NATURAL ALTERNATIVES INTERNATIONAL INC
Form DEF 14A
October 22, 2012

**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, DC 20549**

**SCHEDULE 14A**

**(RULE 14a-101)**

**INFORMATION REQUIRED IN PROXY STATEMENT**

**SCHEDULE 14A INFORMATION**

**Proxy Statement Pursuant to Section 14(a)**

**of the Securities Exchange Act of 1934**

**(Amendment No. )**

Filed by the Registrant x

Filed by a Party other than the Registrant ¨

Check the appropriate box:

¨ Preliminary Proxy Statement
¨ **Confidential, for use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
x Definitive Proxy Statement
¨ Definitive Additional Materials
¨ Soliciting Material Pursuant to §240.14a-12

# NATURAL ALTERNATIVES INTERNATIONAL, INC.

(Name of Registrant as Specified in its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

x No fee required.

¨ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

1. Title of each class of securities to which transaction applies: _____

2. Aggregate number of securities to which transaction applies: _____

3. Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined): _____

4. Proposed maximum aggregate value of transaction: _____

5. Total fee paid: _____

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¨ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

1. Amount Previously Paid: _____

2. Form, Schedule or Registration Statement No.: _____

3. Filing Party: _____

4. Date Filed: _____

**NATURAL ALTERNATIVES INTERNATIONAL, INC.**

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

**Date:** Friday, December 7, 2012

**Time:** 11:00 a.m., Pacific time

**Place:** Natural Alternatives International, Inc.

Vista Manufacturing Facility

1215 Park Center Drive

Vista, California 92081

To our Stockholders:

You are cordially invited to attend the Annual Meeting of Stockholders of Natural Alternatives International, Inc. to consider and act upon the following matters:

1. To elect two Class I directors to serve until the next annual meeting of stockholders held to elect Class I directors and until such directors successors are elected and qualified;

2. To ratify the selection of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending June 30, 2013; and

3. To transact such other business as may properly come before the meeting or any adjournments thereof.

The foregoing matters are more fully described in the proxy statement accompanying this notice. **A tour of our manufacturing facility will immediately follow the Annual Meeting of Stockholders (closed-toe shoes are required on the manufacturing floor).**

Stockholders of record at the close of business on October 4, 2012, the record date fixed by the Board of Directors, are entitled to notice of and to vote at the meeting and at any adjournments thereof.

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE STOCKHOLDER MEETING TO BE HELD ON DECEMBER 7, 2012: Our proxy statement and annual report to stockholders are both available on-line at** http://www.nai-online.com/proxy.php.

**Your vote is important. Whether or not you plan to attend the meeting, we urge you to vote your shares at your earliest convenience. This will help ensure the presence of a quorum at the meeting. Promptly voting your shares by telephone, by Internet, or by signing, dating, and returning the enclosed proxy card will save us the expense and extra work of additional solicitation. Voting your shares by telephone or by Internet will further help us reduce the costs of solicitation. A pre-addressed envelope for which no postage is required if mailed in the United States is enclosed if you wish to vote by mail. Voting your shares now will not prevent you from attending or voting your shares at the meeting if you desire to do so. Please see What is the Effect of Not Casting My Vote? under Voting Information in the accompanying proxy statement.**

*Only stockholders and persons holding proxies from stockholders may attend the meeting. If you plan to attend, please bring a photo ID. If your shares are held in the name of a broker, trust, bank or other nominee, you will need to bring a recent brokerage statement, proxy or letter from that broker, trust, bank or other nominee that confirms you are the beneficial owner of those shares.*

By Order of the Board of Directors

Mark A. LeDoux

Chairman of the Board and Chief Executive Officer

1185 Linda Vista Drive

San Marcos, California 92078

(760) 744-7340

October 19, 2012

**NATURAL ALTERNATIVES INTERNATIONAL, INC.**

1185 Linda Vista Drive

San Marcos, California 92078

## PROXY STATEMENT

We are providing this proxy statement in connection with the solicitation of proxies by the Board of Directors of Natural Alternatives International, Inc., a Delaware corporation (the Company or we, our, or us ), for use at the Annual Meeting of Stockholders to be held on Friday December 7, 2012, at 11:00 a.m. Pacific time, at Natural Alternatives International, Inc., Vista Manufacturing Facility, 1215 Park Center Drive, Vista, California 92081, and at any adjournment or postponement thereof (the Annual Meeting ). We expect to mail this proxy statement and the enclosed proxy card on or about October 19, 2012 to all stockholders entitled to vote at the Annual Meeting.

## VOTING INFORMATION

**Who can vote?**

You may vote if you were a stockholder of record as of the close of business on October 4, 2012. This date is known as the record date. You are entitled to one vote for each share of common stock you held on that date on each matter presented at the Annual Meeting. As of October 4, 2012, 6,933,254 shares of our common stock, par value $0.01 per share, were issued and outstanding, net of 361,990 treasury shares.

**How many votes are needed to hold the Annual Meeting?**

To take any action at the Annual Meeting, a majority of our outstanding shares of common stock entitled to vote as of October 4, 2012, must be represented, in person or by proxy, at the Annual Meeting. This is called a quorum.

**What is a proxy?**

A proxy allows someone else to vote your shares on your behalf. Our Board of Directors is asking you to allow Mark A. LeDoux, our Chairman and Chief Executive Officer, and Kenneth E. Wolf, our Chief Financial and Operating Officer, to vote your shares at the Annual Meeting.

**How do I vote by proxy?**

Whether you hold shares directly as a stockholder of record or beneficially in street name, you may vote without attending the Annual Meeting. You may vote by granting a proxy or, for shares held in street name, by submitting voting instructions to your broker or nominee. To vote by proxy, please follow the instructions on the enclosed proxy card. You may vote by telephone, by Internet or by mail. Shares held in street name may be voted by telephone or by Internet only if your broker or nominee makes those methods available. Your broker or nominee will enclose instructions for voting shares held in street name by telephone or by Internet with this proxy statement if your broker or nominee has chosen to make those methods available.

If you vote by proxy, your shares will be voted at the Annual Meeting in the manner you indicate. If you vote by mail and return a signed proxy card with no specific instructions, your shares will be voted as the Board of Directors recommends.

**Can I change my vote after I submit my proxy?**

Yes. You can change or revoke your proxy at any time before it is voted by submitting another proxy with a later date. You may also send a written notice of revocation to Natural Alternatives International, Inc., 1185 Linda Vista Drive, San Marcos, California 92078, Attention: Mr. Kenneth Wolf, Secretary.

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**Can I vote in person at the Annual Meeting instead of voting by proxy?**

Yes. However, we encourage you to vote your shares at your earliest convenience to ensure that your shares are represented and voted. If you vote your shares by proxy and later decide you would like to attend the meeting and vote your shares in person, you will need to provide a written notice of revocation to the secretary of the meeting before your proxy is voted.

**How are votes counted?**

Except as noted, all proxies received will be counted in determining whether a quorum exists and whether we have obtained the necessary number of votes on each proposal. Abstentions and broker non-votes are counted as present or represented for purposes of determining the presence or absence of a quorum for the Annual Meeting, but broker non-votes are not counted for purposes of determining the number of shares entitled to vote with respect to any proposal. Accordingly, broker non-votes will have no effect on the outcome of the vote for the election of directors or any other proposed matter. Generally, broker non-votes occur when shares held by a broker for a beneficial owner are not voted with respect to a particular proposal because (i) the broker has not received voting instructions from the beneficial owner and (ii) the broker lacks discretionary voting power to vote such shares.

Stockholders of record who are present in person or by proxy and who abstain, including brokers holding customers shares of record who cause abstentions to be recorded at the meeting, are considered stockholders who are present and entitled to vote on the proposals. Accordingly, a properly executed proxy marked ABSTAIN or WITHHOLD with respect to any matter will not be voted, will have no effect on the outcome of the election of directors, and will have the same effect as a vote AGAINST any other proposed matter.

**What is the Effect of Not Casting My Vote?**

If you hold your shares in street name, it is critical that you cast your vote if you want it to count in the election of directors. In the past, if you held your shares in street name and you did not indicate how you wanted your shares voted in the election of directors, your bank or broker was allowed to vote those shares on your behalf in the election of directors as they felt appropriate.

Recent changes in regulations were made to take away the ability of your bank or broker to vote your uninstructed shares in the election of directors on a discretionary basis. Thus, if you hold your shares in street name and you do not instruct your bank or broker how to vote in the election of directors, no votes will be cast on your behalf. Your bank or broker will, however, continue to have discretion to vote any uninstructed shares on the ratification of the appointment of the Company s independent registered public accounting firm.

**How many votes are required to approve each of the proposals?**

For the election of the Class I directors, a plurality of the votes is required for the election of each director. This means that the candidates who receive the most votes will be elected to the available Class I positions on the Board of Directors. The affirmative vote of a majority of the shares present in person or represented by proxy and entitled to vote at the Annual Meeting is required to approve the other proposal. See, however, Proposal 2 Effect of Ratification.

As of October 4, 2012, our executive officers and directors were entitled to vote 1,362,652 shares, or approximately 19.62%, of our issued and outstanding common stock. Our executive officers and directors have indicated their intention to vote for the election of each of the nominees for Class I directors and for the other proposal described in this proxy statement.

**Who pays for this proxy solicitation?**

We will pay the cost of soliciting proxies for the Annual Meeting, including the costs of preparing, assembling and mailing the proxy materials. We will provide copies of proxy materials to fiduciaries, custodians and brokerage houses to forward to the beneficial owners of shares held in their name. We may reimburse such fiduciaries, custodians and brokers for their costs in forwarding the proxy materials.

In addition to the solicitation of proxies by mail, certain of our officers and other employees may also solicit proxies personally or by telephone, facsimile, or other means. No additional compensation will be paid to these individuals for any such services. If necessary, we also may retain Computershare Shareowner Services LLC to help us solicit proxies and pay a fee to Computershare Shareowner Services LLC for any such solicitation services provided.

## OUR BOARD OF DIRECTORS

### Board Members

Our Board of Directors is responsible for the overall management of the Company. The Board of Directors is divided into three classes, designated Class I, Class II and Class III. The Board of Directors currently includes two Class I directors, two Class II directors, and one Class III director. Members of each class of our Board of Directors are elected to serve for a three-year term. The three-year terms of the members of each class are staggered, so that each year the members of a different class are due to be elected at the annual meeting. The Class I directors currently are serving a term that is due to expire at the Annual Meeting. The Class II directors currently are serving a term that is due to expire at our next annual meeting, and the Class III director is serving a term that is due to expire at the next annual meeting thereafter. The name, age, positions held with the Company, and term of office of each of our directors are shown below.

| Name | Age | Positions Held | Class | Director Since |
|---|---|---|---|---|
| Joe E. Davis | 78 | Director | I | 2000 |
| Alan G. Dunn | 57 | Director | II | 2004 |
| Alan J. Lane | 50 | Director | III | 2004 |
| Mark A. LeDoux | 58 | Director, Chairman of the Board and Chief Executive Officer | I | 1986 |
| Lee G. Weldon | 73 | Director | II | 1992 |

The business experience and principal occupations of each of our directors are described below.

### Joe E. Davis

Mr. Davis has been a member of the Audit Committee of the Board of Directors since 2000 and the Chairman of the Audit Committee since 2004, a member of the Human Resources Committee of the Board of Directors since 2003, and a member of the Nominating Committee of the Board of Directors since 2004. He has been a private investor for more than fifteen years. He currently serves as a director (since 1997), the Chairman of the Audit Committee and a member of the Compensation and Nominating Committees of Anworth Mortgage Securities, Inc., a publicly traded real estate investment trust. Previously, Mr. Davis served as a trustee (since 1991) and a member of the Audit and Nominating Committees of American Funds Insurance Series, and as a director (since 2007) and a member of the Audit and Nominating Committees of American Funds Target Date Retirement Series, Inc. until retiring in December 2009; as Chairman of the Board of Linear Corporation (1987-1988); President and Chief Executive Officer of BMC Industries, Inc. (1985); and President and Chief Executive Officer of National Health Enterprises, Inc. (1974-1982). Formerly, Mr. Davis was a director and a member of the Audit Committee of BMC Industries, Inc. and Wilshire Technologies, Inc., and a director of Freymiller Trucking, Inc. Mr. Davis graduated from the University of Texas with a Bachelor of Science in Chemistry. He holds a Master of Business Administration (MBA) degree from the Harvard Graduate School of Business Administration.

