opposed to the best interests of the Company, and, with respect to any criminal action or proceeding, Executive had no reasonable cause to believe Executive's conduct was unlawful. The Company shall also provide Executive with advancement of legal fees and other expenses on a current basis to the fullest extent permitted by law, subject to Executive entering into an agreement with the Company to repay all amounts which may have been advanced to Executive if it is found in a final judgement that Executive was not entitled to indemnification. The Company will maintain directors' and officers' liability insurance in amounts and on terms reasonable and customary for similarly situated companies.
- 4. <u>Reimbursement of Business Expenses</u>. In accordance with the Company's normal policies for expense reimbursement, the Company shall reimburse Executive for all reasonable travel, entertainment and other expenses incurred or paid by Executive in connection with, or related to, the performance of Executive's duties, responsibilities or services under this Agreement, upon presentation of documentation, including expense statements, vouchers and/or such other supporting information as the Company may request.
- 5. <u>Termination</u>. Upon cessation of his employment with the Company, Executive will be entitled only to such compensation and benefits as described in this <u>Section</u>
- 5.1. <u>Termination without Cause or for Good Reason</u>. The Company may terminate Executive's employment at any time without Cause (as defined below), and Executive may resign at any time with Good Reason (as defined below). If Executive's employment by the Company is terminated by the Company without Cause, or if Executive resigns for Good Reason:
- 5.1.1. the Company shall pay all accrued and unpaid base salary through the date of such termination and reimburse all then unreimbursed expenses properly incurred by Executive pursuant to Section 4;
- 5.1.2. provided the Release under <u>Section 5.7</u> has been executed and become effective and enforceable in accordance with its terms following expiration of the applicable revocation period and Executive complies with the Restrictive Covenants (as set forth in <u>Section 7</u>), the Company shall pay equal installment payments payable in accordance with the Company's normal payroll practices, but no less frequently than monthly, which are in the aggregate equal to eighteen (18) months (the "Severance Period") of the Executive's base salary for the year in which the termination occurs. The first such

payment will be made on the sixtieth (60th) day following Executive's "separation from service" (as such term is defined under Code Section 409A) and will include all unpaid installments through that date that were deferred in compliance with Section 409A, and the remaining payments will be made in accordance with the Company's normal payroll schedule for salaried employees;

- 5.1.3. provided the Release under Section 5.7 has been executed and become effective and enforceable in accordance with its terms following expiration of the applicable revocation period and Executive complies with the Restrictive Covenants (as set forth in Section 7), the Company shall reimburse Executive for the costs he incurs for continuation of Executive's health insurance coverage under COBRA (and for his family members if Executive provided for their coverage during his employment) during the Severance Period and in accordance with the NSP group health plans applicable to NSP employees currently in effect. Executive shall, within thirty (30) days after each monthly COBRA payment he pays during the Severance Period for which he is entitled to reimbursement in accordance with the foregoing, submit appropriate evidence of such payment to the Company, and the Company shall reimburse Executive, within ten (10) business days following receipt of such submission. The following provisions shall govern such reimbursement of continuation costs: (i) the amount of the COBRA costs eligible for reimbursement in any one (1) calendar year of coverage will not affect the amount of such costs eligible for reimbursement in any other calendar year for which such reimbursement is to be provided hereunder; (ii) no COBRA costs will be reimbursed after the close of the calendar year following the calendar year in which those costs were incurred; and (iii) Executive's right to the reimbursement of such costs cannot be liquidated or exchanged for any other benefit. In the event the Company's reimbursement of the reimbursable portion of any COBRA payment hereunder results in Executive's recognition of taxable income (whether for federal, state or local income tax purposes), the Company will report such taxable income as taxable W-2 wages and collect the applicable withholding taxes, and Executive will be responsible for the payment of any additional income tax liability resulting from such coverage; and
- 5.1.4. Executive's bonus for the year in which the employment termination occurs, if any, will be pro-rated (except the 2018 Guaranteed Bonus, which will be paid in full) based upon the percentage of the year in which Executive was employed and paid by the Company in accordance with the annual corporate performance criteria established by the Board prior to the start of the year in which termination occurs. Except as set forth in Section 5.1.5, there will not be any acceleration of Executive's equity vesting. If no such performance criteria is set, the bonus shall be paid at target (100% of Base Salary).
- 5.1.5. Provided the Release under <u>Section 5.7</u> has been executed and become effective and enforceable in accordance with its terms following expiration of the applicable revocation period and Executive complies with the Restrictive Covenants (as set forth in <u>Section 7</u>), time based vesting and performance-contingent RSUs shall continue to be retained by Executive as if he remained employed during the Severance Period.
- 5.1.6. For purposes of this Agreement, the resignation of Executive for "Good Reason" shall mean (a) a material breach of this Agreement by the Company, (b) a material reduction in Executive's Base Salary other than a general reduction in Base Salary that affects all similarly situated executives in substantially the same proportions, or (c) a material change in Executive's duties, responsibilities, title or reporting line; provided, that in each case Executive must provide Company with written notice of the events Executive indicates constitutes grounds for a Good Reason resignation within thirty (30) days of the occurrence of such event. Failure to give such notice within thirty (30) days of the occurrence shall be deemed a waiver by Executive of his right to terminate for Good Reason with respect to such circumstances. If Executive provides such notice, the Company thereafter will have thirty (30) days to cure such alleged breach. If the Company does not cure the alleged breach within the thirty (30) day notice period, Executive must thereafter resign within fifteen (15) days of the expiration of the thirty (30) day notice period in order to resign for Good Reason.
- 5.2. <u>Termination for Cause</u>. The Company may terminate Executive's employment immediately for Cause. If Executive's employment with the Company is terminated by the Company for Cause then the Company's obligation to Executive will be limited solely to the payment of accrued and unpaid base salary through the date of such termination and reimbursement of all then unreimbursed expenses properly incurred by Executive pursuant to <u>Section 4</u>. To terminate Executive's employment for Cause, the Board must determine that Cause exists, that Executive has been notified of the basis of such determination, and that after a reasonable time to cure such Cause has not done

