

NATURAL HEALTH TRENDS CORP.

COMPENSATION COMMITTEE CHARTER

(Adopted February 11, 2015)

Purposes

The Compensation Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of Natural Health Trends Corp. (the “**Corporation**”) establishes and administers the Corporation’s policies, programs and procedures for determining compensation for its executive officers and Board members. Among other things, the Committee has direct responsibility to:

- (a) determine the compensation of the Corporation’s CEO and other executive officers; and
- (b) oversee all compensation plans, policies and programs of the Corporation as they affect the executive officers.

Composition

Size. The size of the Committee shall be determined by the Board, but shall consist of no fewer than two members.

Qualifications. Subject to applicable exemptions, each Committee member shall meet the independence criteria of the listing requirements of The NASDAQ Stock Market, LLC (“**NASDAQ**”). Additionally, each Committee member shall be (a) an “outside director” for purposes of Section 162(m) of the Internal Revenue Code, and (b) a “non-employee director” for purposes of Rule 16b-3 of the Securities Exchange Act of 1934 (the “**Exchange Act**”).

Appointment and Removal. The Board appoints Committee members based on recommendations of the Nominating and Corporate Governance Committee. The Board will select a Committee Chair from among Committee members. For so long as he or she continuously meets the qualifications above, each Committee member will serve at the pleasure of the Board for such term as the Board may determine or until such Committee member is no longer a Board member.

Duties and Responsibilities

The duties and responsibilities of the Committee shall include the following:

1. Review and Approve Executive Officer Compensation. The Committee will, at least annually, review and approve the annual base salaries and annual incentive opportunities of the executive officers. The CEO shall not be present during any Committee deliberations or voting with respect to his or her compensation.
2. Establish Executive Officer Compensation Policies and Programs. The Committee will, periodically and as and when appropriate, review and approve

the following as they affect the executive officers: (a) all other incentive awards and opportunities, including both cash-based and equity-based awards and opportunities; (b) any employment agreements and severance arrangements; (c) any change-in-control agreements and change-in-control provisions affecting any elements of compensation and benefits; and (d) any special or supplemental compensation and benefits for the executive officers and individuals who formerly served as executive officers, including supplemental retirement benefits and the perquisites provided to them during and after employment.

3. Compensation Discussion and Analysis. If applicable, the Committee will review and discuss with management the Corporation's Compensation Discussion and Analysis included in the Corporation's annual proxy statement and annual report on Form 10-K, and, based on such review and discussion, determine whether or not to recommend to the Board that the Compensation Discussion and Analysis be so included.
4. Stockholder Approvals. The Committee shall oversee the Corporation's compliance with SEC rules and regulations regarding stockholder approval of certain executive compensation matters, including advisory votes on executive compensation and the frequency of such votes, and the requirement under the NASDAQ rules that, with limited exceptions, stockholders approve equity compensation plans.
5. Administer Compensation Plans. The Committee will administer the Corporation's equity-based incentive compensation plans and other plans adopted by the Board that contemplate administration by the Committee. The Committee, or a subcommittee, shall approve all grants of stock options and other equity-based awards, subject to the terms and conditions of applicable plans.
6. Oversee Regulatory Compliance. The Committee will, in consultation with appropriate officers of the Corporation, oversee regulatory compliance with respect to all applicable laws affecting employee compensation and benefits, including overseeing any compensation programs intended to preserve tax deductibility, and, as may be required, establishing performance goals and determining whether performance goals have been attained for purposes of Section 162(m) of the Internal Revenue Code. The Committee shall also monitor the Corporation's compliance with the requirements under the Sarbanes-Oxley Act of 2002 relating to loans to directors and officers.
7. Review and Recommend Director Compensation. The Committee will periodically review director compensation in relation to other comparable companies and in the light of such other factors as the Committee may deem appropriate. The Committee shall discuss this review with the Board and make recommendations regarding director compensation to the Board.
8. Board Reports. The Committee will report its activities to the Board in such manner and at such times as the Committee or the Board deems appropriate.

9. Other Delegated Duties or Responsibilities. The Committee will perform any other duties or responsibilities delegated to the Committee by the Board from time to time.

Meetings

The Committee will meet as frequently as necessary to carry out its responsibilities under this Charter. The Committee Chair or a majority of the Committee members may call a meeting of the Committee in accordance with the Corporation's bylaws at any time. The Committee shall conduct its business as provided in the Corporation's Bylaws and this Charter. The Committee Chair will supervise the conduct of the meetings and will have other responsibilities as the Committee may specify from time to time. In the event the Committee chairman is not present at a meeting, the Committee members present at that meeting shall designate a member as the acting chair of such meeting.

Delegation

The Committee may, in its discretion, delegate all or a portion of its duties and responsibilities to a subcommittee of the Committee.

Resources and Authority

The Committee shall have appropriate resources and authority to discharge its responsibilities, including, without limitation, appropriate funding from the Corporation, in such amounts as the Committee deems necessary, to compensate any consultants or any other advisors retained by the Committee. The Committee has the right, in its sole discretion, at any time to retain or obtain advice, reports or opinions from internal and external counsel, compensation and other advisors (each, a "Compensation Advisor") as it deems necessary or appropriate to assist it in the full performance of its functions. The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any Compensation Advisor retained by the Committee. The Corporation shall provide for appropriate funding, as determined by the Committee, for payment of reasonable compensation to any Compensation Advisor retained by the Committee. Before selecting or receiving advice from a Compensation Advisor (other than in-house legal counsel), the Committee shall consider such factors as may be required by the rules of NASDAQ or applicable rules of the Securities and Exchange Commission with respect to the independence of the Compensation Advisor.

Compensation Committee Report

If applicable, the Committee, with the assistance of management and any outside advisors the Committee deems appropriate, shall prepare a report for inclusion in the Corporation's proxy statement relating to the Corporation's annual meeting of stockholders in compliance with the rules and regulations promulgated by the SEC.

Annual Review

At least annually, the Committee will (a) review the adequacy of this Charter with the Board and recommend any changes to the Board, and (b) evaluate its own performance against

the requirements of this Charter and report the results of this evaluation to the Board. The evaluation will include establishment of the goals and objectives of the Committee for the upcoming year. The Committee will conduct its review and evaluation in such manner as it deems appropriate.