We believe that Mr. Davis qualifications to continue to serve on our Board of Directors includes his prior service on our Board of Directors, his more than 30 years of practical experience and knowledge as a director as a result of his service on multiple boards and committees of public companies, and his prior experience as a Chief Executive Officer. In addition, his degree in chemistry enables him to understand much of the science involved in the products manufactured by the Company and his MBA from Harvard provides an understanding of and education in matters ranging from internal control to long range business strategy.

**Alan G. Dunn**

Mr. Dunn has been a member of both the Human Resources and Audit Committees of the Board of Directors since December 2005. Mr. Dunn has been the President of GDI Consulting & Training Company (a manufacturing industry consulting firm focusing on cost and process improvement, productivity improvement and operational transformations) and the Chairman of its parent company, Gerald E. Dunn, Inc., since 1980. He currently serves as a director (since 2000) and the Chairman of the Compensation Committee (since 2003) and the Chairman of the Audit Committee (since July 2010) of Idaho Asphalt Supply Company, a privately held company. Formerly, he served as a director of TMI Products (2006-2008), a director and a member of the Compensation Committee of Tools & Metals, Inc. (2000-2004), a director of Air Logistics Corporation (1998-2003), a director of Bystrom Bros., Inc. (2004-2006), and a director of R.W. Lyall Company (1997-2000), each a privately held company, and a director of Tomorrow s Morning, Inc. (1995-1998), a company that went public in 1998. Mr. Dunn received a Bachelor s degree from California State University at Fullerton.

We believe that Mr. Dunn s qualifications to continue to serve on our Board of Directors includes his substantial prior service on our Board of Directors and his extensive knowledge of manufacturing processes as a manufacturing industry consultant.

**Alan J. Lane**

Mr. Lane has been a member of both the Audit and Nominating Committees of the Board of Directors since 2004. Previously, he was a member of the Human Resources Committee of the Board of Directors (August 2004 December 2005). Mr. Lane is a director, Chief Executive Officer and President of Silvergate Bank (since December 2008) and a director and President of Silvergate Capital Corporation (since December 2008). In addition, Mr. Lane serves as Chairman of the Board of Trustees of John Paul the Great Catholic University (since July 2006). Before joining Silvergate Bank, Mr. Lane was Executive Chairman of Belvedere SoCal and Professional Business Bank (November 2007 November 2008), and a Senior Advisor to Belvedere Capital, a financial services-focused private equity firm (January 2007 November 2008); a director, President and Chief Operating Officer of Southwest Community Bancorp (October 2004 June 2006); Vice-Chairman and Chief Executive Officer of Financial Data Solutions, Inc., a subsidiary of Southwest Community Bancorp (July 2004 June 2005); and director (October 2004 June 2006) and Chief Administrative Officer (June 2005 June 2006) of Southwest Community Bank. Southwest Community Bancorp was sold to Placer Sierra Bancshares in June 2006. Before joining Southwest Community Bancorp, Mr. Lane was a director and the Chief Executive Officer and President of Business Bank of California. Mr. Lane held the positions with Business Bank of California from 1998 until its sale to Union Bank of California in January 2004. Before heading Business Bank of California, Mr. Lane was a director, Chief Executive Officer or Chief Financial Officer of several financial institutions and non-financial operating companies. Mr. Lane graduated from San Diego State University with a Bachelor of Arts in Economics in 1984.

We believe that Mr. Lane s qualifications to continue to serve on our Board of Directors includes his substantial prior service on our Board of Directors and his knowledge of banking practices and leadership skills as a current and former Chief Executive Officer of several banks.

**Mark A. LeDoux**

Mr. LeDoux has been a director and the Chief Executive Officer of the Company since 1986, the Chairman of the Board since 2001, and the Assistant Treasurer since 1998. Mr. LeDoux also has served as a director and the Chairman of the Board of Natural Alternatives International Europe S.A. (NAIE) since its inception in 1999, as a director (1992-present) and President (since February 2009) of Transformative Health Products, Inc., and as a director (2005-present) and Chief Executive Officer (since February 2009) of Disposition Company, Inc. (formerly known as Real Health Laboratories, Inc.), each a wholly-owned subsidiary of the Company. Previously, he served as President of the Company (1986-1996, 1999-2001); director, President and Chief

Executive Officer of Natural Alternatives, Inc., a predecessor corporation that merged into the Company in 1986 (1980-1986); director, CellLife Pharmaceuticals International, Inc., a former wholly-owned subsidiary of the Company (1996 January 2006); and Executive Vice President and Chief Operating Officer of Kovac Laboratories, a manufacturer of nutritional supplements (1976-1980). Mr. LeDoux graduated Cum Laude from the University of Oklahoma with a Bachelor of Arts and Letters in 1975. He earned his Juris Doctor degree in 1979 from Western State University College of Law, which is now known as the Thomas Jefferson School of Law. He is a member of the YPO Graduates, the Founding Chairman of the International Council for Responsible Nutrition based in Switzerland, a member and past Chairman of the Board of the Council for Responsible Nutrition based in Washington, D.C., a member of the Board of the Nutrition Industry Association West, and a participant of the *Codex Alimentarius Commission*, the United Nations food and dietary supplement standard-setting body under joint supervision of its Food and Agriculture Organization and World Health Organization. Mr. LeDoux also has been a member of the Natural Products Association since 1980 and currently serves as a member of its Board of Directors and as the Chairman of its Committee for Product and Label Integrity (ComPLI).

We believe that Mr. LeDoux s qualifications to continue to serve on our Board of Directors includes his extensive industry, technical and Company knowledge and his experience as one of the founders of the Company.

**Lee G. Weldon**

Mr. Weldon has been a member of the Board of Directors since 1992, a member of the Human Resources Committee of the Board of Directors since 1993, and a member of the Nominating Committee of the Board of Directors since 2004. Previously, he was a member of the Audit Committee of the Board of Directors (1993 December 2005). He has been the Chairman of both the Human Resources and the Nominating Committees since 2004. Mr. Weldon was the President of Natures Apothecary (1997-2000) and the Chairman and Chief Executive Officer of Kal Healthway, Inc., a food supplement distributor (1978-1995). He graduated from the University of California at Los Angeles with a Bachelor of Science in Business Administration in 1963. He became a member of the Young Presidents Organization in 1982, and became a graduate member in 1990.

We believe that Mr. Weldon s qualifications to continue to serve on our Board of Directors includes his substantial prior service on our Board of Directors and his in-depth knowledge of our industry. He has more than 40 years of management experience in the nutritional supplement business, including all aspects of operations, sales, marketing, finance and strategic planning, having led several companies within the industry, including a former customer of the Company.

**Board Meetings**

The Board of Directors held five meetings during the fiscal year ended June 30, 2012. During the fiscal year ended June 30, 2012, All members of the Board of Directors attended at least 75% of the total number of meetings held by the Board of Directors and the committees of the Board of Directors on which they served.

**Board Leadership Structure and Role in Risk Oversight**

Our Board of Directors is comprised of five members, four of whom are independent. The remaining member, Mr. LeDoux, is the Company s founder, Chief Executive Officer and largest stockholder. Mr. LeDoux also serves as the Chairman of the Board. We do not have a lead independent director. The Chairman of the Board is not an officer position. The Chairman resides over meetings of the Board of Directors but does not possess any other rights or responsibilities that differ from the other members of the Board of Directors. We believe a five member board, 80% of which is comprised of independent members, is appropriate for the size and operations of our Company. The Board of Directors has Audit, Human Resources and Nominating Committees as described in more detail below. The Board of Directors is principally responsible for providing risk oversight of the Company.

**Independence**

Nasdaq rules require listed companies to have a board of directors with at least a majority of independent directors. Our Board of Directors has determined that four of our five directors are independent under the listing standards of the Nasdaq Stock Market. The members determined to be independent are Messrs. Davis, Dunn, Lane and Weldon.

**Board Committees**

The Board of Directors has an Audit Committee, a Human Resources Committee, which functions as a compensation committee, and a Nominating Committee. Membership on each committee is limited to independent directors as defined under the listing standards of the Nasdaq Stock Market. In addition, members of the Audit Committee must also meet the independence standards for audit committee members adopted by the Securities and Exchange Commission (SEC). The members of the committees of our Board of Directors are as follows:

| Audit Committee | Human Resources Committee | Nominating Committee |
|---|---|---|
| Joe E. Davis (Chairman)* | Lee G. Weldon (Chairman) | Lee G. Weldon (Chairman) |
| Alan G. Dunn | Joe E. Davis | Joe E. Davis |
| Alan J. Lane* | Alan G. Dunn | Alan J. Lane |

* The Board of Directors has determined that Messrs. Davis and Lane are each an audit committee financial expert as defined by applicable rules adopted by the SEC.

During the fiscal year ended June 30, 2012, the Audit Committee held five meetings, the Human Resources Committee held four meetings, and the Nominating Committee held one meeting.

*Audit Committee*. The Audit Committee operates under a charter originally adopted by the Board of Directors in 2000, amended and restated in April 2004, and further amended in August 2007 and September 2009. While the Audit Committee charter is not currently available on our website, a copy of the charter, as amended, is included as Attachment A to this proxy statement. The general function of the Audit Committee is to oversee the accounting and financial reporting processes of the Company and the audits of our financial statements. The Audit Committee assists the Board of Directors in fulfilling its oversight responsibilities relating to the accounting, reporting and financial practices of the Company, including the integrity of our financial statements and disclosures; the surveillance of administration and financial controls and our compliance with legal and regulatory requirements; the qualification, independence and performance of our independent registered public accounting firm; and the performance of our internal audit function and control procedures. The Audit Committee is responsible for reviewing and recommending matters to the Board of Directors, but has no authority to make final decisions except as set forth in the Audit Committee s charter. The Audit Committee has the sole authority to appoint, determine funding for, and oversee our independent registered public accounting firm.

*Human Resources Committee*. The Human Resources Committee operates under a charter adopted by the Board of Directors in January 2006, and amended in August 2007 and September 2009. While the Human Resources Committee charter is not currently available on our website, a copy of the charter, as amended, is included as Attachment B to this proxy statement. The primary purpose of the Human Resources Committee is to oversee the Company s overall compensation and incentive programs for the Company s executive officers and certain other key personnel. The Human Resources Committee is responsible for reviewing and recommending matters to the Board of Directors, which may be based on recommendations from the Company s management, but has no authority to make final decisions except with respect to the Company s incentive plans as described below or as otherwise set forth in the committee s charter. Among other things, the Human Resources Committee recommends to the Board of Directors the amount of compensation to be paid or awarded to our officers and certain other personnel including salary, bonuses, other cash or stock awards under our incentive compensation

plans as in effect from time to time, retirement and other compensation, and is responsible for evaluating the performance of the Company s Chief Executive Officer and making recommendations to the Board of Directors concerning the compensation for such officer. In addition, the Human Resources Committee has delegated to its Chairman the authority to administer the Company s 2009 Omnibus Incentive Plan with respect to employees who are not officers or directors of the Company, to the sole extent of approving stock option grants under the plan to such employees, within the limitations of such plan, and only for grants proposed by the Company s Chief Executive Officer and Chief Financial Officer not exceeding 5,000 shares, and with a term not exceeding five years, an exercise price equal to at least 110% of the last reported sale price of the Company s common stock on the Nasdaq Stock Market on the date of grant, and vesting over a period of not less then three years. The Human Resources Committee may engage the services of an independent compensation and benefits consulting company to conduct a survey and review of the Company s compensation programs as compared to other similarly situated companies taking into account, among others, industry, size and location when the committee deems appropriate.

*Nominating Committee*. The Nominating Committee operates under a charter adopted by the Board of Directors in August 2004, and amended in August 2007 and September 2009. While the Nominating Committee charter is not currently available on our website, a copy of the charter, as amended, is included as Attachment C to this proxy statement. The purpose of the Nominating Committee is to assist the Board of Directors in identifying qualified individuals to become members of the Board of Directors and in determining the composition of the Board of Directors and its various committees. The Nominating Committee periodically reviews the qualifications and independence of directors, selects candidates as nominees for election as directors, recommends directors to serve on the various committees of the Board of Directors, reviews director compensation and benefits, and oversees the self-assessment process of each of the committees of the Board of Directors.