"Cause" means the Executive's:

- conviction of, or the entry of a plea of guilty or no contest to, a felony or any crime, whether felony or misdemeanor, that materially adversely affects the business, standing or reputation of the Company or involves moral turpitude, fraud, embezzlement or misappropriation of funds;
- b) the perpetration of common law fraud;
- any other willful misconduct by the Executive that is materially injurious to the financial condition or business reputation of, or is otherwise
 materially injurious to, the Company;
- material breach of this Agreement or any written policy of the Company then in effect;
 or
- e) willful refusal to perform a lawful and reasonable directive of the Board other than any such failure resulting from Incapacity (as defined below) due to mental or physical illness.

For purposes of this Section 5.2, no act or failure to act on the part of Executive shall be considered "willful" unless it is done, or omitted to be done, by Executive in bad faith or without reasonable belief that Executive's action or omission was in the best interests of the Company. Any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Board or upon the advice of counsel for the Company shall be conclusively presumed to be done, or omitted to be done, by Executive in good faith and in the best interests of the Company.

- 5.3. <u>Resignation by Executive</u>. Executive may resign his employment without Good Reason by giving the Company four weeks' notice of said resignation; NSP may elect to pay Executive's base salary in lieu of notice. If Executive resigns without Good Reason, then the Company's obligation to Executive will be limited solely to the payment of accrued and unpaid base salary through the date of such termination and reimbursement of all then unreimbursed expenses properly incurred by Executive pursuant to <u>Section 4</u>.
- 5.4. Termination upon Death or Incapacity of Executive. The Executive's employment hereunder shall terminate automatically upon the Executive's death during the Employment Term, and the Company may terminate the Executive's employment on account of the Executive's Incapacity. In the event of termination of Executive's employment by reason of Executive's death or Incapacity, the provisions governing termination without Cause in Section 5.1 above shall apply (except the Release shall not be required in the case of death). "Incapacity" shall mean the Executive's inability, due to physical or mental incapacity, to substantially perform his duties and responsibilities under this Agreement for one hundred eighty (180) days out of any three hundred sixty-five (365) day period or one hundred twenty (120) consecutive days; provided however, in the event the Company temporarily replaces the Executive, or transfers the Executive's duties or responsibilities to another individual on account of the Executive's inability to perform such duties due to a mental or physical incapacity which is, or is reasonably expected to become, a Incapacity, then the Executive's employment shall not be deemed terminated by the Company and the Executive shall not be able to resign with Good Reason as a result thereof. Any question as to the existence of the Executive and the Company cannot agree shall be determined in writing by a qualified independent physician mutually acceptable to the Executive and the Company. If the Executive and the Company cannot agree as to a qualified independent physician, each shall appoint such a physician and those two physicians shall select a third who shall make such determination in writing. The determination of Disability made in writing to the Company and the Executive shall be final and conclusive for all purposes of this Agreement.
- 5.5. Foreign Entities. Without regard to the circumstances of Executive's termination from employment, Executive hereby also covenants that upon termination, if he is listed as an officer, director, partner, secretary or shareholder on any subsidiary, division or branch of the Company, Executive will sign over any and all rights to stock (except Company stock and stock rights that Executive holds personally) and/or resign as an officer or director of such entity prior to departure from the Company as required by the law applicable to the entity or by that entity's procedural requirements.
- 5.6. Termination in Connection with a Change in Control Event. Provided the Release under Section 5.7 has been executed and become effective and enforceable in accordance with its terms following expiration of the applicable revocation period and Executive complies with the Restrictive Covenants (as set forth in Section 7), in the event: (i) Executive's employment is terminated for any reason, except for "Cause", within eighteen (18) months following the occurrence of a Change in Control Event (as defined below) or (ii) Executive terminates his employment within eighteen (18) months following the occurrence of a Change in Control Event for "Good Reason", Executive will be entitled to the amounts set forth in Section 5.1.1, an amount equal to one and one-half times (1.5x) Executive's salary and target EBP bonus, and eighteen (18) months of COBRA premium payments, if Executive elects COBRA. The amounts paid (except with respect to the reimbursement for COBRA) shall be paid in a lump sum payment within five (5) days of any applicable revocation period, except as required by Section 14.2 of this Agreement. For purposes of this Agreement, a "Change in Control Event" shall mean the occurrence of any one of the following events:
 - 5.6.1. approval by the stockholders of the Company of a plan of complete dissolution or liquidation of the Company; or
- 5.6.2. consummation of a merger, consolidation, statutory share exchange or similar form of corporate transaction involving the Company or any of its subsidiaries that requires the approval of the Company's stockholders, whether for such transaction or the issuance of securities in the transaction (a "Business Combination"), unless immediately following such Business Combination: (A) more than 50% of the total voting power of (x) the corporation resulting from such Business Combination (the "Surviving Corporation"), or (y) if applicable, the ultimate parent corporation that directly or indirectly has beneficial ownership of at least 90% of the voting securities eligible to elect directors of the Surviving Corporation (the "Parent Corporation"), is represented by Company Voting Securities (as defined in Section 5.6.4 that were outstanding immediately prior to such Business Combination (or, if applicable, is represented by shares into which such Company Voting Securities were converted pursuant to such Business Combination), and such voting power among the holders thereof is in substantially the same proportion as the voting power of such Company Voting Securities among the holders thereof immediately prior to the Business Combination, (B) no person (other than any employee benefit plan (or related trust) sponsored or maintained by the Surviving Corporation or the Parent Corporation) is or becomes the beneficial owner, directly or indirectly, of 50% or more of the total voting power of the outstanding voting securities eligible to elect directors of the Parent Corporation (or, if there is no Parent Corporation, the Surviving

