



SUPPLIER COMPLIANCE GUIDE – VERSION E

**FOR SUPPLIERS PROVIDING CONTRACT MANUFACTURING / PACKAGING
SERVICES FOR PURITAN'S PRIDE FINISH PRODUCTS**



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About The Nature's Bounty Co. and Puritan's Pride

The Nature's Bounty Co., together with its affiliates (collectively "Nature's Bounty"), is the leading vertically integrated manufacturer, marketer, distributor and retailer of a broad line of high-quality, value-priced vitamins, nutritional supplements and related products in the United States, with operations worldwide. Nature's Bounty has manufacturing facilities in Canada, the United Kingdom, and the United States and are able to produce and package capsules, tablets, powders and liquids under a number of well-known brands as well as private label brands.

Nature's Bounty offers products marketed under a portfolio of brands, including Nature's Bounty®, Puritan's Pride®, Holland & Barrett®, Sundown®, MET-Rx®, American Health®, SISU®, Solgar®, Ester-C®, Balance Bar® and other brands. In addition, Nature's Bounty enjoys long-standing relationships with several domestic retailers, including Wal-Mart, Costco, CVS, Sam's Club, Walgreens, Kroger and Target.

As an affiliate company of The Nature's Bounty Co., Puritan's Pride serves as Nature's Bounty's domestic e-commerce arm, allowing consumers to shop for nutritional supplements online at affordable prices.

Puritan's Pride principal executive offices are located at 4320 Veteran's Memorial Hwy., Holbrook, NY 11741 and its website is www.puritan.com.

Overview of this Guide

As an affiliate company of The Nature's Bounty Co., Puritan's Pride attributes much of its success to the suppliers that provide us with the highest quality materials, dedicated services, technical innovations, and competitive pricing.

We have developed this [Supplier Compliance Guide](#) (this "Guide") to provide approved suppliers of contract manufacturing and packaging services specific to Puritan's Pride finished goods (a.k.a. "**PP Finished Products**") with information about our expectations and practices. The content contained within the following pages provides our standards and requirements regarding delivery, receiving, invoicing, quality assurance and other relevant information. When and where applicable, we reserve the right to amend this Guide and post the most current version to our website at www.vendor.naturesbountyco.com/terms. This Guide, as amended, will be binding upon you if you choose to continue doing business with us after such posting. In the absence of a separate written, fully executed supply or vendor agreement between you and us, this Guide, together with each applicable purchase order we issue to you (each, a "Purchase Order"), constitutes the entire agreement between you and us, with respect to the purchase of **PP Finished Products** as described on the applicable Purchase Order.

Suppliers must comply with the procedures and requirements described herein to maintain their position as an 'approved' supplier, as we only conduct business with the most consistent and reliable of vendors. If you require clarification, or have questions about the guidelines and requirements herein, please contact Nature's Bounty's Supplier Management Office at SupplierManagement@nbt.com.

Puritan's Pride has always operated with an "Open Door Policy" for our approved suppliers. If, at any time, you feel that you are not being given a fair opportunity, or have a concern about our directions, please contact our General Counsel at (631) 200-2000, or our third-party anonymous hotline "Convercent" at 1-800-461-9330 - Company access code "NBTY", and provide us with your opinions and concerns.

Invoicing Guidelines

Inclusion of the following information as part of your invoice will help ensure prompt and accurate payment. If you have any questions, please contact our Accounts Payable department at (631) 244-2065 or nbap@nbt.com.

Please include the following information on all invoices:

1. Supplier Information:
 - Supplier Name
 - Address
 - City, State, Zip Code
 - Telephone and Fax Number
 - Email address
2. Payment Terms: As stated on the Purchase Order.
3. Puritan's Pride Purchase Order number
4. Invoice date/ship date
5. Unit Price: The unit cost on the invoice must not exceed the unit cost listed on the Purchase Order. We will not recognize any price increase after the Order Date stated on our Purchase Order.
6. Quantity
7. Puritan's Pride Part Number
8. Supplier Lot Number
9. Complete description of the Material purchased
10. Unit of Measure (UoM)
11. Supplier 'Remit To' Address
12. If you choose to receive payment via ACH wire transfer, please supply the following:
 - Bank Name
 - Branch Name
 - ABA routing Number
 - Bank Account Number
 - Email address for payment confirmation.

If you fail to provide the above information, our Accounts Payable department will issue a paper check.

Submission of Invoices

Suppliers should submit invoices either:

- electronically (via email at **nbap@nbty.com**); or,
- via mail to:

Puritan's Pride, Inc.
Attn: Accounts Payable
P.O. Box 9014
Ronkonkoma, NY 11779
(631) 244-2065

Vendor Routing Guidelines

Freight terms will be clearly indicated on our Purchase Order.