The Nominating Committee considers nominee recommendations from a variety of sources, including nominees recommended by stockholders. Persons recommended by stockholders are evaluated on the same basis as persons suggested by others. Stockholder recommendations may be made in accordance with our Stockholder Communications Policy. See Stockholder Communications with Directors below. The Nominating Committee has the authority to retain a search firm to assist in the process of identifying and evaluating candidates.

The Nominating Committee has not established any specific minimum requirements for potential members of our Board of Directors. Instead, the Nominating Committee s evaluation process includes many factors and considerations including, but not limited to, a determination of whether a candidate meets Nasdaq and/or SEC requirements relating to independence and/or financial expertise, as applicable, and whether the candidate meets the Company s desired qualifications in the context of the current make-up of the Board of Directors with respect to factors such as business experience, education, intelligence, leadership capabilities, integrity, competence, dedication, diversity, skills, and the overall ability to contribute in a meaningful way to the deliberations of the Board of Directors respecting the Company s business strategies, financial and operational performance and corporate governance practices. The Nominating Committee will generally select those nominees whose attributes it believes would be most beneficial to the Company in light of all the circumstances.

**Stockholder Communications with Directors**

Our Board of Directors has adopted a Stockholder Communications Policy to provide a process by which our stockholders may communicate with the Board of Directors. Under the policy, stockholders may communicate with the Board of Directors as a whole, with the independent directors, with a committee of the Board, or with a particular director. Stockholders wishing to communicate directly with our Board of Directors may do so by mail addressed to Natural Alternatives International, Inc., 1185 Linda Vista Drive, San Marcos, California, 92078, Attn: Corporate Secretary. The envelope must contain a clear notation indicating that the enclosed letter is a Stockholder-Board Communication or Stockholder-Director Communication. All such letters must identify the author as a stockholder of the Company and clearly state whether the intended recipients are all members of the Board of Directors, all independent directors, all members of a committee of the Board, or certain specified

individual directors. The Corporate Secretary will review the communications received from stockholders at the above designated address on a regular basis and if they are relevant to the Company s operations and policies, they will be copied and forwarded to the appropriate director or directors as expeditiously as reasonably practicable. By way of example, communications that are unduly hostile, threatening, obscene, illegal or similarly inappropriate will not be forwarded to any director. Matters deemed to be trivial in the sole discretion of the Corporate Secretary will be delivered to the appropriate director or directors at the next regularly scheduled meeting of the Board of Directors. The Corporate Secretary will periodically provide the Board of Directors with a summary of all communications received that were not forwarded and will make those communications available to any director upon request. The Board of Directors will determine whether any communications sent to the Board of Directors should be properly addressed by the entire Board or a committee thereof and whether a response to the communication is warranted.

**Attendance at Annual Meetings**

The members of the Board of Directors are encouraged, but not required, to attend each of the Company s annual meetings of stockholders. It may not be possible or practicable, in light of other business commitments of the directors, for all of the members of the Board of Directors to attend all of the Company s annual meetings of stockholders. At the Company s last annual meeting of stockholders held on December 2, 2011, each of the members of the Board of Directors was present.

## PROPOSAL 1

## ELECTION OF CLASS III DIRECTOR

**Nominees**

At the Annual Meeting two Class I directors are to be elected, to serve until the next annual meeting of stockholders held to elect Class I directors and until such directors successor are elected and qualified or until such directors death, resignation or removal. The Board of Directors proposes the election of the nominees named below, who currently serve as a Class I members of our Board of Directors.

Unless authorization to do so is withheld, proxies received will be voted for the nominees named below. If any nominee should become unavailable for election before the Annual Meeting, the proxies will be voted for the election of such substitute nominee as the present Board of Directors may propose. Each person nominated for election has agreed to serve if elected, and the Board of Directors has no reason to believe that the nominees will be unable to serve.

Our Board of Directors proposes the election of the following nominees as Class I members of the Board of Directors:

Joe E. Davis

Mark A. LeDoux

**Our Board of Directors unanimously recommends that you vote FOR the election of each of the nominees as a Class I director of the Company.**

## PROPOSAL 2

## RATIFICATION OF SELECTION OF

## INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Our independent registered public accounting firm for the fiscal year ended June 30, 2012 was Ernst & Young LLP. The Audit Committee of the Board of Directors has selected and approved Ernst & Young LLP to serve as our independent registered public accounting firm for the fiscal year ending June 30, 2013. One or more representatives of Ernst & Young LLP are expected to be present at the Annual Meeting and are expected to be available to respond to appropriate questions and to make a statement if they desire to do so.

**Audit Fees**

The aggregate fees billed to the Company by Ernst & Young LLP for professional services rendered for the audit of our annual financial statements, the reviews of the financial statements included in our Quarterly Reports on Form 10-Q and other services provided in connection with our statutory and regulatory filings during each of the last two fiscal years ended June 30, were:

| | |
|---|---|
| 2012 | $ 273,461 |
| 2011 | $ 252,524 |

**Audit-Related Fees**

There were no fees billed to the Company by Ernst & Young LLP for assurance and related services reasonably related to the performance of the audit or review of our financial statements and not included under Audit Fees above during the fiscal years ended June 30, 2012 and June 30, 2011.

**Tax Fees**

During the fiscal year ended June 30, 2012, Ernst & Young billed the Company fees in the amount of $2,000 for services provided in connection with a review of the Company s transfer pricing practices and the Company s compliance with applicable U.S. Department of Treasury regulations. During the fiscal year ended June 30, 2011, fees in the amount of $14,000 were billed to the Company by Ernst & Young LLP for services provided in connection with the review of the Company s transfer pricing practices and their compliance with applicable treasury regulations. All of such services were approved by the Audit Committee.

**All Other Fees**

There were no other fees billed to the Company by Ernst & Young LLP for products and services provided during the fiscal years ended June 30, 2012 and June 30, 2011.

**Pre-Approval Policies and Procedures**

On June 23, 2003, the Audit Committee approved certain policies and procedures under which all audit and non-audit services performed by our independent registered public accounting firm must be approved in advance by the Audit Committee. Under these policies and procedures, proposed services to be provided by our independent registered public accounting firm may either be pre-approved without consideration of specific case-by-case services by the Audit Committee ( general pre-approval ), or require the specific pre-approval of the Audit Committee ( specific pre-approval ). The Audit Committee may delegate either type of pre-approval authority to one or more of its members, who would then be required to report any pre-approval decisions to the Audit Committee at its next scheduled meeting. Unless a type of service has received general pre-approval, it will require specific pre-approval by the Audit Committee if it is to be provided by our independent registered public accounting firm. Any proposed services exceeding pre-approved cost levels or budgeted amounts also will require specific pre-approval by the Audit Committee. In granting both general and specific pre-approval, the Audit Committee will consider whether such services are consistent with the SEC s rules on auditor independence, as well as whether our independent registered public accounting firm is best positioned to provide the most effective and efficient service, for reasons such as familiarity with our business, people, culture, accounting systems, risk profile and other factors, and whether the service might enhance our ability to manage or control risk or improve audit quality. The term of any general pre-approval will be 12 months, unless the Audit Committee determines otherwise.

*Audit Services*. The annual audit services engagement terms and fees are subject to specific pre-approval by the Audit Committee. Audit services include the annual financial statement audit and quarterly reviews, subsidiary audits, and other services necessary for the auditors to form an opinion on the Company s consolidated financial statements. The Audit Committee monitors the audit services engagement no less frequently than quarterly and also approves, if necessary, any changes in terms, conditions and fees resulting from changes in audit scope,

Company structure or other items. In addition, the Audit Committee may grant general pre-approval to other audit services, which include statutory or financial audits for subsidiaries of the Company and services associated with SEC registration statements, periodic reports and other documents filed with the SEC or issued in connection with securities offerings.

*Audit-Related Services*. The Audit Committee may grant general pre-approval of audit-related services, which are assurance and related services that are reasonably related to the performance of the audit or review of the Company s financial statements or that are traditionally performed by the independent registered public accounting firm. Audit-related services include due diligence services pertaining to any potential business acquisitions or dispositions, consultations related to accounting, financial reporting or disclosure matters not classified as audit services, assistance with the implementation of new accounting and financial reporting rules and guidance, financial audits of employee benefit plans, and assistance with internal control reporting requirements.

*Tax Services*. To the extent the Company retains its independent registered public accounting firm to provide tax services, the Audit Committee may grant general pre-approval for those tax services that historically have been provided by its independent registered public accounting firm and that the Audit Committee has reviewed and determined would not impair the independence of the auditor. Generally, tax services involving large and complex transactions must be specifically pre-approved by the Audit Committee.

*Other Services*. The Audit Committee may grant general pre-approval to those permissible non-audit services that it determines are routine and recurring services and that would not impair auditor independence. All other services not otherwise classified above must be specifically pre-approved by the Audit Committee.

*Procedures*. All services proposed to be provided by our independent registered public accounting firm that do not require specific pre-approval by the Audit Committee are submitted to the Company s Chief Financial Officer, who determines whether such services are included within those that have received general pre-approval by the Audit Committee. All services proposed to be provided by our independent registered public accounting firm that require specific pre-approval by the Audit Committee are submitted to the Audit Committee or its delegated member by both the independent registered public accounting firm and the Company s Chief Financial Officer. The Chief Financial Officer is responsible for monitoring the performance of the services provided by the independent registered public accounting firm, determining whether such services are in compliance with the Audit Committee s pre-approval policies, and reporting the results of his monitoring on a periodic basis to the Audit Committee.

**Effect of Ratification**

Ratification by stockholders of the selection of Ernst & Young LLP as our independent registered public accounting firm is not required by applicable law. However, as a matter of policy and sound corporate practice, we are submitting the selection to our stockholders for ratification at the Annual Meeting. If stockholders fail to ratify the selection of Ernst & Young LLP, the Board of Directors will reconsider the matter. Even if the selection is ratified by stockholders, the Board of Directors may select a different firm to serve as our independent registered public accounting firm at any time during the fiscal year if it believes a change would be in the best interests of the Company and its stockholders.

**Our Board of Directors unanimously recommends that you vote FOR Proposal 2.**

**OUR EXECUTIVE OFFICERS**

The Board of Directors elects the executive officers of the Company who are responsible for administering our day-to-day operations. The name, age, positions held with the Company, and term of office of each of our executive officers are shown below.

| Name | Age | Positions Held | Officer Since |
|---|---|---|---|
| Mark A. LeDoux | 58 | Director, Chairman of the Board and Chief Executive Officer | 1986 |
| Kenneth E. Wolf | 51 | Chief Financial Officer, Chief Operating Officer and Secretary | 2008 |

The business experience and principal occupations of each of our executive officers are described below.

**Mark A. LeDoux**

Mr. LeDoux has been a director and the Chief Executive Officer of the Company since 1986, the Chairman of the Board since 2001, and the Assistant Treasurer since 1998. Mr. LeDoux also has served as a director and the Chairman of the Board of Natural Alternatives International Europe S.A. (NAIE) since its inception in 1999, as a director (1992-present) and President (since February 2009) of Transformative Health Products, Inc., and as a director (2005-present) and Chief Executive Officer (since February 2009) of Disposition Company, Inc. (formerly known as Real Health Laboratories, Inc.), each a wholly-owned subsidiary of the Company. Previously, he served as President of the Company (1986-1996, 1999-2001); director, President and Chief Executive Officer of Natural Alternatives, Inc., a predecessor corporation that merged into the Company in 1986 (1980-1986); director, CellLife Pharmaceuticals International, Inc., a former wholly-owned subsidiary of the Company (1996 January 2006); and Executive Vice President and Chief Operating Officer of Kovac Laboratories, a manufacturer of nutritional supplements (1976-1980). Mr. LeDoux graduated Cum Laude from the University of Oklahoma with a Bachelor of Arts and Letters in 1975. He earned his Juris Doctor degree in 1979 from Western State University College of Law, which is now known as the Thomas Jefferson School of Law. He is a member of the YPO Graduates, the Founding Chairman of the International Council for Responsible Nutrition based in Switzerland, a member and past Chairman of the Board of the Council for Responsible Nutrition based in Washington, D.C., a member of the Board of the Nutrition Industry Association West, and a participant of the *Codex Alimentarius Commission*, the United Nations food and dietary supplement standard-setting body under joint supervision of its Food and Agriculture Organization and World Health Organization. Mr. LeDoux also has been a member of the Natural Products Association since 1980 and currently serves as a member of its Board of Directors and as the Chairman of its Committee for Product and Label Integrity (ComPLI).