Corporation) and (C) at least a majority of the members of the board of directors of the Parent Corporation (or, if there is no Parent Corporation, the Surviving Corporation) following the consummation of the Business Combination were Incumbent Directors (as defined in Section 5.6.5 at the time of the approval by the Company's board of directors (the "Board") of the execution of the initial agreement providing for such Business Combination (any Business Combination which satisfies all of the criteria specified in (A), (B) and (C) above shall be deemed to be a "Non-Qualifying Transaction"); or

- 5.6.3. consummation of a sale of all or substantially all of the Company's business and/or assets to a person or entity which is not a subsidiary; or
- 5.6.4. any "person" (as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the **Exchange Act**")) is or becomes a "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 50% or more (an "**Acquiring Person**") of the combined voting power of the Company's then outstanding securities eligible to vote for the election of the Board (the "**Company Voting Securities**"); provided, however, that the event described in this <u>Section 5.6.4</u> shall not be deemed to be a Change in Control Event by virtue of any of the following acquisitions: (A) by the Company or any subsidiary, (B) by any employee benefit plan (or related trust) sponsored or maintained by the Company or any subsidiary, (C) by any underwriter temporarily holding securities pursuant to an offering of such securities, or (D) pursuant to a Non-Qualifying Transaction, as defined in <u>Section 5.6.2</u>; or
- 5.6.5. during any period not longer than two consecutive years, individuals who at the beginning of such period constituted the Board (the **fncumbent Directors**") cease for any reason to constitute at least a majority thereof, provided that any person becoming a director subsequent to the beginning of such period whose election or nomination for election was approved by a vote of a least a majority of the Incumbent Directors then on the Board (either by a specific vote or by approval of the proxy statement of the Company in which such person is named as a nominee for director, without written objection to such nomination) shall be an Incumbent Director, provided, however, that no individual initially elected or nominated as a director of the Company as a result of an actual or threatened election contest with respect to directors or as a result of any other actual or threatened solicitation of proxies by or on behalf of any person other than the Board shall be deemed to be an Incumbent Director.
- 5.7. <u>Release and Restrictive Covenants.</u> Notwithstanding any provision of this Agreement, the payments and benefits described in <u>Sections 5.1.2, 5.1.3, 5.6, 7.1.4</u> and any other Section that incorporates such payment requirements are conditioned on (a) Executive's execution and delivery to the Company of a release substantially identical to that attached hereto as <u>Exhibit A</u> in a manner consistent with the requirements of the Older Workers Benefit Protection Act, if applicable, and any applicable state law (the "**Release**"), and (b) Executive's compliance with the Restrictive Covenants set forth in <u>Section 7</u> of this Agreement. A breach of the Restrictive Covenants by Executive shall constitute a breach of this Agreement, which shall relieve the Company of any further payment obligation under <u>Sections 5.1.2, 5.1.3, 5.6</u>, and 7.1.4.
- 6. Confidential Information. The Executive understands and acknowledges that during the Employment Term, he will have access to and learn about Confidential Information, as defined below. The phrase Confidential Information will be interpreted to include all information of any sort (whether merely remembered or embodied in a tangible or intangible form) that is (i) related to Company or its subsidiaries' or affiliates' (including their predecessors) current or potential business and (ii) not generally or publicly known. Confidential Information includes, without limitation, the information, observations and data obtained by Executive while employed by the Company and its subsidiaries (or any of their predecessors) or while performing services hereunder concerning the business or affairs of the Company or any of its subsidiaries or affiliates; technical information concerning Company software (including source code and object code), products and services, including product data, specifications, documentation, hardware configuration information, diagrams, flow charts, drawings, test results, formulas, algorithms, processes, inventions, research projects, engineering, and product development; business information, including markets, cost information, profits, sales information, accounting and unpublished financial information, business plans, markets and marketing methods, customer lists (including, but not limited to, customers of the Company on whom Executive called or with whom Executive became acquainted during the term of Executive's Employment), and customer information (including pricing, preferences, discounts and contracts), purchasing techniques, supplier lists, supplier information (including pricing, preferences, discounts, and contracts) and advertising and business strategies; information about employees, including their compensation, strengths, weaknesses and skills, recruiting strategies and goals and hiring criteria; and other information not generally known to the public, which has independent economic value to the owner or discloser of the information or which, if misused or disclosed, could reasonably be expected to adversely affect the business of the owner or discloser of the information. Provided, however, that the phrase does not include information that (a) was lawfully in Executive's possession prior to disclosure of such information by the Company; (b) was, or at any time becomes, available in the public domain other than through a violation of this Agreement; (c) is documented by Executive as having been developed by Executive outside the scope of his rendering services hereunder and independently; or (d) is furnished to Executive by a third party not under an obligation of confidentiality to the Company. Executive agrees that he will not directly or indirectly use or divulge, or permit others to use or divulge, any Confidential Information for any reason, except as authorized in writing by the Company. Executive will be allowed to disclose such information of the Company to the extent that such disclosure is:
 - a) duly approved in writing by the Company;

- necessary for Executive to enforce his rights under this Agreement in connection with a legal proceeding;
- c) required by law or by the order of a court or similar judicial or administrative body, provided that Executive notify the Company of such required disclosure promptly and cooperates with the Company in any lawful action to contest or limit the scope of such required disclosure; or
- d) to report possible violations of federal law or regulation to any governmental agency or entity or making other disclosures that are protected under the whistleblower provisions of federal law or regulation. Executive does not need the prior authorization of the Company to make any such reports or disclosures and he is not required to notify the Company that he has made such reports or disclosures.