In instances where Nature's Bounty/Puritan's Pride will be responsible for shipping costs, shipments are to ship FOB Origin, Freight Collect and Nature's Bounty/Puritan's Pride will select the carrier.

If the shipment is less than 8 pallets or 10,000 pounds, supplier should ship via the preferred carrier referenced in the Nature's Bounty Inbound Route Guide, the most recent version of which is available at www.vendor.naturesbountyco.com/terms.

If the shipment is greater than 8 pallets or 10,000 pounds supplier should e-mail carrier requests to NBTYTRAFFIC@nbty.com. As part of your e-mail, please provide:

- Origin address
- Contact information
- Nature's Bounty PO#
- Pallet count
- Weight
- Ready date for pick up
- Destination address
- Any other relevant information

If you do not receive a response to your e-mail within 24 hours, please call (631) 200-5266.

Suppliers can reach our Corporate Logistics department at (631) 200-5266 or NBTYTRAFFIC@nbty.com, Monday through Friday, from 9:00 AM to 5:00 PM, Eastern time, excluding holidays.

Delivery Requirements

Puritan's Pride requires all suppliers of **PP Finished Products** to adhere to the following delivery requirements. If suppliers do not adhere to these requirements, we will be entitled to assess compensable surcharges for non-compliance.

Delivery Requirement #1: Packing List

Each shipment must be accompanied by a detailed Packing List and be delivered to the location specified on our Purchase Order unless we provide written instructions to do otherwise. Packing List should provide the following information:

- Puritan's Pride Purchase Order number
 - Puritan's Pride Part Number(s) sequenced by item #, suffix, and Description
 - Unit of Measure
 - Pallet Count and Quantity Breakdown
 - Total Quantity
 - Manufacturer's Name
 - Manufacturer's Lot Number
 - Distributor/Supplier Name (if different than manufacturer)
 - Expiration Date
-

Delivery Requirement #2: Master Case or Tray

Each master case or tray shipped to Puritan's Pride must be clearly marked with the following information:

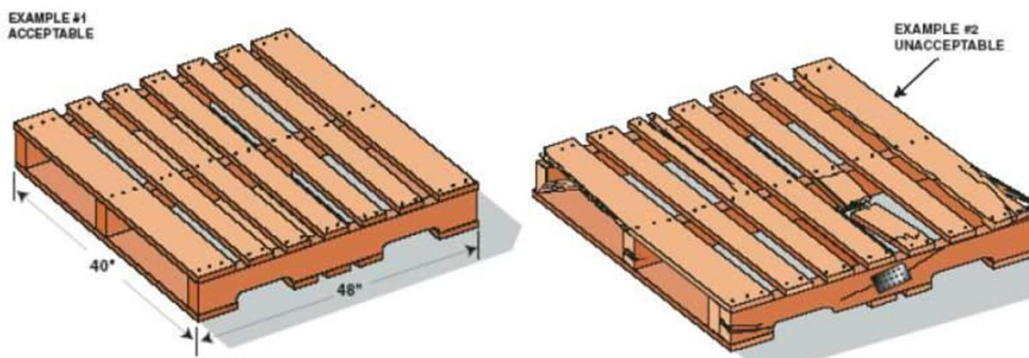
- Puritan's Pride Purchase Order number
 - Puritan's Pride Part Number(s), as listed on our Purchase Order
 - Quantity per master case, shipper, or carton
 - Manufacturer's Lot Number
 - Expiration Date
-

Delivery Requirement #3: Pallet Requirements

In lieu of a mutually agreed upon Packaging Specification, Puritan's Pride requires that all pallets shipped into Puritan's Pride facilities meet or exceed the following:

- 1) Pallets meet Grocery Manufacturer's Association (GMA) Grade "A" standards, including:
 - Dimension: 40" x 48"
 - Material: GMA, Group III or IV, hardwood, clean saw
 - Deck Coverage: Top Deck 63%; Bottom Deck 47%
 - Grade: Grade "A", 4-way, flush and non-reversible
 - Sound material, free of knots
 - Minimum seven (7) top boards, minimum five (5) bottom boards, and three (3) stringers
-