**Kenneth E. Wolf**

Mr. Wolf has been the Chief Financial Officer and the Treasurer of the Company since February 2008, the Chief Operating Officer of the Company since June 2010, and the Secretary of the Company since February 2009. Before joining the Company, Mr. Wolf was Chief Financial Officer, Treasurer and Corporate Secretary for Phoenix Footwear Group, a publicly-traded, multi-brand footwear and accessories company that had $140 million in annual sales and for which Mr. Wolf managed a staff of 30 employees (2003-2007); an independent consultant for various San Diego-based companies where he performed interim Chief Financial Officer responsibilities (2002); and Senior Vice President Finance/Controller for Callaway Golf Company, a premium consumer goods company listed on the New York Stock Exchange that had $1.0 billion in annual sales and for which Mr. Wolf managed a staff of 50 employees (1992-2001). Mr. Wolf received his Certified Public Accountant license from the State of California and a Bachelor of Science in Business Administration Accounting from California State University in Fresno, California.

**STOCK HOLDINGS OF CERTAIN OWNERS AND MANAGEMENT**

The following table sets forth information on the beneficial ownership of our common stock by our directors and executive officers, as well as stockholders who are known by us to own beneficially more than 5% of our common stock, as of October 4, 2012

| Name of Beneficial Owner | Number of Shares and Nature of Beneficial Ownership[1] | Percent of Common Stock Outstanding[2] |
|---|---|---|
| Edward Borg | 1,125,746 | 16.24% |
| 600 South US Highway 1, Apt. 609 | | |
| Jupiter, Florida 33477[3] | | |
| Carl J. Terranova, Trust U/W of Vincent Terranova, and | 956,400 | 13.79% |
| Thomas H. Hansen (members of 13(d) group) | | |
| P.O. Drawer H, Valley Cottage, NY 10989[4] | | |
| Dimensional Fund Advisors LP | 353,807 | 5.10% |
| Palisades West, Building One, 6300 Bee Cave Road | | |
| Austin, TX 78746[5] | | |
| Joe E. Davis, Director | 80,896[6] | 1.16% |
| Alan G. Dunn, Director | 43,928[6] | * |
| Alan J. Lane, Director | 44,928[6] | * |
| Mark A. LeDoux, | 1,228,150[8] | 17.62% |
| Chairman of the Board and Chief Executive Officer | | |
| Lee G. Weldon, Director | 125,841[6] | 1.80% |
| Kenneth Wolf, | 152,809[7] | 2.16% |
| Chief Financial Officer and Chief Operating Officer | | |
| All directors and executive officers as a group (six persons) | 1,676,552 | 23.10% |

* Less than 1%.

1 A person is considered to beneficially own any shares: (i) over which the person, directly or indirectly, exercises sole or shared voting or investment power, or (ii) of which the person has the right to acquire beneficial ownership at any time within 60 days (such as through the exercise of stock options). Unless otherwise indicated, voting and investment power relating to the shares shown in the table for our directors and executive officers is exercised solely by the beneficial owner or shared by the owner and the owner s spouse or children.

2 The percentages shown are calculated based on the number of shares of our common stock outstanding plus, for each person or group, any shares that person or group has the right to acquire within 60 days of October 4, 2012 pursuant to options held. As of October 4, 2012, there were 6,933,254 shares of our common stock outstanding, net of 389,423 treasury shares.

3 As reported by the reporting person on Schedule 13G filed with the SEC on March 9, 2012.

4 As reported by the members of the 13(d) group on Amendment No. 4 to Schedule 13D filed by such members with the SEC on August 23, 2006. According to such filing, Carl J. Terranova beneficially owns and has sole voting and investment power of 522,900 shares or 7.48% of our common stock outstanding, the Trust U/W of Vincent Terranova beneficially owns and has sole voting and investment power of 224,200 shares or 3.21% of our common stock outstanding, and Thomas H. Hansen beneficially owns and has sole voting and investment power of 209,300 shares or 2.99% of our common stock outstanding.

5 As reported by Dimensional Fund Advisors LP on Schedule 13G/A filed by Dimensional Fund Advisors LP with the SEC on February 11, 2011. Dimensional Fund Advisors LP, as an investment adviser, furnishes investment advice to four investment companies registered under the Investment Company Act of 1940, and serves as investment manager to certain other commingled group trusts and separate accounts (such investment companies, trusts and accounts collectively referred to as the Funds ). In certain cases, subsidiaries of Dimensional Fund Advisors LP may act as an adviser or sub-adviser to certain Funds. In its role as investment adviser, sub-adviser and/or manager, neither Dimensional Fund Advisors LP or its subsidiaries (collectively, Dimensional ) possess voting and/or investment power over the securities of the Company that are owned by the Funds, and may be deemed to be the beneficial owner of the shares of the Company held by the Funds. However, all securities reported in the Schedule 13G/A are owned by the Funds. Dimensional disclaims beneficial ownership of such securities. The foregoing is based entirely on the statements of Dimensional Fund Advisors LP as set forth in its Schedule 13G/A filing.

6 Includes 40,100 shares underlying options that are exercisable. Also includes 3,000 restricted shares of common stock that are subject to vesting and forfeiture.

7 Includes 126,900 shares underlying options that are exercisable.

8 Includes 38,600 shares underlying options that are exercisable.

From time to time, the number of our shares held in the street name accounts of various securities dealers for the benefit of their clients or in centralized securities depositories may exceed 5% of the total shares of our common stock outstanding.

## EXECUTIVE OFFICER COMPENSATION

### Summary Compensation Table

The following table shows the compensation earned by or paid or awarded to our executive officers for all services rendered by them in all capacities to the Company and its subsidiaries during each of the last two fiscal years ended June 30.

| Name and Principal Position | Fiscal Year | Salary ($) | Bonus ($) | Option Awards ($)[1] | All Other Compensation ($)[2] | Total ($) |
|---|---|---|---|---|---|---|
| Mark A. LeDoux | 2012 | 311,538 | 112,000 | 0 | 41,299 | 464,837 |
| *Chief Executive Officer* | 2011 | 298,474 | 50,000 | 92,650[3] | 18,990 | 460,114 |
| Kenneth Wolf | 2012 | 306,346 | 110,000 | 0 | 28,019 | 444,365 |
| *Chief Financial Office and Chief Operating Officer* | 2011 | 292,788 | 50,000 | 81,069[4] | 19,745 | 443,602 |

1 Options were granted under our 2009 Omnibus Incentive Plan. The amounts shown represent the aggregate grant date fair value computed in accordance with FASB ASC Topic 718. Please see Stock-Based Compensation under Note A in the Notes to our audited, consolidated financial statements included under Item 8 of our Annual Report on Form 10-K for the fiscal year ended June 30, 2012, for a discussion of the assumptions made in the valuation.

2 Includes matching contributions under the Company s 401(k) plan, premiums paid by the Company for medical and dental insurance, term life insurance, long-term disability, payments for cell phone use and wireless internet access that may be used for both business and personal uses, and certain other benefits.

3 On December 3, 2010, Mr. LeDoux was granted a ten year incentive stock option representing the right to buy 15,500 shares of common stock and a ten year nonqualified stock option representing the right to buy 24,500 shares of common stock, each with an exercise price of $7.502 per share. The incentive stock option vests 5,004 shares on December 3, 2011 and 5,248 shares on each of December 3, 2012 and December 3, 2013. The nonqualified stock option vests 8,596 shares on December 3, 2011, and 7,952 shares on each of December 3, 2012 and December 3, 2013.

4 On December 3, 2010, Mr. Wolf was granted a ten year incentive stock option representing the right to buy 20,031 shares of common stock and a ten year nonqualified stock option representing the right to buy 14,969 shares of common stock, each with an exercise price of $7.502 per share. The incentive stock option vests 8,481 shares on December 3, 2012 and 11,550 shares on December 3, 2013. The nonqualified stock option vests 11,900 shares on December 3, 2011, and 3,069 shares on December 3, 2012.

### Employment Agreements

We have employment agreements with Messrs. LeDoux and Wolf. Under the terms of each agreement, the officer s employment is at-will and the employment may be terminated at any time, with or without cause, by either the officer or the Company. Each officer receives an annual salary, payable no less frequently than bi-weekly, and may receive certain employee benefits available generally to other corporate officers, including, without limitation, bonus compensation in a manner and at a level determined from time to time in the sole discretion of the Board of Directors, medical, dental, term life, short and long term disability, and long term care. The annual salaries of Messrs. LeDoux and Wolf in effect at June 30, 2012 were:

| Name | Annual Salary |
|---|---|
| Mark A. LeDoux | $ 300,000 |
| Kenneth Wolf | $ 295,000 |

Under the terms of the employment agreements for Messrs. LeDoux and Wolf, each officer is entitled to a severance benefit in the event the officer is terminated by the Company without cause. For Mr. LeDoux, his severance benefit is an amount equal to one year s compensation, provided he executes and delivers to the Company a general release of claims. For Mr. Wolf, his severance benefit is an amount equal to six

months base salary and continuing group health insurance coverage pursuant to COBRA for six months following termination at the Company s expense, provided he executes and delivers to the Company a general release of claims. If an officer does not execute and deliver a general release of claims, the severance benefit is reduced to one month s compensation. No officer is entitled to receive a severance benefit if the officer is terminated by the Company for

cause, or if the officer voluntarily resigns or retires. If an officer is terminated by the Company without cause upon a change in control, the officer is entitled to receive a severance benefit in an amount equal to two years compensation for Mr. LeDoux, and one year s compensation and continuing group health insurance coverage pursuant to COBRA for twelve months following termination at the Company s expense for Mr. Wolf, provided the officer executes and delivers to the Company a general release of claims. If the officer does not execute and deliver a general release of claims, the severance benefit is reduced to one month s compensation. In addition, if any officer is terminated by the Company without cause upon a change of control, all then outstanding options held by the officer become fully exercisable and remain so for the term of the option, provided that the officer executes and delivers to the Company a general release of claims.

**Outstanding Equity Awards at Fiscal Year End**

The following table provides certain information about unexercised option awards held by Messrs. LeDoux and Wolf as of June 30, 2012. There were no other stock awards held by such officers as of June 30, 2012.

| Name | Number of Securities Underlying Unexercised Options # Exercisable | Number of Securities Underlying Unexercised Options # Unexercisable | Equity Incentive Plan Awards: Number of Securities Underlying Unexercised, Unearned Options (#) | Option Exercise Price ($) | Option Expiration Date |
|---|---|---|---|---|---|
| Mark A. LeDoux | 25,000 | | | 7.348 | 6/28/2014 |
| | 13,600 | 26,400(1) | | 7.502 | 12/02/2020 |
| Kenneth Wolf | 100,000 | | | 9.878 | 2/10/2013 |
| | 15,000 | | | 7.348 | 6/28/2014 |
| | 11,900 | 23,100(2) | | 7.502 | 12/02/2020 |

(1) 13,600 shares vested on December 3, 2011 and an additional 13,200 shares vest on each of December 3, 2012 and December 3, 2013.

(2) 11,900 shares vested on December 3, 2011 and an additional 11,550 shares vest on each of December 3, 2012 and December 3, 2013.