Executive's obligations under this Agreement are in addition to any obligations he has under state or federal law. Executive agrees that he will not violate in any way the rights that the Company has with regard to trade secrets or proprietary or Confidential Information. Executive's obligations under this Section 6 are indefinite in term.

- 7. <u>Restrictive Covenants</u>. In consideration of the compensation and other benefits provided to Executive pursuant to this Agreement, Executive agrees to be bound by the provisions of this <u>Section 7</u> (the "**Restrictive Covenants**"). These Restrictive Covenants will apply without regard to whether any termination or cessation of Executive's employment is initiated by the Company or Executive, and without regard to the reason for that termination or cessation.
- 7.1. Covenant Not To Compete. Executive covenants and agrees that, during his employment by the Company and for a period of twelve (12) months following immediately thereafter (the "Restricted Period"), Executive will not do any of the following, directly or indirectly:
- 7.1.1. own, manage, operate, control, serve as a consultant to, be employed by, participate in, or be connected, in any manner, with the ownership, management, operation or control of any business (i) that distributes its products primarily through independent distributors in a multilevel marketing (MLM) model, or (ii) that materially engages in any activity that competes anywhere in the world in sales or distribution of herbs, vitamins or nutritional supplements (collectively, a "Competing Business");
 - 7.1.2. hire or offer to hire any officer, employee or agent of the Company or any of its affiliates;
- 7.1.3. divert or take away any customers of the Company, including without limitation anyone who, during the time of Executive's employment, engaged in discussions with the Company for the purchase of products or services; or
 - 7.1.4. divert or in any other manner persuade any supplier or vendor of the Company to alter or discontinue its relationship with the Company.

The geographic limitation to this <u>Section 7.1</u> is anywhere within the territory where the Company did business during Executive's employment. Notwithstanding Executive's obligations under this <u>Section 7.1</u>, Executive will be entitled to own, as a passive investor, up to two percent (2%) of any publicly traded company without violating this provision.

The Company and Executive agree that: this provision does not impose an undue hardship on Executive and is not injurious to the public; that this provision is necessary to protect the business of the Company and its affiliates; the nature of Executive's responsibilities with the Company under this Agreement require him to have access to confidential information which is valuable and confidential to the Company; the scope of this Section 7.1 is reasonable in terms of length of time and geographic scope; and adequate consideration supports this Section 7.1, including the consideration herein.

Provided the Release under Section 5.7 has been executed and become effective and enforceable in accordance with its terms following expiration of the applicable revocation period and Executive complies with the Restrictive Covenants (as set forth in Section 7), and as further consideration for this Covenant Not to Compete, in the event Executive resigns without Good Reason or is terminated for Cause, during the Restricted Period, the Company shall continue to pay Executive his base salary and reimburse him for COBRA benefits in the same manner set forth in Paragraph 5.1.3 (the "Non-Compete Payments"). The Company may, upon ten (10) days' notice to Executive, cease the Non-Compete Payments, and in such event, the Restricted Period shall also cease.

7.2. Covenant Not to Solicit. During the term of this Agreement and for a period expiring eighteen (18) months after the termination of this Agreement for any reason, Executive covenants and agrees that he will not do, or attempt to do, any of the following, directly or indirectly:

7.2.1. solicit or attempt to solicit any officer, employee or agent of the Company or any of its affiliates to alter or terminate their employment with the Company;

7.2.2. solicit or attempt to solicit any customer or distributor of the Company, including without limitation anyone who, during the time of Executive's employment, engaged in discussions with the Company for the purchase of products or services, to alter or discontinue its relationship with the Company; or

7.2.3. solicit or attempt to persuade any supplier or vendor of the Company to alter or discontinue its relationship with the Company.

The Company and Executive agree that: this provision does not impose an undue hardship on Executive and is not injurious to the public; that this provision is necessary to protect the business of the Company and its affiliates; the nature of Executive's responsibilities with the Company under this Agreement require him to have access to confidential information which is valuable and confidential to the Company; the scope of this Section 7.2 is reasonable in terms of length of time and geographic scope; and adequate consideration supports this Section 7.2, including the Consideration herein.