- 2) No missing or broken boards on top or bottom.
- 3) No double stringers, patched boards or metal repair plates.
- 4) All stringers are solid, not broken and/or having cracks visible from three sides and longer in run than one inch. Weathering cracks that are not continuous and not visible from three sides are allowable.
- 5) Pallets are not required to be bleached white but should be clean and odor free. Clean pallets are free of debris and stains, but discoloration due to aging is acceptable.
- 6) No cracks on the top or bottom boards greater than 1/8" wide and 15" inches in length.
- 7) No exposed splinters greater than 3" inches in length.
- 8) No tapered breaks with a depth greater than 1" inch along a 10" inch or more run. If at the 10" inch distance, the depth is less than 1" inch, the pallet is acceptable. The pallet is unacceptable if the 1" inch depth runs the entire length of the board.
- 9) Nail heads or nail points are not to exceed 1/8" exposure from the surface of the wood. Pallets will not be rejected because of exposed nails unless the top and bottom board surface between nail head and stringer has been destroyed.
- 10) No partial footings. Partial footings occur when 1/4 of a stringer board width or length that connects it to the bottom board has been removed or when securing nail shanks are exposed in the stringer.



Additionally...

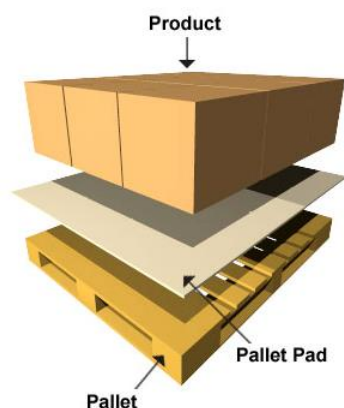
- Unless we agree in writing to vary from the below requirements, total pallet height maximums for all facilities **must not exceed 34"** with full cases only.
- Maximum weight on a single pallet must not exceed 2,400 pounds.
- There can only be one lot per item per skid and only one item per skid - no mixed pallets.
- Boxes must not hang off the sides of pallets.
- Pallets must not be double stacked without our prior written approval.
- Where applicable, all pallets must have a skid cover when delivered in open trays.
- All pallets must be shrink-wrapped and strapped completely to ensure stability during transit. The load must be secure and stable. Any shipment found to be tipped over or on the trailer floor may be rejected or a surcharge may be assessed to cover re-work costs.
- If the **PP Finished Products** are chemicals, a Material Safety Data Sheet (MSDS) must accompany the initial order.
- Pallet labels will conform to the sample identified as Exhibit A, and include the following information:
 - Supplier Name
 - Puritan's Pride Purchase Order Number
 - Puritan's Pride Part Number(s) and Suffix

- Product Description
- Expiration Date
- Manufacturer's Lot Number(s)

Delivery Requirement #4: Use of Slip-Sheets (Pallet Pad) on all Palletized Deliveries

Deliveries of **PP Finished Products** on a pallet(s) must include the use of a slip-sheet (pallet pad) to act as a barrier between the pallet and the bottom of the product (box, bag, barrel, etc.). Slip-sheet should adhere to the following (minimum) specifications:

Material: Recycled Chipboard
 Size: 40" x 48" and not over-lapping the pallet
 Gauge / Thickness: 22 point board



Delivery Requirement #5: Providing QA Samples

As part of each order, supplier agrees to:

- Pull six (6) representative samples from beginning (2 samples), middle (2 samples) and end (2 samples) of the production run and label the samples as “2 beg”, “2 mid” and “2 end”, respectively.
- Ship the representative samples along with the shipment and clearly identify the samples with a sticker stating “QA SAMPLES”.
- Ship the representative samples in an identical shipper case as of the lot shipment.
- Retain reserve samples in a manner that protects against contamination and deterioration.
- Retain enough reserve samples to conduct at least two (2) full specification analyses of the product (refer to QC testing specification) and keep said samples at least one (1) year past shelf life.
- Retain the reserve samples in the same container-closure system in which the packaged and labeled dietary supplement is distributed.
- Fill any empty volume of shipper case with proper packing material (i.e. packing peanuts) to avoid transportation damage.

Samples will be “no cost” samples and should not be counted as part of the Purchase Order ordered quantity.

Delivery Requirement #6: No Split or Partial Shipments

PP Finished Products should not be delivered in split or partial shipments. Please make arrangements with the delivering carrier to ensure that we receive all items shipped against open Purchase Order on the same business day.

Delivery Requirement #7: Delivery Shortages and Overages

Each shipment is subject to count and recount and must match against the Packing List. Puritan's Pride will not impose a surcharge for shortages. However, we will not pay for **PP Finished Products** that we do not physically receive. We will communicate shortage information to suppliers and we will 'short pay' invoices.

With regards to over shipment of **PP Finished Products**, at our option, we may elect to accept over shipments up to 10% of the originally ordered quantity or we may elect to return any/all unauthorized over shipments at supplier's expense.