**DIRECTOR COMPENSATION**

Each of the non-employee directors (Messrs. Davis, Dunn, Lane and Weldon) receives an annual retention fee of $10,000, and a fee of $1,000 for each board and committee meeting such director attends. The $1,000 paid for each board and committee meeting a director attends applies to both regular and special meetings of the board and of a committee, including any regular or special meetings of the board or a committee held via teleconference, unless otherwise expressly determined by the Board on a case by case basis; provided, however, that payment for attendance at committee meetings in person or by telephone shall only be made to members of the applicable committee. The annual retention fee is paid in advance at the beginning of each year of a director s term, which is determined to commence on the date of the annual meeting held to elect any class of directors and to continue until the next annual meeting of stockholders held to elect any class of directors. Directors appointed during a term year may receive a proportional amount of the annual retention fee for that year. Options and other equity awards may be granted to directors on a discretionary basis. Mr. LeDoux receives no additional compensation for serving as a director. Directors are reimbursed for travel and other expenses incurred in connection with attending board and committee meetings. The Company also may invite directors and their spouses to attend Company-related events and generally provides for, or reimburses expenses of, such directors and spouses travel, food and lodging for attendance at such events. The table below provides information about the compensation of the Company s directors during the fiscal year ended June 30, 2012.

| Name | Fees Earned or Paid in Cash ($) | Option Awards ($) | All Other Compensation ($) | Total ($) |
|---|---|---|---|---|
| Joe E. Davis | 22,000 | | | 22,000 |
| Alan G. Dunn | 22,000 | | | 22,000 |
| Alan J. Lane | 19,000 | | | 19,000 |
| Lee G. Weldon | 20,000 | | | 20,000 |

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## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table summarizes equity compensation plans approved by stockholders as of June 30, 2012. As of June 30, 2012, the Company did not have any equity compensation plans that had not been approved by stockholders.

| Plan Category | (a) Number of securities to be issued upon exercise of outstanding options and rights | (b) Weighted-average exercise price of outstanding options and rights | (c) Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) |
|---|---|---|---|
| Equity compensation plans approved by stockholders | 541,700[1] | $ 7.69 | 473,300[1] |
| Equity compensation plans not approved by stockholders | | | |
| Total | 541,700 | $ 7.69 | 473,300 |

[1] At our 2009 Annual Meeting of Stockholders held on November 30, 2009, our stockholders approved a new 2009 Omnibus Incentive Plan (the 2009 Plan ). Upon approval of the 2009 Plan, our 1999 Omnibus Equity Incentive Plan (the 1999 Plan ) was terminated. 315,000 of the outstanding options shown in column (a) were issued under the 1999 Plan and 226,700 were issued under the 2009 Plan. All of the securities available for future issuance shown in column (c) are pursuant to the 2009 Plan. Under the terms of the 2009 Plan, on the first day of each calendar year during the term of the plan, beginning with January 1, 2011, an additional 100,000 shares of our common stock become available for issuance under the 2009 Plan.

## CODE OF ETHICS

We have adopted a Code of Business Behavior and Conduct that applies to all of our employees and directors, including all of our officers and our non-employee directors. The Audit Committee periodically reviews the policy and the Company s compliance with the policy. A copy of our Code of Business Behavior and Conduct is posted on our website at www.nai-online.com. Our Code of Business Behavior and Conduct is not incorporated in, and is not a part of, this proxy statement and is not proxy-soliciting material.

## SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires our directors, executive officers and any person who owns more than 10% of our common stock, to file with the SEC initial reports of ownership of our common stock within 10 days of becoming a director, executive officer or greater than 10% stockholder, and reports of changes in ownership of our common stock before the end of the second business day following the day on which a transaction resulting in a change of ownership occurs. Directors, executive officers and greater than 10% stockholders are required by SEC regulations to provide us with copies of all Section 16(a) forms they file.

To our knowledge, based solely on our review of the copies of such reports provided to us and written representations that no other reports were required, during the fiscal year ended June 30, 2012, all required Section 16(a) reports applicable to our directors, executive officers and greater than 10% stockholders were timely filed.

## CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Pursuant to the Audit Committee s charter, the Audit Committee conducts a review of all related party transactions for potential conflict of interest situations on an ongoing basis. The Company may not enter into a related party transaction unless the transaction is approved by the Audit Committee. A transaction is considered a related party transaction if the transaction would be required to be disclosed herein pursuant to Item 404 of Regulation S-K. There have been no related party transactions since July 1, 2011, nor are any currently proposed.

## AUDIT COMMITTEE REPORT

The Audit Committee reviewed and discussed the Company s audited financial statements for the fiscal year ended June 30, 2012 with the Company s management, and discussed with Ernst & Young LLP, the Company s independent registered public accounting firm, the matters required to be discussed by the statement on Auditing Standards No. 61, as amended (AICPA, *Professional Standards*, Vol. 1. AU section 380), as adopted by the Public Company Accounting Oversight Board in Rule 3200T. The Audit Committee received the written disclosures and the letter from Ernst & Young LLP required by applicable requirements of the Public Company Accounting Oversight Board regarding independent accountant communications with audit committees concerning independence, and discussed with Ernst & Young LLP its independence. Based on the Audit Committee s above described review and discussions, the Audit Committee recommended to the Board of Directors that the audited financial statements for the fiscal year ended June 30, 2012, be included in the Company s Annual Report on Form 10-K for such fiscal year for filing with the SEC.

It is not the duty of the Audit Committee to plan or conduct audits, to determine that the Company s financial statements are presented fairly in all material respects in accordance with accounting principles generally accepted in the United States, to certify the Company s financial statements or to guarantee the report of the Company s independent registered public accounting firm. As the Audit Committee s primary function is oversight, the Audit Committee relies on the expertise, skills and knowledge of management and the Company s independent registered public accounting firm and the accuracy of information provided to the Audit Committee by such persons in carrying out its oversight responsibilities. In giving its recommendation to the Board of Directors that the audited financial statements be included in the Company s Annual Report on Form 10-K, the Audit Committee relied on (i) certain representations and reports of management concerning the preparation of the financial statements; and (ii) the reports of the Company s independent registered public accounting firm with respect to such financial statements.

Members of the Audit Committee

Joe E. Davis, Chairman

Alan G. Dunn

Alan J. Lane

The Audit Committee Report above is not considered proxy-soliciting material, is not deemed to be filed with the SEC or subject to Regulation 14A or the liabilities of Section 18 of the Securities Exchange Act of 1934, as amended, and shall not be deemed incorporated by reference by any general statement incorporating by reference this proxy statement into any filing with the SEC, except to the extent we specifically incorporate this information by reference.

## ANNUAL REPORT

Our Annual Report on Form 10-K for the fiscal year ended June 30, 2012 ( 2012 Annual Report ), as filed with the SEC, excluding exhibits, is being mailed to stockholders with this proxy statement. We will furnish any exhibit to our 2012 Annual Report free of charge to any stockholder upon written request to the Company at 1185 Linda Vista Drive, San Marcos, California 92078. The 2012 Annual Report is not incorporated in, and is not a part of, this proxy statement and is not proxy-soliciting material. We encourage you to review the 2012 Annual Report together with any later information that we file with the SEC and other publicly available information.

## STOCKHOLDER PROPOSALS

Stockholders who wish to submit a proposal for inclusion in our proxy materials to be distributed in connection with next year s annual meeting must submit their proposal so that we receive it no later than the close of

business on June 22, 2013. Any such proposal must be in accordance with the requirements of Rule 14a-8 under the Securities Exchange Act of 1934, as amended. Pursuant to such rule, simply submitting a proposal does not guarantee that it will be included in our proxy materials.

In accordance with our Restated Certificate of Incorporation, to be properly brought before an annual meeting, a stockholder must deliver timely notice of any matter the stockholder wishes to present. To be timely, we must receive the notice not less than 60 days before the original scheduled meeting date. If we provide less than 70 days notice or prior public disclosure of the meeting date, to be timely we must receive the notice not later than the close of business on the 10th day following the earlier of the day on which we mailed notice of the meeting date or the day on which we publicly disclosed the meeting date. To be in proper form, the notice must be in writing and include the specified information set forth in Article Fifteenth of our Restated Certificate of Incorporation.

All proposals and notices should be sent by certified mail, return receipt requested, to Natural Alternatives International, Inc., 1185 Linda Vista Drive, San Marcos, California 92078, Attn: Mr. Kenneth Wolf, Secretary. We reserve the right to reject, rule out of order, or take other appropriate action with respect to any proposal or matter that does not comply with these and other applicable requirements.

**OTHER MATTERS**

The Board of Directors does not know of any other matters that will be presented for consideration at the Annual Meeting. If any other matters are properly brought before the Annual Meeting or any adjournment thereof, the proxy holders named in the accompanying proxy card will have discretionary authority to vote all proxies in accordance with their best judgment with respect to any such matters.

By Order of the Board of Directors

San Marcos, California

October 19, 2012

**Attachment A**

**NATURAL ALTERNATIVES INTERNATIONAL, INC.**

**Amended and Restated**

**AUDIT COMMITTEE CHARTER**

**(Effective as of April 30, 2004, as amended August 24, 2007, and as further amended September 11, 2009)**

This Audit Committee Charter sets forth the purpose and membership requirements of the Audit Committee (the Committee ) of the Board of Directors (the Board ) of Natural Alternatives International, Inc. (the Company ) and establishes the authority and responsibilities delegated to it by the Board.

**1. Statement of Purpose**

The purpose of the Committee is to oversee the accounting and financial reporting processes of the Company and the audits of the Company s financial statements. The Committee shall:

provide assistance to the Board in fulfilling its oversight responsibilities relating to:

the accounting, reporting and financial practices of the Company, including the integrity of the Company s financial statements and disclosures;

the surveillance of administration and financial controls and the Company s compliance with legal and regulatory requirements;

the qualification, independence and performance of the Company s independent auditing firm (the Auditor ); and

the performance of the Company s internal audit function and control procedures;

prepare the report that United States Securities and Exchange Commission ( SEC ) rules require to be included in the Company s annual proxy statement; and

perform such other duties set forth in this Charter and as directed from time to time by the Board.

In performing its responsibilities, the Committee shall maintain free and open communication between the Committee, the Auditor, and the Company s management.

**2. Membership**

2.1. Composition and Appointment. The Committee shall consist of three (3) or more members of the Board. The members of the Committee shall be appointed by the Board on the recommendation of the Company s Nominating Committee or, if there is no such

committee, a majority of the Company s independent directors. The Board shall fill vacancies on the Committee and may remove a Committee member from membership on the Committee at any time with or without cause. Members shall serve until removed or their successors are appointed by the Board.

2.2. Chairperson. Unless a Chairperson is elected by the full Board, the members of the Committee shall designate a Chairperson by majority vote of all the Committee members.

2.3. Independence. Each member of the Committee must meet applicable independence requirements, including, without limitation, the independence requirements of Nasdaq as in effect from time to time or such other exchange on which the Company s shares may then be listed, and any independence requirements under federal securities laws and/or the Sarbanes-Oxley Act of 2002 and the rules and regulations promulgated thereunder as may be amended and in effect from time to time, and must not have participated in the preparation of the financial statements of the Company or any current subsidiary of the Company at any time during the past three (3) years. Independence shall be determined as to each member by the full Board.

Notwithstanding the foregoing, one director who: (i) is not independent as defined by applicable independence requirements; (ii) meets certain applicable criteria set forth in the Securities Exchange Act of 1934, as amended (the 34 Act ) and the rules thereunder; and (iii) is not a current officer or employee or a family member of such officer or employee, may be appointed to the audit committee, if the Board, under exceptional and limited circumstances, determines that membership on the Committee by such individual is required by the best interests of the Company and its stockholders, and the Board discloses, in the next annual proxy statement subsequent to such determination, the nature of the relationship and the reasons for that determination. A member appointed under this exception may not serve longer than two (2) years and may not chair the Committee.

2.4. Financial Literacy. Each member of the Committee shall be able to read and understand fundamental financial statements, including a company s balance sheet, income statement, and cash flow statement.

2.5. Financial Expert. At least one member of the Committee shall have past employment experience in finance or accounting, requisite professional certification in accounting, or any other comparable experience or background which results in the member s financial sophistication, including being or having been a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities. To the extent required by Section 407 of the Sarbanes-Oxley Act of 2002 and subject to the ability of the Company to obtain a qualified Board member, at least one member of the Committee shall be a financial expert within the definition of Section 407 of said act and the rules and regulations of the SEC promulgated thereunder.

2.6. Compensation. The compensation of the members of the Committee shall be as determined by the Board from time to time. No member of the Committee may accept directly or indirectly any consulting, advisory, or other compensatory fee from the Company or any subsidiary of the Company, other than in his or her capacity as a member of the Committee, the Board or any other committee of the Board. For this purpose, indirect acceptance includes acceptance of such a fee by a spouse, minor child or stepchild or a child or stepchild sharing a home with the Committee member, or by an entity in which the Committee member is a partner, member, an officer such as a managing director occupying a comparable position or executive officer, or occupies a similar position (except limited partners, non-managing members and those occupying similar positions who, in each case, have no active role in providing services to the entity) and which provides accounting, consulting, legal, investment banking or financial advisory services to the Company or any of its subsidiaries.