8. Property of the Company.

- 8.1. Proprietary Information. All rights, titles and interest in and to Proprietary Information will be and remain the sole and exclusive property of the Company. Executive will not remove from the Company's offices or premises any documents, records, notebooks, files, correspondence, reports, memoranda or similar materials of or containing Proprietary Information, or other materials or property of any kind belonging to the Company unless necessary or appropriate in the performance of Executive's duties to the Company. If Executive removes such materials or property in the performance of Executive's duties, Executive will return such materials or property promptly after the removal has served its purpose. Executive will not make, retain, remove and/or distribute any copies of any such materials or property, or divulge to any third person the nature of and/or contents of such materials or property, except to the extent necessary to perform Executive's duties on behalf of the Company. Upon termination of Executive's employment with the Company, Executive will leave with the Company or promptly return to the Company all originals and copies of such materials or property then in Executive's possession, custody, or control.
- 8.2. "Proprietary Information" means any and all proprietary information developed or acquired by the Company that has not been specifically authorized to be disclosed. Such Proprietary Information shall include, but shall not be limited to, the following items and information relating to the following items: (a) all trade secrets (including research and development, know-how, formulas, compositions, manufacturing and production processes and techniques, methodologies, technical data, designs, drawings and specifications) as well as all inventions (whether patentable or unpatentable and whether or not reduced to practice) and all improvements thereto, (b) computer codes and instructions, processing systems and techniques, inputs, and outputs (regardless of the media on which stored or located) and hardware and software configurations, designs, architecture and interfaces, (c) business research, studies, procedures and costs, (d) financial data, (e) distributor network information, the identities of actual and prospective distributors and distribution methods, (f) marketing data, methods, plans and efforts, (g) the identities of actual and prospective suppliers, (h) the terms of contracts and agreements with, the needs and requirements of and the Company's course of dealing with, actual or prospective suppliers, (i) personnel information, (j) customer and vendor credit information, and (k) information received from third parties subject to obligations of non-disclosure or non-use. Failure by the Company to mark any of the Proprietary Information as confidential or proprietary shall not affect its status as Proprietary Information.
- 8.3. Intellectual Property, Executive agrees that all the Intellectual Property (as defined below) will be considered "works made for hire" as that term is defined in Section 101 of the Copyright Act (17 U.S.C. § 101) and that all right, title and interest in such Intellectual Property will be the sole and exclusive property of the Company. To the extent that any of the Intellectual Property may not by law be considered a work made for hire, or to the extent that, notwithstanding the foregoing, Executive retains any interest in the Intellectual Property, Executive hereby irrevocably assigns and transfers to the Company any and all right, title, or interest that Executive may now or in the future have in the Intellectual Property under patent, copyright, trade secret, trademark or other law, in perpetuity or for the longest period otherwise permitted by law, without the necessity of further consideration. The Company will be entitled to obtain and hold in its own name all copyrights, patents, trade secrets, trademarks and other similar registrations with respect to such Intellectual Property. Executive further agrees to execute any and all documents and provide any further cooperation or assistance reasonably required by the Company to perfect, maintain or otherwise protect its rights in the Intellectual Property, at no cost to Executive. If the Company is unable after reasonable efforts to secure Executive's signature, cooperation or assistance in accordance with the preceding sentence, whether because of Executive's incapacity or any other reason whatsoever, Executive hereby designates and appoints the Company or its designee as Executive's agent and attorney-in-fact to act on his behalf solely for the purpose of executing and filing documents and doing all other lawfully permitted acts necessary or desirable to perfect, maintain or otherwise protect the Company's rights in the Intellectual Property. Executive acknowledges and agrees that such appointment is coupled with an interest and is therefore irrevocable. Notwithstanding the foregoing, nothing in this Agreement shall be construed to require Executive to assign or license to the Company any right in or to an invention that (a) is created by Executive entirely on Executive's own time; and (b) is not an Employment Invention. An "Employment Invention" means any invention or part thereof conceived, developed, reduced to practice, or created by Executive which is (a) conceived, developed, reduced to practice, or created by Executive: (i) within the scope of Executive's employment; (ii) on the Company's time; or (iii) with the aid, assistance, or use of any of the Company's property, equipment, facilities, supplies, resources, or intellectual property; (b) the result of any work, services, or duties performed

by Executive for the Company; (c) related to the industry or trade of the Company; or (d) related to the current or demonstrably anticipated business, research, or development of the Company.

- 8. 3.1. "Intellectual Property" means (a) all inventions (whether patentable or unpatentable and whether or not reduced to practice), all improvements thereto, and all patents and patent applications claiming such inventions, (b) all trademarks, service marks, trade dress, logos, trade names, fictitious names, brand names, brand marks and corporate names, together with all translations, adaptations, and combinations thereof and including all goodwill associated therewith, and all applications, registrations, and renewals in connection therewith, (c) all copyrightable works, all copyrights, and all applications, registrations, and renewals in connection therewith, (e) all trade secrets (including research and development, know-how, formulas, compositions, manufacturing and production processes and techniques, methodologies, technical data, designs, drawings and specifications), (f) all computer software (including data, source and object codes and related documentation), (g) all other proprietary rights and (h) all copies and tangible embodiments thereof (in whatever form or medium) which, in the case of any or all of the foregoing, pertains to an Employment Invention.
- 9. Relocation. On or before July 1, 2019, Executive shall relocate his primary residence to Utah, within an appropriate daily commuting distance from the Company's Lehi headquarters. The Company shall assist in relocating Executive to Utah by providing an upfront payment of \$250,000 to be used for relocation expenses. Any unused portion of the relocation amount will be paid to Executive as a cash bonus disbursement and will be subject to applicable payroll deductions and withholdings. Executive agrees that if Executive has not relocated to Utah, for any reason, on or before July 1, 2019, Executive will re-pay the Company 100% of the relocation payment. Executive expressly agrees that the amount of such repayment may be withheld from Executive's final paycheck and that Executive will sign additional documentation as needed to authorize this repayment. Additionally, during the first three months following the Date of Employment, the Company will reimburse Executive for airfare to and from New York for him and/or his wife, and, during the three months following the Date of Employment, the Company will also reimburse Executive for hotel expenses in Lehi, or within seventy-five (75) miles thereof.
- 10. <u>Legal Fees</u>. In addition to the other benefits under this Agreement, the Company shall pay reasonable legal fees incurred by Executive in the review, negotiation and implementation of this agreement up to a maximum amount of \$7,500.
- 11. Acknowledgements. Executive acknowledges that the nature of the Executive's position gives him access to and knowledge of Confidential Information and places him in a position of trust and confidence with the Company. The Executive understands and acknowledges that the services he provides to the Company are unique, special or extraordinary. The Executive further understands and acknowledges that the Company's ability to reserve these for the exclusive knowledge and use of the Company is of great competitive importance and commercial value to the Company, and that improper use or disclosure by the Executive is likely to result in unfair or unlawful competitive activity.

The Executive further acknowledges that the amount of his compensation reflects, in part, his obligations and the Company's rights under Section 6, Section 7 and Section 8 of this Agreement; that he has no expectation of any additional compensation, royalties or other payment of any kind not otherwise referenced herein in connection herewith; that he will not be subject to undue hardship by reason of his full compliance with the terms and conditions of Section 6, Section 7 and Section 8 of this Agreement or the Company's enforcement thereof.