Delivery Requirement #8: On Time Delivery

Specific to delivery of orders listing Freight Terms other than FOB Origin, Freight Collect...

If, for any reason, supplier expects a shipment against our Purchase Order to arrive outside the acknowledged delivery date window (-3 business days to +0 days from the delivery date specified on the Purchase Order), supplier must immediately inform our Purchasing department and the buyer identified on the Purchase Order by phone or email listed on our Purchase Order.

Any **PP Finished Products** more than thirty (30) days late from the last acknowledged promised date of Purchase Order will be considered cancelled unless Puritan's Pride approves this delay in writing.

Note: Should there be any questions about any terms or conditions on our Purchase Order, such as price, freight or payment terms, supplier must first advise the buyer of the issue by phone or email, note the issue on the Purchase Order and return the Purchase Order to the buyer by e-mail at least forty-eight (48) hours before scheduled delivery. We will return a Purchase Order, revised to reflect any changes we approve, by fax or e-mail. Generally, the Purchase Order number will not change. It is the supplier's responsibility to follow up with the buyer to be sure the supplier receives the revised Purchase Order.

If this policy is not followed, deliveries made under our Purchase Order constitute acceptance of all terms, dates, prices and quantities as stated on the original Purchase Order.

Procurement Policy

Nature's Bounty greatly values partnerships with our approved suppliers and strives to maintain and improve these relationships through best-in-class business practices and ethical standards. We are committed to conducting all aspects of our business affairs with the highest degree of professionalism, integrity and honesty. To that end, we have established guidelines for our employees (whom we refer to as "Associates"), consultants and partners with purchasing responsibilities.

All of our authorized Buyers and Category Managers are expected to make buying decisions, without prejudice, for the overall benefit of the company. We pride ourselves on being a culture where strong business analytics are leveraged and purchasing decisions are made on the basis of how our needs are best served. We regularly review purchasing requirements, inclusive of cost, and evaluate their competitiveness. Generally, if we determine that we can realize a greater benefit through a different supplier or product mix, we will notify our current supplier(s) that we are making a change.

We hold all our authorized Buyers and Category Managers to the highest professional standards and require that they conduct business in a professional and honest fashion. When working with our authorized Buyers and Category Managers our approved suppliers can expect the following.

Confidentiality

- We will treat all pricing, product specifications, strategic planning and proprietary information as confidential, and will not discuss this information with anyone other than authorized Associates, consultants and agents, or as may be required by law, regulations or legal process.
- Should you require a confidentiality agreement be in place before sharing information with Nature's Bounty, please contact our Supplier Management Office (at SupplierManagement@nbty.com) to receive our standard confidentiality agreement.

Appointments

- Our authorized Buyers and Category Managers will make every effort to be prompt and available at the scheduled time and location.
- We are sensitive to the time and expense that is involved with business travel, and, if the Buyer and Category Manager you are scheduled to meet with are unavailable for any reason, we will try to notify you at least thirty-six (36) hours before the scheduled meeting time.
- If we are unable to provide prior notice, another authorized Buyer or Category Manager will attend the scheduled meeting, but you may request a new meeting with the original individual(s) at a later date, if you prefer.

Ethics

- We hold all of our Associates to the highest standards of ethics and performance. All transactions with existing or prospective suppliers will be conducted in an honest and professional manner.
- We pride ourselves on prompt and accurate payment of all agreed upon invoices. Should you have a concern or question about payment, you should contact your authorized Buyers and Category Managers immediately. You can expect a prompt response to your communication.

Gift & Entertainment Policy

- Our Associates, regardless of their capacity, must comply with our Gift and Entertainment Policy.

- Under our Gift & Entertainment policy, when dealing with customers, partners, and/or Government Officials (as defined below), our Associates must ensure they offer, give, and receive gifts, provide meals or entertainment, and pay for travel only if it is of reasonable value, complies with the recipients' local laws and corporate regulations, is not given with any corrupt intent to improperly influence the person's actions or decisions, and is infrequent. "Government Official" means: (i) any official, officer, employee, or representative of (a) any federal, state, provincial, territory, county or municipal government or any department or agency thereof, (b) any public international organization or any department or agency thereof, or (c) any company or entity owned or controlled by any government; (ii) any political party or party official; and (iii) any candidate for political office.
- For purposes of our policy, a "gift" means any gift, gratuity, favor, benefit, discount, forbearance, or other tangible or intangible item having monetary value for which the recipient does not pay fair market value. A "gift" also includes meals, drinks, entertainment and recreation (tickets, passes, etc.), services, training, transportation, discounts, promotional items, lodging, gift cards or door prizes.
- If any of our Associates purchases merchandise directly from you for personal use, or for the personal use of the Associate's friend or relative, you must invoice the Associate at a price not less than established wholesale prices.
- If you become aware of an Associate requesting goods or services for personal gain or consideration in violation of our Gift & Entertainment policy, you are obligated to report this directly to our senior management by contacting our Office of General Counsel at (631) 200-2000, or to the third-party anonymous hotline "Convercent" at 1-800-461-9330 - Company access code "NBTY". Your violation of this policy can result in your being barred from future business dealing with Nature's Bounty. Associate violation or abuse of this policy may result in the Associate's immediate termination.
- We believe this policy supports our mission to deliver the highest quality nutritional supplements with the best value to our customers.