**3. Authority**

The Committee shall have all resources and authority necessary to discharge its duties and responsibilities, including those set forth below.

3.1. Education. To help ensure that members of the Committee have the proper knowledge to perform their responsibilities, Committee members shall have the authority, at the Company s expense, to attend outside educational programs, retain outside professionals to conduct educational programs and undertake other appropriate steps to keep current with developments in accounting, disclosure, risk management, internal controls, auditing and other matters that are relevant to carrying out the Committee s responsibilities.

3.2. Advisors. The Committee shall have the authority to engage independent counsel and other advisors ( Advisors ) as it deems necessary or appropriate to fulfill its responsibilities. Any communications between the Committee and legal counsel in the course of obtaining legal advice will be considered privileged communications of the Company, and the Committee will take all necessary steps to preserve the privileged nature of those communications.

3.3. Investigations. The Committee shall have the authority to conduct investigations that it deems necessary to fulfill its responsibilities.

3.4. Information. The Committee shall have the authority to require any officer, director or employee of the Company, the Company s outside legal counsel and the Auditor to meet with the Committee and any of its Advisors and to respond to the Committee s inquiries. The Committee shall have full access to the books, records and facilities of the Company in carrying out its responsibilities.

3.5. Funding. The Committee shall have the authority to determine the appropriate funding for: (i) compensation to the Auditor for its services in rendering an audit report or performing other audit, review or attest services for the Company; (ii) compensation to any Advisors employed by the Committee pursuant to Section 3.2; and (iii) ordinary administrative expenses of the Committee necessary or appropriate in carrying out its duties.

3.6. Recommendations to Board. The Committee shall be responsible for reviewing and recommending matters to the Board but shall have no authority to make final decisions other than as set forth in this Charter or required by applicable law. Notwithstanding the foregoing, the Committee shall have the sole authority to appoint, determine funding for, and oversee the Auditor.

**4. Meetings**

4.1. Frequency. The Committee shall meet at least once per fiscal quarter or more frequently as the Committee deems necessary or appropriate. Meetings may be in person or by telephone as needed to conduct the business of the Committee. The Committee shall have the authority to call meetings at its discretion and to invite officers and employees of the company and the Auditor to attend. To the extent practicable, the meeting agenda, draft minutes from the prior meeting, and supporting materials, shall be provided to the Committee members before each meeting to allow time for review.

4.2. Executive Sessions. The Committee shall maintain free and open communication with (i) the Company s Chief Executive Officer and Chief Financial Officer, (ii) the Auditor, and (iii) the Company s outside legal counsel retained for general corporate purposes, and shall periodically meet in separate executive (private) sessions with each such person and other members of the Company s management to discuss any matters that the Committee or any such person believes should be discussed privately with the Committee and to provide a forum for the Committee to discuss the Auditor s evaluation of the Company s financial practices and personnel and the cooperation that the Auditor receives during the course of its audit.

4.3. Procedures. The Committee will be governed by the same rules regarding meetings, action without meetings, notice, waiver of notice, and quorum and voting requirements as are applicable to the Board. The Committee may adopt its own rules of procedure not inconsistent with (i) any provision of this Charter; (ii) any provision of the Company s bylaws; or (iii) any applicable federal or state law.

4.4. Minutes. The Chairperson of the Committee shall designate a person, who need not be a member of the Committee, to act as secretary and to keep the minutes of each meeting of the Committee.

4.5. Presiding Member. The Chairperson of the Committee shall preside at all Committee meetings. If the Chairperson is absent at a meeting, a majority of the Committee members present at a meeting shall appoint a different presiding member for that meeting.

**5. Auditor and Audit Process**

5.1. Selection. Subject to stockholder ratification, if such ratification is required by applicable law or the Company s certificate of incorporation or bylaws, in its capacity as a committee of the Board, the Committee shall be directly responsible for the appointment, compensation, retention and oversight of the work of the Auditor for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company.

5.2. Pre-approval of Auditor Services.

5.2.1. *Committee Pre-Approval*. The Committee must approve in advance all auditing services and all permissible non-audit services to be provided by the Auditor. If the Committee approves an audit service within the scope of the engagement of the Auditor, such audit service shall be deemed to have been pre-approved.

5.2.2. *Pre-Approval Exception*. Pre-approval shall not be required under Section 5.2.1 for permissible non-audit services if (i) the aggregate amount of all such non-audit services provided to the Company is not more than five percent (5%) of the total amount of revenues paid by the Company to the Auditor during the fiscal year in which the non-audit services are provided; (ii) such services were not recognized by the Company at the time of engagement to be non-audit services; and (iii) such services are promptly brought to the attention of the Committee and approved before completion of the audit by the Committee or by one or more members of the Committee to whom authority to grant such approvals has been delegated by the Committee.

5.2.3. *Delegation of Pre-Approval Authority*. The Committee may delegate to one or more designated members of the Committee the authority to grant the pre-approvals of Auditor services required by this Section 5.2. The decision of any member of the Committee to whom such authority is delegated shall be presented to the full Committee at its next scheduled meeting.

5.3. Independence. The Committee shall periodically assess and satisfy itself that the Auditor is independent in accordance with applicable rules and regulations. The Committee shall obtain from the Auditor a formal written statement delineating all relationships between the Auditor and the Company, consistent with applicable requirements of the Public Company Accounting Oversight Board ( PCAOB ), and such other disclosures required by the PCAOB and other applicable requirements. The Committee shall be responsible for actively engaging in a dialogue with the Auditor with respect to any disclosed relationships or services that may impact the objectivity and independence of the Auditor, including whether the provision by the Auditor of permissible non-audit services is compatible with independence, and for taking, or recommending that the full Board take, appropriate action.

5.4. Quality Control. The Committee shall annually obtain from the Auditor, and review, a written report describing (i) the Auditor s internal quality control procedures; and (ii) any material issues raised by (a) the most recent internal quality control review, or peer review, of the Auditor, or (b) any inquiry or investigation by governmental or accounting profession authorities, in each case within the past five years, respecting one or more independent audits carried out by the Auditor, and any steps taken to deal with any such issues.

5.5. Audit Partner Rotation. The Committee shall annually obtain from the Auditor a written statement confirming that neither the lead (or coordinating) audit partner having primary responsibility for the Company s audit nor the audit partner responsible for reviewing the Company s audit has performed audit services for the Company in each of the Company s five previous fiscal years.

5.6. Auditor Reports Review. The Committee shall review and discuss with the Auditor and management on a timely basis the reports required by the 34 Act and other applicable rules and regulations regarding: (i) all critical accounting policies and practices to be used; (ii) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management officials of the Company, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the Auditor; and (iii) other material written communications between the Auditor and management, such as any management letter or schedule of unadjusted differences.

5.7. SAS 61 Communications. The Committee shall discuss with the Auditor the matters required to be discussed under Statement on Auditing Standards No. 61, as amended.

5.8. Audit Disagreement Policy. The Committee shall periodically inquire of management and the Auditor as to any disagreements that may have occurred between them relating to the Company s financial statements or disclosures. The Committee shall be directly responsible for the resolution of any disagreements between management and the Auditor regarding financial reporting.

5.9. Accountability of Auditor. The Auditor shall report directly to the Committee and shall be ultimately accountable to the Committee.

5.10. Audit Assessment. The Committee shall annually assess and discuss with management and the Auditor the scope and results of the Audit and any problems or difficulties encountered in connection with the audit process and management s response, including any restrictions on scope of the Auditor s activities or on access to requested information, any accounting adjustments that were noted or proposed by the Auditor but were passed (as immaterial or otherwise), and any management or internal control letter issued, or proposed to be issued, by the Auditor to the Company.

5.11. Internal Control Assessment. When required by applicable law, the Committee shall annually obtain from the Auditor a written report in which the Auditor attests to and reports on the assessment of the Company s internal controls made by the Company s management.

5.12. Evaluation. The Committee shall annually, following the completion of the audit reports and at such other times as it deems appropriate, evaluate the performance of the Auditor.

**6. Internal Audit Process**

6.1. Internal Audit Process. The Committee shall have primary responsibility for overseeing the Company s internal audit function and any other appropriate control process in place for reviewing and approving the Company s internal transactions and accounting; provided, that (i) this Section 6.1 shall not be construed to require the Company to establish a separate internal audit department or dedicate employees to the task on a full-time basis and (ii) the Company may choose to outsource this function to a firm other than the Auditor. The Committee shall meet periodically, in its discretion, with management, the Auditor and any internal audit personnel or retained internal audit firm to review (i) plans for the internal audit program (including scope, responsibilities, budget and staffing) for the coming year, (ii) the coordination of such plans with the work of the Auditor, and (iii) progress and results of the internal auditing process.

6.2. Internal Audit Reports. The Committee shall meet periodically, in its discretion, with any internal audit personnel or retained internal audit firm to review any significant reports to management prepared by such personnel or firm together with management s response and follow-up to such reports.

6.3. Complaints. The Committee shall establish procedures for: (i) the receipt, retention, and confidential and anonymous treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

**7. Financial Reporting**

7.1. SEC Filings and Earnings Releases.

7.1.1.

Annual Report. Prior to the filing by the Company with the SEC of any annual report on Form 10-K, the Committee shall review and discuss with management and the Auditor the audited financial statements and the disclosure under Management s Discussion and Analysis of Financial Condition and Results of Operations contained therein, including the Auditor s judgment of the quality, not just the acceptability, of accounting principles, the reasonableness of significant judgments, and the clarity of the disclosures in the Company s financial statements.

7.1.2. Quarterly Reports. Prior to the filing by the Company with the SEC of any quarterly report on Form 10-Q, the Committee shall review and discuss with management and the Auditor the Company s quarterly financial results.

7.1.3. Press Releases and Guidance. The Committee shall periodically, at its discretion, review with management and the Auditor the Company s procedures (including types of information to be disclosed and the type of presentation to be made) with respect to press releases that contain information regarding the Company s historical or projected financial performance and the provision of any such information, earnings guidance or other financial information to a financial analyst or rating agency (including any use of pro-forma or adjusted non-GAAP information).

7.2. Adequate Disclosure. The Committee shall periodically, at its discretion, inquire of management, the Auditor and, if the Committee deems it appropriate, outside legal counsel as to whether the Company s financial statements comport with the disclosure requirements of federal securities laws, notwithstanding their conformity to accounting principles and practices.

7.3. Recommendation Regarding Financial Statements. The Committee shall annually make a determination as to whether to recommend to the Board that the audited financial statements be included in the Company s annual report on Form 10-K for filing with the SEC.

**8. Internal Controls**

8.1. Internal Controls and Compliance Policies. The Committee shall have responsibility for monitoring management s continuing implementation of an effective system of internal control, the purpose of which is to help promote the reliability of financial and operating information, and compliance with applicable laws, regulations and Company policies, including those related to business conduct and ethics. For the purpose of assessing their adequacy and effectiveness, the Committee (i) shall periodically, at its discretion, review and assess with management, any internal audit personnel or retained internal audit firm, the Auditor and, if the Committee deems it appropriate, outside legal counsel (a) the system of internal controls (including any significant deficiencies or material weaknesses and any material changes in internal controls reported to the Committee), internal control over financial reporting, significant accounting principles and practices, and disclosure controls and procedures followed by the Company in accounting for and reporting its financial results of operations, including whether such controls are reasonably designed to ensure that appropriate information comes to the attention of the Committee, the full Board and management in a timely manner, prevent violations of law and corporate policy and permit the Company to prepare accurate and informative financial reports, (b) the Company s compliance with laws and regulations, (c) the Company s Code of Business Conduct and Ethics and the Company s Corporate Disclosure and Insider Trading Policy, and (d) the methods and procedures for monitoring compliance with such policies; and (ii) shall elicit any recommendations for the improvement of the Company s Code of Business Conduct and Ethics and the Company s Corporate Disclosure and Insider Trading Policy, and such controls, policies, methods and procedures. The Committee shall review with management and the Auditor, prior to its annual filing, the internal control report (containing the annual assessment of the effectiveness of the internal control structure and procedures of the Company for ensuring the accuracy of public disclosures) that is or will be required to be filed by the Company with the SEC on Form 10-K.

8.2. Information Security. The Committee shall periodically, at its discretion, review and assess with management and the Auditor the adequacy of the security for the Company s information systems and the Company s contingency plans in the event of a systems breakdown or security breach.