12. Remedies and Enforcement Upon Breach.

- 12.1. <u>Injunctive Relief.</u> In the event of a breach or threatened breach by the Executive of <u>Section 6</u>, <u>Section 7</u> and <u>Section 8</u> of this Agreement, the Executive hereby consents and agrees that the Company shall be entitled to seek, in addition to other available remedies, a temporary or permanent injunction or other equitable relief against such breach or threatened breach from any court of competent jurisdiction, without the necessity of showing any actual damages or that money damages would not afford an adequate remedy, and without the necessity of posting any bond or other security. The aforementioned equitable relief shall be in addition to, not in lieu of, legal remedies, monetary damages or other available forms of relief
- 12.2. <u>Disclosure of Restrictive Covenants</u>. Executive agrees fully and completely to disclose the existence and terms of this Agreement to any future employer or potential employer of Executive and authorizes the Company, at its election, to make such disclosure.
- 12.3. Extension and Termination of Restricted Period. If Executive breaches Section 7 in any respect, the restrictions contained in that section will be extended for a period equal to the period that the Executive was in breach.

13 Miscellaneous.

- 13.1. Other Agreements. Executive represents and warrants to the Company that there are no restrictions, agreements or understandings whatsoever to which Executive is a party that would prevent or make unlawful his execution of this Agreement, that would be inconsistent or in conflict with this Agreement or Executive's obligations hereunder, or that would otherwise prevent, limit or impair the performance of Executive's duties under this Agreement.
- 13.2. <u>Successors and Assigns</u>. This Agreement shall be binding upon any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company, and the Company shall require any such successor to expressly assume and agree in writing to perform this Agreement in the same manner

and to the same extent that the Company would be required to perform it if no such succession had taken place, or, in the event the Company remains in existence, the Company shall continue to employ Executive under the terms hereof. As used in this Agreement, the term "Company" shall mean and include the Company and any successor to its business and/or assets, which assumes or is obligated to perform this Agreement by contract, operation of law or otherwise. This Agreement shall inure to the benefit of and be enforceable by Executive and his personal or legal representatives, executors, estate, trustee, administrators, successors, heirs, distributees, devisees and legatees. The duties of Executive hereunder are personal to Executive and may not be assigned by him. If Executive dies and any amounts become payable under this Agreement, the Company will pay those amounts to his estate.

- 13.3. Governing Law and Enforcement; Disputes. EXCEPT WHERE PREEMPTED BY FEDERAL LAW, THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH FEDERAL LAW AND THE LAWS OF THE STATE OF UTAH, APPLICABLE TO AGREEMENTS MADE AND TO BE PERFORMED IN THAT STATE. ANY DISPUTE ARISING OUT OF THIS AGREEMENT, OR THE BREACH THEREOF, SHALL BE BROUGHT IN A COURT OF COMPETENT JURISDICTION IN SALT LAKE COUNTY, THE STATE OF UTAH, THE PARTIES EXPRESSLY CONSENTING TO VENUE IN IN SALT LAKE COUNTY, THE STATE OF UTAH. EACH PARTY TO THIS AGREEMENT HEREBY WAIVES ANY RIGHT TO TRIAL BY JURY IN CONNECTION WITH ANY SUIT, ACTION OR PROCEEDING UNDER OR IN CONNECTION WITH THIS AGREEMENT.
- 13.4. <u>Waivers</u>. The waiver by either party of any right hereunder or of any breach by the other party will not be deemed a waiver of any other right hereunder or of any other breach by the other party. No waiver will be deemed to have occurred unless set forth in writing. No waiver will constitute a continuing waiver unless specifically stated, and any waiver will operate only as to the specific term or condition waived.
- 13.5. Severability. Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law. However, if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability will not affect any other provision, and this Agreement will be reformed, construed and enforced as though the invalid, illegal or unenforceable provision had never been herein contained.
- 13.6. <u>Survival</u>. Upon the expiration or other termination of this Agreement, the respective rights and obligations of the parties hereto shall survive such expiration or other termination to the extent necessary to carry out the intentions of the parties under this Agreement.
- 13.7. Notices. Any notice or communication required or permitted under this Agreement shall be made in writing and shall be sufficient if personally delivered or sent by overnight deliver or email (with receipt of delivery) or by registered or certified mail and addressed, if to Executive, to Executive's address set forth in NSP's records, or if to NSP, to its principal office, to the attention of the Corporate Secretary. Such notice shall be deemed given when delivered if delivered personally or by email, or, if sent by registered or certified mail, at the earlier of actual receipt or three days after mailing in United States mail, addressed as aforesaid with postage prepaid.
- 13.8. Entire Agreement: Amendments. This Agreement, the attached exhibits, the Plan, and the RSU Agreement contain the entire agreement and understanding of the parties hereto relating to the subject matter hereof; and merge and supersede all prior and contemporaneous discussions, agreements and understandings of every nature relating to Executive's employment or engagement with, or compensation by, the Company and any of its affiliates or subsidiaries or any of their predecessors. This Agreement may not be changed or modified, except by an agreement in writing signed by each of the parties hereto.
- 13.9. Withholding. The Company shall have the right to withhold from any amount payable hereunder any Federal, state and local taxes in order for the Company to satisfy any withholding tax obligation it may have under any applicable law or regulation.
- 13.10. <u>Section Headings</u>. The headings of sections and paragraphs of this Agreement are inserted for convenience only and shall not in any way affect the meaning or construction of any provision of this Agreement.
- 13.11. Counterparts; Facsimile. This Agreement may be executed in multiple counterparts (including by facsimile signature), each of which will be deemed to be an original, but all of which together will constitute one and the same instrument.
- 13.12. <u>Third Party Beneficiaries</u>. This Agreement will be binding on, inure to the benefit of and be enforceable by the parties and their respective heirs, personal representatives, successors and assigns. This Agreement does not confer any rights, remedies, obligations or liabilities to any entity or person other than Executive and the Company and Executive's and the Company's permitted successors and assigns.
- 1 3 . 1 3 . Acknowledgment of Full Understanding. THE EXECUTIVE ACKNOWLEDGES AND AGREES THAT HE HAS FULLY READ, UNDERSTANDS AND VOLUNTARILY ENTERS INTO THIS AGREEMENT. THE EXECUTIVE ACKNOWLEDGES AND AGREES THAT HE HAS HAD AN OPPORTUNITY TO ASK QUESTIONS AND CONSULT WITH AN ATTORNEY OF HIS CHOICE BEFORE SIGNING THIS AGREEMENT.
 - 14. Section 409A.