Labor Law Compliance

- We only do business with Suppliers that comply with wage and hour laws, rules and regulations of the countries in which they do business.
- We only do business with Suppliers that comply with the child labor laws, rules and regulations of the countries in which they do business.
- We only do business with Suppliers that comply with the laws, rules and regulations regarding slavery and human trafficking of the countries in which they do business.
- We expect our Suppliers to require that the contractors and subcontractors with whom they do business also comply with wage and hour, child labor, and slavery and human trafficking laws, rules and regulations of the countries in which they do business.

Nature's Bounty shall abide by the requirements of 41 CFR 60-300.5(a). This regulation prohibits discrimination against qualified protected veterans, and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified protected veterans."

Nature's Bounty shall abide by the requirements of 41 CFR 60-741.5(a). This regulation prohibits discrimination against qualified individuals on the basis of disability, and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified individuals with disabilities.

If you learn of any violation of this Purchasing Policy, report it to our General Counsel at (631) 200-2000, or to the third party anonymous hotline "Convercent" at 1-800-461-9330 - Company access code "NBTY".

Standard Terms and Conditions

1. **Complete Agreement.** In the absence of a specific written, fully executed, supply or vendor agreement between you and us governing the purchase of contracted manufacturing / packaging services for **PP Finished Products** ("Master Agreement"), this Guide, together with each Purchase Order, constitutes the entire agreement between you and us, with respect to the purchase of contracted manufacturing / packaging services for **PP Finished Products** as described on the applicable Purchase Order. In the event that a Master Agreement exists, if the terms and conditions agreed to as part of the Master Agreement conflict with any terms or conditions contained in this Guide, then, with respect to such conflict, the terms and conditions contained in the Master Agreement shall take precedence over those listed in this Guide. No terms or conditions of sale set forth in your quotation, order, invoice, or sales acknowledgment, or in any other document or conversation constitute any part of the agreement between you and us concerning our purchase unless we expressly agree to those terms in a writing signed by an officer of Nature's Bounty. This Guide governs all past and future transactions between you and us, unless we provide additional or different terms and conditions, in which event those additional terms and conditions will govern if you choose to sell us goods or services after the effectiveness of such terms. Your proceeding in any way with the transactions or deliveries contemplated by the Purchase Order, including acknowledging and accepting an order, or your partial or complete delivery of goods to us, constitutes your acceptance of these terms and conditions.

2. **Payments; Set-Off.** Upon submission of proper invoices in accordance with this Guide, we will pay the prices specified in the Purchase Order for goods and/or services delivered and accepted. We will not allow any additional fees or charges of any kind, including charges for boxing, packing or crating, unless we specifically agree to these fees in writing in advance. Unless agreed to in writing otherwise, we will pay invoices under our standard payment terms after the later of (i) the date we accept the goods, and (ii) the date we receive a proper invoice for the goods in question, unless otherwise provided in the Purchase Order. We have the right (but not the obligation) to set off our claims (liquidated or unliquidated) against payments you claim we owe you or anyone else under the Purchase Order, whether or not the claims arise from the Purchase Order. You represent and warrant to us that no sales tax or use tax is included in the selling price, and, to the extent applicable, you will charge tax as a separate line item and cooperate with us to obtain available tax exemptions. Except as provided above, you further represent that the price in the Purchase Order includes all foreign, federal, state and local taxes. We will not incur interest or late charges on payments for shipments that are subject to dispute.

3. **Delivery, Inspection and Quality Control.**

(a) **Deliveries.** All deliveries will be in accordance with the Freight terms and lead times indicated on the Purchase Order and in accordance with guidelines referenced in this Guide.