8.3. Code of Business Conduct and Ethics Violations and Waivers. The Committee shall periodically, at its discretion, inquire of management, any internal audit personnel or retained internal audit firm, and the Auditor as to their knowledge of (i) any violation of the Code of Business Conduct and Ethics,

(ii) any waiver of compliance with the Code of Business Conduct and Ethics, and (iii) any investigations undertaken with regard to compliance with the Code of Business Conduct and Ethics. Any waiver of the Code of Business Conduct and Ethics with respect to a director or executive officer may only be granted by the Committee or the full Board. All waivers granted by the Committee shall be promptly reported to the entire Board and be publicly disclosed as required by applicable rules of the SEC and Nasdaq or such other exchange on which the Company s shares may then be listed.

8.4. Misconduct Allegations. The Committee shall periodically, at its discretion, inquire of management of their knowledge of any allegations of director or officer misconduct or misconduct by the Company (whether made by employees or third parties).

8.5. Disagreements with Legal Counsel. The Committee shall periodically, in its discretion, inquire of management and, if the Committee deems it appropriate, outside legal counsel of any disagreements that may have occurred between management and legal counsel regarding any public disclosures or any other legal compliance issue.

8.6. Related Party Transactions. The Committee shall conduct an appropriate review of all related party transactions for potential conflict of interest situations on an ongoing basis. The Company shall not enter into a related party transaction unless such transaction is approved by the Committee. A transaction will be considered a related party transaction if the transaction would be required to be disclosed pursuant applicable federal securities laws.

8.7. Significant Risks. The Committee shall periodically, in its discretion, review and discuss with management the Company s most significant financial risks, methods of risk assessment, risk mitigation strategies and the overall effectiveness of the Company s guidelines, policies and systems with respect to risk assessment and management, including policies and procedures for derivative and foreign exchange transactions and insurance coverage.

**9. Reports and Assessments**

9.1. Board Reports. The Chairperson of the Committee, or such other member designated by the Committee, shall report to the Board on a regular basis regarding the Committee s actions and the fulfillment of the Committee s responsibilities under this Charter. Such reports shall include any issues that arise with respect to the quality or integrity of the Company s financial statements, the Company s compliance with legal or regulatory requirements, the performance and independence of the Auditor and the performance of the Company s internal audit function.

9.2. Charter Assessment. The Committee shall review and reassess the adequacy of this Charter at least annually. In conducting such review, the Committee will assess the Charter s compliance with applicable rules and regulations regarding the Committee s composition, independence, scope of responsibilities and other relevant matters. Results of the Committee s review of this Charter, and any appropriate updates or amendments, shall be duly reported to the full Board.

9.3. Committee Self-Assessment. The Committee shall annually make a self-assessment of its performance and shall report the results of such self-assessment to the Board and the Nominating Committee (if any).

9.4. Proxy Statement Report. The Committee shall prepare an annual report as required by the rules and regulations of the SEC and submit it to the Board for inclusion in the Company s proxy statement prepared in connection with its annual meeting of stockholders.

**10. General**

10.1. Financial Statement Responsibility. The Company s management is responsible for the preparation, presentation and integrity of the Company s financial statements and disclosures, and the Auditor is responsible for auditing year-end financial statements and reviewing quarterly financial statements

and conducting other procedures. It is not the duty of the Committee to plan or conduct audits or to determine that the Company s financial statements and disclosures are presented fairly in all material respects in accordance with GAAP and applicable rules and regulations. Furthermore, it is not the duty of the Committee to certify the Company s financial statements or to guarantee the Auditor s report. Since the primary function of the Committee is oversight, the Committee shall be entitled to rely on the expertise, skills and knowledge of management and the Auditor and the accuracy of information provided to the Committee by such persons in carrying out its oversight responsibilities. Nothing in this Charter is intended to change the responsibilities of management and the Auditor.

10.2. Charter Guidelines. While the responsibilities of the Committee set forth in this Charter are contemplated to be the principal recurring activities of the Committee in carrying out its oversight function, these responsibilities are to serve as a guide with the understanding that the Committee may diverge from them as it deems appropriate given the circumstances. Furthermore, from time to time, the Committee may take on additional responsibilities at the request of the Board.

**Attachment B**

**NATURAL ALTERNATIVES INTERNATIONAL, INC.**

**HUMAN RESOURCES COMMITTEE CHARTER**

**(Effective as of January 27, 2006, as amended August 24, 2007, and as further amended September 11, 2009)**

This Human Resources Committee Charter sets forth the purpose and membership requirements of the Human Resources Committee (the Committee ) of the Board of Directors (the Board ) of Natural Alternatives International, Inc. (the Company ) and establishes the authority and responsibilities delegated to it by the Board.

**11. Statement of Purpose**

The purpose of the Committee is to oversee the Company s overall compensation and incentive programs for its executive officers and other key employees. The Committee shall:

Subject to delegation by the Board and such terms and conditions as the Board may prescribe, administer the Company s incentive compensation and equity-based plans as in effect from time to time, and otherwise make recommendations to the Board with respect to the adoption, amendment or termination of such plans and the granting of awards under such plans.

Provide assistance relating to establishing an appropriate compensation program for the Company designed to:

reward executive officers and other key employees in connection with the Company s overall performance and for individual performance with respect to goals, responsibilities and adherence to Company values;

attract and retain individuals who are capable of leading the Company in achieving its business objectives; and

provide substantial alignment of management s interests with the long-term interests of stockholders.

Evaluate the performance of the Chief Executive Officer of the Company and recommend the compensation for such officer to the Board.

Perform such other duties set forth in this Charter and as directed from time to time by the Board.

In performing its responsibilities, the Committee shall maintain free and open communication between the Committee, the Board, and the Company s management.

**12. Membership**

12.1. Composition and Appointment. The Committee shall consist of three (3) or more members of the Board who are not officers or employees of the Company. The members of the Committee shall be appointed by the Board on the recommendation of the Company s Nominating Committee or, if there is no such committee, a majority of the Company s independent directors. The Board shall fill vacancies on the Committee and may remove a Committee member from membership on the Committee at any time with

or without cause. Members shall serve until removed or until their successors are appointed by the Board.

12.2. Chairperson. Unless a Chairperson is elected by the full Board, the members of the Committee shall designate a Chairperson by majority vote of all the Committee members.

12.3. Independence. Each member of the Committee is expected to meet applicable independence requirements, including, without limitation, the independence requirements of Nasdaq as in effect from time to time or such other exchange on which the Company s shares may then be listed. Independence shall be determined as to each member by the full Board.

Notwithstanding the foregoing, one director who: (i) is not independent as defined by applicable independence requirements; and (ii) is not a current officer or employee or a family member of such officer or employee, may be appointed to the Committee, if the Board, under exceptional and limited circumstances, determines that membership on the Committee by such individual is required by the best interests of the Company and its stockholders, and the Board discloses, in the next annual proxy statement subsequent to such determination, the nature of the relationship and the reasons for that determination. A member appointed under this exception may not serve longer than two (2) years and may not chair the Committee.

12.4. Compensation. The compensation of the members of the Committee shall be as determined by the Board from time to time. No member of the Committee may accept directly or indirectly any consulting, advisory, or other compensatory fee from the Company or any subsidiary of the Company, other than in his or her capacity as a member of the Committee, the Board or any other committee of the Board.

**13. Authority**

The Committee shall have all resources and authority necessary to discharge its duties and responsibilities, including those set forth below.

13.1. Education. To help ensure that members of the Committee have the proper knowledge to perform their responsibilities, Committee members shall have the authority, at the Company s expense, to retain outside professionals and to undertake other appropriate steps to keep current with developments in compensation and benefits programs, and other matters that are relevant to carrying out the Committee s responsibilities.

13.2. Advisors. The Committee shall have the authority to engage independent counsel and other advisors ( Advisors ) as it deems necessary or appropriate to fulfill its responsibilities. Any communications between the Committee and legal counsel in the course of obtaining legal advice will be considered privileged communications of the Company, and the Committee will take all necessary steps to preserve the privileged nature of those communications.

13.3. Compensation Survey. The Committee shall have the authority to engage the services of an independent compensation and benefits consulting company to conduct a survey and review of the Company s salary, bonus, stock incentive award and benefits history for executive officers, as compared to other similarly situated companies taking into account, among others, industry, size and location.

13.4. Information. The Committee shall have the authority to require any officer, director or employee of the Company, the Company s outside legal counsel and any compensation advisor to meet with the Committee and any of its Advisors and to respond to the Committee s inquiries. The Committee shall have full access to the books, records and facilities of the Company in carrying out its responsibilities.

13.5. Funding. The Committee shall have the authority to determine the appropriate funding for: (i) the engagement and services of any independent compensation and/or benefits consultant or other Advisors; and (ii) ordinary administrative expenses of the Committee necessary or appropriate in carrying out its duties.

13.6. Delegation. The Committee may form, and where legally permissible may delegate authority to, subcommittees when the Committee deems it appropriate or desirable to facilitate the operation or administration of the plans or programs. Where legally permissible, the Committee may also delegate authority to committees consisting of employees when the Committee deems it appropriate or desirable for the efficient administration of employee compensation and benefit plans.

13.7. Recommendations to Board. The Committee shall be responsible for reviewing and recommending matters to the Board but shall have no authority to make final decisions other than as set forth in this Charter, or as delegated to it by the Board, or as required by applicable law.

**14. Meetings**

14.1. Frequency. The Committee shall meet at least once per fiscal year or more frequently as the Committee deems necessary or appropriate. Meetings may be in person or by telephone as needed to conduct the business of the Committee. The Committee shall have the authority to call meetings at its discretion and to invite officers and employees of the Company to attend. To the extent practicable, the meeting agenda, draft minutes from the prior meeting, and supporting materials, shall be provided to the Committee members before each meeting to allow time for review.

14.2. Executive Sessions. The Committee shall maintain free and open communication with (i) the Company s Chief Executive Officer and Chief Financial Officer; (ii) any independent compensation and benefits consultant or other Advisor; and (iii) the Company s outside legal counsel retained for general corporate purposes, and may periodically meet in separate executive (private) sessions with each such person and/or other members of the Company s management to discuss any matters that the Committee or any such person believes should be discussed.

14.3. Procedures. The Committee will be governed by the same rules regarding meetings, action without meetings, notice, waiver of notice, and quorum and voting requirements as are applicable to the Board. The Committee may adopt its own rules of procedure not inconsistent with (i) any provision of this Charter; (ii) any provision of the Company s bylaws; or (iii) any applicable federal or state law.

14.4. Minutes. The Chairperson of the Committee shall designate a person, who need not be a member of the Committee, to act as secretary and to keep the minutes of each meeting of the Committee.

14.5. Presiding Member. The Chairperson of the Committee shall preside at all Committee meetings. If the Chairperson is absent at a meeting, a majority of the Committee members present at a meeting shall appoint a different presiding member for that meeting.

**15. Reports and Assessments**

15.1. Board Reports. The Chairperson of the Committee, or such other member designated by the Committee, shall report to the Board on a regular basis regarding the Committee s actions, the fulfillment of the Committee s responsibilities under this Charter, and any associated matters.

15.2. Charter Assessment. The Committee shall review and reassess the adequacy of this Charter at least annually. Results of the Committee s review of this Charter, and any appropriate updates or amendments, shall be duly reported to the full Board.

15.3. Committee Self-Assessment. The Committee shall annually make a self-assessment of its performance and shall report the results of such self-assessment to the Board and the Nominating Committee (if any).

15.4. Proxy Statement Report. The Committee shall prepare any annual or other compensation report as may be required of the Committee by any applicable rules and regulations and submit it to the Board for inclusion in the Company s proxy statement or other treatment as may be required.

**16. General**

16.1. Charter Guidelines. While the responsibilities of the Committee set forth in this Charter are contemplated to be the principal recurring activities of the Committee in carrying out its functions, these responsibilities are to serve as a guide with the understanding that the Committee may diverge from them as it deems appropriate given the circumstances. Furthermore, from time to time, the Committee may take on additional responsibilities at the request of the Board.