- 14.1. Section 409A Compliance. The parties intend that this Agreement comply with the requirements of Code Section 409A. To the extent there is any ambiguity as to whether any provision of the Agreement 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. To the extent any continuing compensation, bonus, severance, reimbursements or in-kind benefits due or payable to Executive under this Agreement constitutes "deferred compensation" under Code Section 409A, any such compensation, bonus, severance, reimbursements or in-kind benefits shall constitute and be treated as a series of separate payments under Treasury Regulations Section 1.409A-2(b)(2)(iii) with each such payment made under this Agreement being so designated as a "separate payment" within the meaning of Code Section 409A. In no event shall Executive have the right to designate, directly or indirectly, the calendar year of any payment subject to Code Section 409A.
- 14.2. Delayed Commencement Date. Notwithstanding any provision of this Agreement to the contrary, if Executive is a "specified employee" as defined in Code Section 409A, Executive shall not be entitled to any payments or benefits the right to which provides for a "deferral of compensation" with the meaning of Code Section 409A (taking into account all applicable exemptions or exceptions), and whose payment or provision is triggered by Executive's termination of employment with the Company (whether such payments or benefits are provided to Executive under this Agreement or under any plan or program or arrangement of the Company), including as a result of Executive's Incapacity (other than Executive being "disabled" within the meaning of Code Section 409A), until the earlier of (i) the date which is the first business day following the six month anniversary of Executive's "separation from service" as defined in Code Section 409A for any reason other than death, or (ii) Executive's date of death, and such payments or benefits that, if not for the six month delay described herein, would be due and payable prior to such date shall be made or provided to Executive on such date. The Company shall make the determination as to whether Executive is a "specified employee" in good faith in accordance with its general procedures adopted in accordance with Code Section 409A and, at the time of Executive's "separation from service" will notify Executive of whether or not Executive is a "specified employee."
- 14.3. Savings Clause. Notwithstanding the other provisions of this Agreement, with respect to any right to a payment or benefit hereunder (or any portion thereof) that does not otherwise provide for a "deferral of compensation" as defined in Code Section 409A, it is the intent of the parties that such payment or benefit will not so provide. Furthermore, if either party notifies the other in writing that, based upon the advice of legal counsel, one or more of the provisions of this Agreement contravenes any regulation or Treasury guidance promulgated under Code Section 409A or causes any amount to be subject to interest or penalties under Code Section 409A, the parties shall promptly and reasonably consult with each other (and their legal counsel (and shall use their reasonable best efforts to reform the provisions hereof to (a) maintain to the maximum extent practicable the original intent of the applicable provisions without violating the provisions of Code Section 409A or increasing the costs to the Company of providing the applicable benefit or payment and (b) to the extent practicable, to avoid the imposition of any tax, interest or other penalties under Code Section 409A upon Executive or the Company.
- 14.4. 280G. Anything in this Agreement to the contrary notwithstanding, in the event that it shall be determined that any payment, distribution, or other action by the Company to or for Executive's benefit whether paid or payable or distributed or distributable pursuant to the terms of the Agreement or otherwise (a "Parachute Payment"), would result in an "excess parachute payment" within the meaning of Section 280G(b)(i) of the Code, and the value determined in accordance with Section 280G(d) (4) of the Code of the Parachute Payments, net of all taxes imposed on Executive (the "Net After-Tax Amount") that Executive would receive would be increased if the Parachute Payments were reduced, then the Parachute Payments shall be reduced by an amount (the "Reduction Amount") so that the Net After-Tax Amount after such reduction is greatest. For purposes of determining the Net After-Tax Amount, Executive shall be deemed to (i) pay federal income taxes at the highest marginal rates of federal income taxation for the calendar year in which the Parachute Payment is to be made, and (ii) pay applicable state and local income taxes at the highest marginal rate of taxation for the calendar year in which the Parachute Payment is to be made, net of the maximum reduction in federal income taxes which could be obtained from deduction of such state and local taxes. Subject to the provisions of this Section 14.4, all determinations required to be made under this Section 14.4, including the Net After-Tax Amount, the Reduction Amount and the Parachute Payments that are to be reduced pursuant to this Section 14.4 and the assumptions to be utilized in arriving at such determinations, shall be made by an independent public accounting firm selected by Executive (the "Accounting Firm"), which shall provide detailed supporting calculations both to the Company and Executive within fifteen (15) business days of the receipt of notice from Executive that there has been a Parachute Payment, or such earlier time as is requested by Executive. The Accounting Firm's decision as to which Parachute Payments are to be reduced shall be made (a) only from Parachute Payments that the Accounting Firm determines reasonably may be characterized as "parachute payments" under Section 280G of the Code; (b) only from Parachute Payments that are required to be made in cash; (c) only with respect to any amounts that are not payable pursuant to a "nonqualified deferred compensation plan" subject to Code Section 409A, until those payments have been reduced to zero; and (d) in reverse chronological order, to the extent that any Parachute Payments subject to reduction are made over time (e.g., in installments). In no event, however, shall any Parachute Payments be reduced if and to the extent such reduction would cause a violation of Code Section 409A or other applicable law. All fees and expenses of the Accounting Firm shall be borne solely by the Company. Any determination by the Accounting Firm shall be binding upon the Company and Executive.