(b) **Inspection and Quality Control.**

- i. **Financial Audit.** Supplier shall keep and maintain proper records and books of account relating to the determination of its pricing of **PP Finished Products**, and shall retain such records and books for at least five (5) years following the last date on which we purchase such **PP Finished Products** from you. Supplier shall, upon request of Nature's Bounty, provide Nature's Bounty with reasonable access to such records to verify the supplier's calculation of price. If the audit reveals that pricing charged to Nature's Bounty was in excess of what should have properly been charged, supplier shall, within

fifteen (15) calendar days reimburse Nature's Bounty for the overcharge revealed by such audit, plus interest at a rate of five percent (5%) per annum or the maximum then permitted by applicable law, whichever is less, from the payment of the overcharge until reimbursed by supplier. In addition, if the overcharge is greater than five percent (5%), the supplier shall also reimburse Nature's Bounty for out-of-pocket costs of the audit, including the fees and expenses of the independent auditor. Amounts to be reimbursed to Nature's Bounty shall be paid in immediately available funds on demand from Nature's Bounty or through Nature's Bounty offset against any amounts owed by Nature's Bounty to supplier.

- ii. **Regulatory Authority Inspections and Communications.** Supplier shall notify Nature's Bounty by telephone immediately, and in writing within twenty-four (24) hours after learning of any proposed or unannounced audit, visit or inspection of its facility by any regulatory authority concerning the Finished Products & Bulk or related to supplier's systems, equipment, materials, and/or processes that may impact supplier's ability to manufacture Finished Products & Bulk in accordance with this Guide and any applicable law, ruling, regulation, act and order. When the inspection is directly related to the Finished Products & Bulk, supplier shall permit Nature's Bounty and its respective representatives and agents to be present and participate in such visit or inspection, to the extent reasonably practicable.
- iii. Supplier will immediately notify Nature's Bounty and forward, not later than twenty-four (24) hours after receipt, written copies of any documents, reports, correspondence and notices from any regulatory authority relating to the Finished Products & Bulk or related to supplier's systems, equipment, materials, and/or processes that may impact supplier's ability to manufacture Finished Products & Bulk including (A) audits or requests for audits of its facility or any other facility at which Finished Products & Bulk is manufactured, (B) inspectional observations (Form FDA 483s), (C) warning letters, (D) recall notices, and (E) any other correspondence, report or other written document that relates directly, or may reasonably be expected to relate, to the foregoing or the Finished Products & Bulk, any equipment, materials or manufacturing process used in the manufacture of the Finished Products & Bulk, or any other written communication that may reasonably have an impact on the ability of Supplier to manufacture the Finished Products & Bulk. Supplier shall consult with Nature's Bounty concerning Supplier's response to each such communication that relates directly to the Finished Products & Bulk, the facility, or any equipment, materials or manufacturing process used in the manufacture of Finished Products & Bulk, and shall provide Nature's Bounty with a copy of all draft and final responses to the regulatory authority for review, comment and approval as soon as possible and not less than five (5) business days prior to Supplier's submission thereof (or such shorter time if necessitated by then applicable circumstances). Nature's Bounty shall provide its comments and approval as soon as reasonably practicable following receipt of Supplier's proposed submission, but in any event within five (5) business days (unless a shorter time is necessitated by then applicable circumstances).
- iv. **Observation and Quality Inspections by Nature's Bounty.** Supplier shall, upon the request of Nature's Bounty, provide Nature's Bounty with reasonable access to its facility to permit Nature's Bounty and its representatives and agents to observe the

manufacturing of **PP Finished Products**. In addition, Nature's Bounty and its representatives and agents shall have the right to conduct quality audits of the facility from time-to-time, either directly or through a third party auditor, during regular business hours upon reasonable prior notice to Supplier. The costs of such audit shall be borne by the Supplier. The right to such audit includes the right to inspect (a) the materials, (b) the storage facilities for the materials and any **PP Finished Products** inventory, (c) the equipment, (d) all records relating to the manufacture of the **PP Finished Products** and the facility (copies of which records may be retained by Nature's Bounty for post-inspection review and reference), and (e) such other items as may be specified in this Guide. Supplier shall have the right to be present during the inspection and shall in any event cooperate with Nature's Bounty's inspectors and will provide Nature's Bounty and its representatives and agents with copies of all documents and records that Nature's Bounty reasonably requests to perform its quality assurance inspections. Following any inspection, Nature's Bounty shall discuss its observations and conclusions with Supplier, and Supplier shall, within sixty (60) days or such other time mutually agreed to in writing by the parties, implement such corrective actions as the parties reasonably determine to be necessary.