**Appendix C**

**NATURAL ALTERNATIVES INTERNATIONAL, INC.**

**NOMINATING COMMITTEE CHARTER**

**(Effective as of August 27, 2004, as amended August 24, 2007, and as further amended September 11, 2009)**

This Nominating Committee Charter sets forth the purpose and membership requirements of the Nominating Committee (the Committee ) of the Board of Directors (the Board ) of Natural Alternatives International, Inc. (the Company ) and establishes the authority and responsibilities delegated to it by the Board.

**17. Statement of Purpose**

The purpose of the Committee is to assist the Board in identifying qualified individuals to become members of the Board and in determining the composition of the Board and its various committees.

**18. Membership**

18.1. Composition and Appointment. The Committee shall consist of three (3) or more members of the Board. The members of the Committee shall be appointed by the Board. The Board shall fill vacancies on the Committee and may remove a Committee member from membership on the Committee at any time with or without cause. Members shall serve until removed or their successors are appointed by the Board.

18.2. Chairperson. Unless a Chairperson is elected by the full Board, the members of the Committee shall designate a Chairperson by majority vote of all the Committee members.

18.3. Independence. Each member of the Committee must meet applicable independence requirements, including, without limitation, the independence requirements of Nasdaq as in effect from time to time or such other exchange on which the Company s shares may then be listed. Independence shall be determined as to each member by the full Board.

Notwithstanding the foregoing, one director who: (i) is not independent as defined by applicable independence requirements; and (ii) is not a current officer or employee or a family member of such officer or employee, may be appointed to the Committee, if the Board, under exceptional and limited circumstances, determines that membership on the Committee by such individual is required by the best interests of the Company and its stockholders, and the Board discloses, in the next annual proxy statement subsequent to such determination, the nature of the relationship and the reasons for that determination. A member appointed under this exception may not serve longer than two (2) years and may not chair the Committee.

18.4. Compensation. The compensation of the members of the Committee shall be as determined by the Board from time to time. No member of the Committee may accept directly or indirectly any consulting, advisory, or other compensatory fee from the Company or any subsidiary of the Company, other than in his or her capacity as a member of the Committee, the Board or any other committee of the Board.

**19. Authority**

The Committee shall have all resources and authority necessary to discharge its duties and responsibilities, including those set forth below.

19.1. Advisors. The Committee shall have the authority to engage independent counsel and other advisors ( Advisors ) as it deems necessary or appropriate to fulfill its responsibilities. Any communications between the Committee and legal counsel in the course of obtaining legal advice will be considered privileged communications of the Company, and the Committee will take all necessary steps to preserve the privileged nature of those communications.

19.2. Search Firm. The Committee shall have the authority to retain a search firm to assist in the process of identifying and evaluating candidates.

19.3. Investigations. The Committee shall have the authority to conduct investigations that it deems necessary to fulfill its responsibilities.

19.4. Funding. The Committee shall have the authority to determine the appropriate funding for: (i) the retention of a search firm pursuant to Section 3.2; (ii) compensation to any Advisors employed by the Committee pursuant to Section 3.1; and (iii) ordinary administrative expenses of the Committee necessary or appropriate in carrying out its duties.

19.5. Delegation. The Committee shall have the authority to delegate any of its responsibilities to subcommittees as the Committee may deem appropriate in its sole discretion.

19.6. Recommendations to Board. The Committee shall be responsible for reviewing and recommending matters to the Board but shall have no authority to make final decisions other than as set forth in this Charter or required by applicable law.

**20. Duties and Responsibilities**

In carrying out the stated purpose of this Committee, the Committee shall:

Review the qualifications and independence of the members of the Board and its various committees on a periodic basis and make any recommendations to the Board that the Committee may deem appropriate concerning any recommended changes in the composition or membership of the Board, or any of its committees;

Identify and recruit individuals qualified to become Board members, including evaluating persons suggested by stockholders or others, and conducting appropriate inquiries into the backgrounds and qualifications of possible nominees. Persons suggested by stockholders shall be evaluated on the same basis as persons suggested by others. Stockholder recommendations shall be made in accordance with the Company s Stockholder Communications Policy. Evaluations shall include a determination of whether a candidate meets applicable requirements relating to independence and/or financial expertise, and whether the candidate meets the Company s desired qualifications in the context of the current make-up of the Board with respect to factors such as business experience, education, intelligence, leadership capabilities, integrity, competence, dedication, diversity, skills, and the overall ability to contribute in a meaningful way to the Board s deliberations respecting the Company s business strategies, financial and operational performance and corporate governance practices.

Select candidates as nominees for election as directors and recommend to the Board the director nominees whenever new directors are to be appointed or elected, whether at the next annual meeting of stockholders or otherwise. The Committee will select those nominees whose attributes it believes would be most beneficial to the Company in light of all the circumstances.

Recommend to the Board for its approval directors to serve as members of each committee. The Committee shall review and recommend committee members to fill vacancies as needed.

Review on an annual basis director compensation and benefits.

Establish the standards for and annually review and evaluate each Board committee s annual self-assessment and provide a report of such evaluations to the Board.

Perform such other duties set forth in this Charter and as directed from time to time by the Board.

**21. Meetings**

21.1. Frequency. The Committee shall meet at least once per fiscal year or more frequently as the Committee deems necessary or appropriate. Meetings may be in person or by telephone as needed to conduct the business of the Committee. The Committee shall have the authority to call meetings at its

discretion and to invite officers and employees of the company to attend. To the extent practicable, the meeting agenda, draft minutes from the prior meeting, and supporting materials, shall be provided to the Committee members before each meeting to allow time for review.

21.2. Procedures. The Committee will be governed by the same rules regarding meetings, action without meetings, notice, waiver of notice, and quorum and voting requirements as are applicable to the Board. The Committee may adopt its own rules of procedure not inconsistent with (i) any provision of this Charter; (ii) any provision of the Company s bylaws; or (iii) any applicable federal or state law.

21.3. Minutes. The Chairperson of the Committee shall designate a person, who need not be a member of the Committee, to act as secretary and to keep the minutes of each meeting of the Committee.

21.4. Presiding Member. The Chairperson of the Committee shall preside at all Committee meetings. If the Chairperson is absent at a meeting, a majority of the Committee members present at a meeting shall appoint a different presiding member for that meeting.

**22. Reports and Assessments**

22.1. Board Reports. The Chairperson of the Committee, or such other member designated by the Committee, shall report to the Board on a regular basis regarding the Committee s actions and the fulfillment of the Committee s responsibilities under this Charter.

22.2. Charter Assessment. The Committee shall review and reassess the adequacy of this Charter at least annually. In conducting such review, the Committee will assess the Charter s compliance with applicable rules and regulations regarding the Committee s composition, independence, scope of responsibilities and other relevant matters. Results of the Committee s review of this Charter, and any appropriate updates or amendments, shall be duly reported to the full Board.

22.3. Committee Self-Assessment. The Committee shall annually make a self-assessment of its performance and shall report the results of such self-assessment to the Board.

**23. Charter Guidelines**

While the responsibilities of the Committee set forth in this Charter are contemplated to be the principal recurring activities of the Committee in carrying out its purpose, these responsibilities are to serve as a guide with the understanding that the Committee may diverge from them as it deems appropriate given the circumstances. Furthermore, from time to time, the Committee may take on additional responsibilities at the request of the Board.

**YOUR VOTE IS IMPORTANT. PLEASE VOTE TODAY.**

**We encourage you to take advantage of Internet or telephone voting.**

**Both are available 24 hours a day, 7 days a week.**

Internet and telephone voting are available through 11:59 PM Eastern Time the day prior to the stockholder meeting date.

**NATURAL ALTERNATIVES INTERNATIONAL, INC.**

**INTERNET**

**http://www.proxyvoting.com/naii**

Use the Internet to vote your proxy. Have your proxy card in hand when you access the web site.

**OR**

**TELEPHONE**

**1-866-540-5760**

Use any touch-tone telephone to vote your proxy. Have your proxy card in hand when you call.

If you vote your proxy by Internet or by telephone, you do NOT need to mail back your proxy card.

To vote by mail, mark, sign and date your proxy card and return it in the enclosed postage-paid envelope.

**Your Internet or telephone vote authorizes the named proxies to vote your shares in the same manner as if you marked, signed and returned your proxy card.**

32235-1

q **FOLD AND DETACH HERE** q

Please mark your votes as indicated in this example X

**THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE ELECTION OF THE NOMINEES LISTED BELOW.**

| | **FOR ALL** | **WITHHOLD FOR ALL** | ***EXCEPTIONS** |
|---|---|---|---|

| | | | | |
|---|---|---|---|---|
| **1.** | Elect two Class 1 directors to serve until the next annual meeting of stockholders held to elect Class 1 directors and until such director s successor is elected and qualified; | •• | •• | •• |

01 Joe E. Davis
02 Mark A. LeDoux

**(INSTRUCTIONS: To withhold authority to vote for any individual nominee, mark the Exceptions box above and write that nominee s name in the space provided below.)**

*Exceptions

**THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR PROPOSAL 2.**

| | | FOR | AGAINST | ABSTAIN |
|---|---|---|---|---|
| **2.** | To ratify the selection of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending June 30, 2013; and | •• | •• | •• |

**3.** To transact such other business as may properly come before the meeting or any adjournment thereof.

The shares represented by this proxy when properly executed will be voted in the manner directed herein by the undersigned stockholder with respect to all shares of common stock of Natural Alternatives International, Inc. that the stockholder would be entitled to vote, if personally present, at the Annual Meeting of Stockholders. **If no direction is made, this proxy will be voted for the election of the nominees for Class 1 director and for Proposal 2.** If any other matters properly come before the meeting, the persons named will vote in their discretion.

Mark Here for Address Change or Comments ••

**SEE REVERSE**

**NOTE: Please sign as name appears hereon. Joint owners should each sign. When signing as attorney, executor, administrator, trustee or guardian, please give full title as such.**

Signature _____ Signature _____ Date _____

***You can now access your Natural Alternatives International, Inc. account online.***

Access your Natural Alternatives International, Inc. account online via The Investor ServiceDirect Website (ISD).

The transfer agent for Natural Alternatives International, Inc., now makes it easy and convenient to get current information on your stockholder account.

| | |
|---|---|
| View account status | View payment history for dividends |
| View certificate history | Make address changes |
| View book-entry information | Obtain a duplicate 1099 tax form |

***Visit us on the web at http://www.cpushareownerservices.com***

***For Technical Assistance Call 1-877-978-7778 between 9am-7pm***

***Monday-Friday Eastern Time***

***The Investor ServiceDirect Website***

***Available 24 hours per day, 7 days per week***

**TOLL FREE NUMBER: 1-800-370-1163**

Choose **MLink**[SM] for fast, easy and secure 24/7 online access to your future proxy materials, investment plan statements, tax documents and more. Simply log on to **The Investor ServiceDirect Website** at http://www.cpushareownerservices.com where step-by-step instructions will prompt you through enrollment.

**Important notice regarding the Internet availability of proxy materials for the Annual Meeting of Stockholders.** The Proxy Statement and the 2012 Annual Report to Stockholders are available at: **http://www.nai-online.com/proxy.php.**

q **FOLD AND DETACH HERE** q

**PROXY**

**NATURAL ALTERNATIVES INTERNATIONAL, INC.**

**Annual Meeting of Stockholders December 7, 2012**

**THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS OF THE COMPANY**

The stockholder whose signature appears on the reverse side hereby revokes all previous proxies, acknowledges receipt of the notice of annual meeting of stockholders to be held December 7, 2012 and the proxy statement, and appoints Mark A. LeDoux and Kenneth E. Wolf, or either of them, the proxy of such stockholder, each with full power of substitution, to vote, as designated on the reverse side of this proxy card, all of the shares of common stock of Natural Alternatives International, Inc. that the stockholder would be entitled to vote, if personally present, at the Annual Meeting of Stockholders to be held on Friday, December 7, 2012, at 11:00 a.m. Pacific time, at Natural Alternatives International, Inc., Vista Manufacturing Facility, 1215 Park Center Drive, Vista, California 92081, and at any adjournment or postponement thereof.

**This proxy, when properly executed, will be voted as specified. If no choice is specified, then this proxy will be voted for the election of the nominees for the Board of Directors shown on the reverse side and for each proposal.**

**Address Change/Comments**
**(Mark the corresponding box on the reverse side)**

SHAREOWNER SERVICES
P.O. BOX 3550
SOUTH HACKENSACK, NJ 07606-9250

**(Continued and to be marked, dated and signed, on the other side)** 32235-1