15. Protected Activity Not Prohibited. Executive understands that nothing in this Agreement shall in any way limit or prohibit Executive from engaging in any
Protected Activity. For purposes of this Agreement, "Protected Activity" shall mean filing a charge, complaint, or report with, or otherwise communicating, cooperating, or
participating in any investigation or proceeding that may be conducted by, any federal, state or local government agency or commission, including the Securities and Exchange
Commission, the Equal Employment Opportunity Commission, the Occupational Safety and Health Administration, and the National Labor Relations Board ("Government
Agencies"). Executive understands that in connection with such Protected Activity, Executive is permitted to disclose documents or other information as permitted by law, and
without giving notice to, or receiving authorization from, the Company. Notwithstanding the foregoing, Executive agrees to take all reasonable precautions to prevent any
unauthorized use or disclosure of any information that may constitute Company confidential information under the Confidentiality Agreement to any parties other than the
Government Agencies. Executive further understands that "Protected Activity" does not include the disclosure of any Company attorney-client privileged communications. Any
language in the Confidentiality Agreement regarding Executive's right to engage in Protected Activity that conflicts with, or is contrary to, this paragraph is superseded by this
Agreement. In addition, pursuant to the Defend Trade Secrets Act of 2016, Executive is notified that an individual will not be held criminally or civilly liable under any federal
or state trade secret law for the disclosure of a trade secret that (a) is made in confidence to a federal, state, or local government official (directly or indirectly) or to an attorney
solely for the purpose of reporting or investigating a suspected violation of law, or (b) is made in a complaint or other document filed in a lawsuit or other proceeding, if (and
only if) such filing is made under seal. In addition, an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the
trade secret to the individual's attorney and use the trade secret information in the court proceeding, if the individual files any document containing the trade secret under seal
and does not disclose the trade secret, except pursuant to court order.

formation in the court proceeding, if the individual files any document containing the trade secret under the der.
NATURE'S SUNSHINE PRODUCTS, INC.
By: /s/ Gregory L. Probert
Chairman and Chief Executive Officer
EXECUTIVE:
/s/ Terrence Moorehead



FOR IMMEDIATE RELEASE

NATURE'S SUNSHINE APPOINTS TERRENCE MOOREHEAD AS CHIEF EXECUTIVE OFFICER

New Leader brings global experience, brand building, and operational strategy

LEHI, Utah, September 26, 2018 - Nature's Sunshine Products, Inc. (NASDAQ: NATR), today announced that Terrence Moorehead has been appointed Chief Executive Officer and a member of the Company's Board of Directors effective October 1, 2018.

With over 20 years of experience developing consumer strategies, strengthening processes, and driving profitability across multiple channels, Mr. Moorehead brings leadership, passion and focus to Nature's Sunshine. His in-depth experience leading complex transformations, revitalizing brands, and building high-performance teams is fully in line with the company's future plans.

"We are excited to have someone of Terrence's caliber lead Nature's Sunshine into the future," said J. Christopher Teets, board member, Chairman of the Governance Committee and a member of the executive search committee. "He brings a rich combination of leadership, experience, and energy that will breathe new life into the business. His extensive international experience, strong strategic and operational background, and practical hands-on experience building positive relationships will be valuable assets as we reposition the company for the future. Employees and distributors will find his dynamic and high energy leadership style engaging and contagious."

Mr. Moorehead joins Nature's Sunshine from Carlisle-Etcetera LLC, a luxury women's apparel house that creates exclusive designer collections. At Carlisle, he enhanced branding, contemporized styling, and improved service by building omni-channel capabilities. He also served as CEO at Dana Beauty, a leader in fragrances and personal care products, where he revitalized the company's focus on sales, new product development, and marketing excellence, with a strong emphasis on driving profitability. Prior to that, Mr. Moorehead spent over 20 years with Avon Products where he helped lead the transformation from a \$2 billion company to \$12 billion in annual revenues. While at Avon, he served as Vice President of Global Strategic Planning, Vice President of Strategy and Digital for North America, General Manager of Avon Italy, President of Avon Canada, and President and Chairman of Avon Japan. Prior to joining Avon, Mr. Moorehead was a management consultant at Booz Allen & Hamilton. He received his MBA from the Columbia University Graduate School of Business and his BA from Boston College in Economics and Marketing.

"I am very excited to be joining the incredible team at Nature's Sunshine. The company has a long history of excellence, quality, and innovation, but there's still tremendous opportunity for growth," said Mr. Moorehead, incoming CEO. "The company's global footprint and leadership in product development are an excellent platform to drive growth and improve shareholder value. I am eager to join the team and partner with our distributors and employees to take the business to the next level."

Gregory L. Probert, currently Chairman of the Board and Chief Executive Officer, will retire from his position as Chief Executive Officer effective September 30, 2018, and resign from the Board effective December 31, 2018. From October 1, 2018 until the end of the year, Mr. Probert will be available as a consultant to assist in the transition.

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 in more than 40 countries around the world. Nature's Sunshine manufactures most of its products through its state-of-the-art manufacturing facility to ensure its products continue to set the standard for the highest quality, safety and efficacy on the market today. The Company also supports health and wellness for children around the world through its partnership with the Sunshine Heroes Foundation. Additional information about the Company can be obtained at its website, www.naturessunshine.com.

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