- v. **Quality Inspections by Supplier.** You, or a third party engaged on your behalf, as well as any lower-tier suppliers, will conduct your own quality control inspections and testing on the **PP Finished Products** in accordance with the highest industry standards. You will provide us with the results of any such inspections or tests before delivery of the **PP Finished Products**. In addition, if you engage a third-party to inspect or test such **PP Finished Products**, or such inspection is performed by a lower-tier supplier, you will confirm that such third-party, or such supplier, maintains all reasonable facilities and a quality control systems for such testing and inspection in accordance with the highest industry standards and satisfactory to us.

- (c) **No Liability.** We are not responsible for any liabilities you incur in connection with **PP Finished Products** you manufacture to designs we do not provide or by a process or method unless we specifically direct its use.

4. **Rejected PP Finished Products.** We, or our agents, will conduct a final inspection and accept or reject **PP Finished Products** at our facility designated for delivery, notwithstanding any prior payment, inspection or acceptance. We may reject, and hold at your expense, all **PP Finished Products** that (i) fail our inspection, (ii) do not conform to the Purchase Order, (iii) do not conform to our specifications, or (iv) do not conform to the terms of this Guide. Without limiting any of our other rights, we, at our sole discretion, may: (i) require you to replace, at your expense, any rejected **PP Finished Products**; or (ii) require you to refund the price of any rejected **PP Finished Products**. You may not retender rejected **PP Finished Products** unless you notify us, in advance, of such past rejection and we consent in writing to such retender. The inspection and testing by us or our customers or agents of any items or lots thereof does not relieve you from any liability arising from any failure to conform to the requirements of the Purchase Order or this Guide.

5. **Representations and Warranties.** Supplier hereby makes the following representations and warranties with respect to this Guide, each Purchase Order and the **PP Finished Products** delivered to us, which representations and warranties will be deemed to be repeated and confirmed upon the creation of any new Purchase Order and the delivery of **PP Finished Products** pursuant thereto.

- (a) The **PP Finished Products** shall strictly conform to any product formulation, label and packaging specifications, and other product specifications provided by Nature's Bounty or otherwise expressly agreed upon by the parties in writing (the "Specifications").
- (b) The **PP Finished Products** shall be manufactured and packaged in a FDA approved manufacturing facility with all required permits, licenses and authorizations, and shall be manufactured and packaged in a manner which complies with the Specifications and all applicable laws, rules and regulations including, without limitation, cGMP regulations,
- (c) The **PP Finished Products** shall be manufactured, packaged and delivered in accordance with all applicable industry standards, laws and regulations including, without limitation, cGMP regulations.
- (d) The **PP Finished Products** are free of defect and contamination and none are adulterated or misbranded within the meaning of the Federal Food, Drug and Cosmetic Act (as the same may be amended from time to time) (the "Act"), or within the meaning of any applicable federal, state or municipal law within which the definitions of adulteration or misbranding are substantially the same as those contained in the Act and are not articles which, under the provisions of Section 404, 505 and 512 of the Act, may not be introduced into interstate commerce, in each case as in effect at the time such goods are shipped to us.
- (e) If supplier is responsible for the design or formulation of the **PP Finished Products**, supplier represents that the **PP Finished Products** are fit and sufficient for our intended purposes. Our approval of designs or formulations furnished by supplier will not relieve supplier of its obligations under this warranty.
- (f) The **PP Finished Products** are free and clear of any security interest or other lien or encumbrance or adverse claim of any kind and the transfer to us is rightful.
- (g) The **PP Finished Products** were produced or provided in compliance with all applicable requirements of the Fair Labor Standards Act (as the same may be amended from time to time) or any successor thereto, and in accordance with all regulations and orders of the United States Department of Labor issued under that act.
- (h) The **PP Finished Products** were produced, or provided, in full compliance with the regulations and orders of the administrator of the Wage and Hour Division issued under that act and the United States Occupation Safety and Health Act of 1970 (as the same may be amended from time to time) or any successor thereto, and the regulations and orders under that act, in each case as in the effect at the time the goods are shipped to us.
- (i) The **PP Finished Products** were produced, or provided, in full compliance with the laws regarding slavery and human trafficking of the country or countries of their manufacture.
- (j) All **PP Finished Products** comply with all foreign, federal, state and local laws, rulings, regulations, acts and orders, including the Federal Insecticide, Fungicide and Rodenticide Act, the Federal Caustic Poison Act, all import laws and regulations of the US or any political subdivision thereof and all export laws or regulations of any foreign government or any political subdivision thereof (as the

same may be amended from time to time) or any successor thereto, in each case as in effect at the time such goods are shipped to us.

- (k) Neither the sale or use of any **PP Finished Products** that were manufactured to designs we did not provide, nor the use of such process or method we did not specifically direct, infringes upon any intellectual property rights, including all US and foreign patents, copyrights, trademarks, trade names or any proprietary interest granted or recognized by the US or any other foreign government, the statutes or the common law of the US, any political subdivision thereof or any foreign jurisdiction.
- (l) The packaging, labeling, and shipping of all containers of hazardous substances and goods constituting a potential health, poison, fire or explosion hazard conform with all applicable foreign, federal and state laws and regulations in effect at the time such goods are shipped to us.
- (m) The **PP Finished Products** have been and may be legally transported and sold under the provisions of any applicable federal, state or municipal law.
- (n) The **PP Finished Products** have been exposed to only those chemicals or sprays approved by federal, state and municipal authorities, and any residue in excess of the amount allowed by any such authorities has been removed therefrom.
- (o) The **PP Finished Products** are not subject to The Safe Drinking Water and Toxic Enforcement Act of 1986, as amended, promulgated by the State of California (commonly known as "Proposition 65").
- (p) Supplier is duly qualified to do business and is in good standing in each jurisdiction in which such qualification is required; supplier has the full right, power and authority to perform its obligations under this Guide and each Purchase Order; supplier has complied, and will comply, with all applicable laws, rulings, regulations, acts and orders as they relate to the performance of supplier's obligations under this Guide and each Purchase Order; the performance of supplier's obligations under this Guide and each Purchase Order will not violate, conflict with, require consent under or result in the breach of or default under any material agreement of supplier.

6. **Changes.** At any time, by written notice from our authorized representative, and without notice to sureties or assignees, we may change the general scope of the Purchase Order in any one or more of the following categories: (i) specifications or descriptions, (ii) method of shipping or packing, (iii) place of inspection, delivery or acceptance, and (iv) delivery schedule. If any change causes an increase or decrease in the cost of, or the time required for, the performance of any part of the work under the Purchase Order, either supplier or we may request an equitable adjustment in the price, delivery schedule or both within 30 days from the date of that change. The request for adjustment must be accompanied by an estimate of charges for redundant material, work in process, or both. We will have the right to prescribe the manner of disposition of such redundant material. Nothing contained in this section will relieve supplier from proceeding without delay in fulfilling the Purchase Order as changed within the general scope of the Purchase Order.

7. **Assignment and Subcontracting.** Supplier may not delegate or assign the Purchase Order nor any duty or right thereunder (including the right to receive monies) without our prior written consent, which we may withhold at our sole discretion. Notwithstanding the foregoing, claims for monies due or to become due under this Purchase Order may be assigned by you to a bank, trust company or other financing institution,

including any federal lending agency, without our prior written consent. Supplier must furnish us with two (2) signed copies of any such assignment. Payment to an assignee of any such claim will be subject to setoff or recoupment for any present or future claims we may have against you, or adjustments in price under the terms of the Purchase Order notwithstanding any assignment of claims for monies due or to become due hereunder and without notice to the assignee. Supplier will not subcontract the Purchase Order, any portion thereof, or any of your obligations under this Guide, without our prior written consent.

8. **Cancellations and Terminations.** We may terminate a Purchase Order, verbally or in writing, with or without cause, in whole or part, at any time, upon notice to supplier, except for **PP Finished Products** already delivered and accepted. For any Purchase Order cancelled without cause, Nature's Bounty will be responsible for all **PP Finished Products** and any unique raw material or packaging purchased by you, prior to such cancellation, for the purpose of fulfilling such cancelled Purchase Order.

9. **Use of Property and Data.**

- (a) All information we supply to you in connection with the purchase of the **PP Finished Products**, including product formulations, pricing, intellectual property (trademarks, artwork, patents copyrights etc.) and all proprietary rights embodied therein, are and will remain our property. Supplier may not use this information for any purpose other than performing your obligations to us. Supplier will not disclose any such information to any Person, including your suppliers, without our prior written consent. If you are required to furnish information to your suppliers for procurement of supplies necessary to the manufacture or delivery of the **PP Finished Products**, you will insert the substance of this provision in your order to your supplier. Supplier agrees to return to us all information we supply to you upon request. Supplier will not issue any news release, public announcement, denial or confirmation relating to us or our Purchase Order without our prior written approval that we may withhold in our sole discretion.
 - (b) Supplier will furnish all dies, tools, jigs, patterns, equipment, material, and other items specifically developed for and used in the manufacturing of the **PP Finished Products** covered by the Purchase Order (the "Special Tooling"). Supplier will keep all Special Tooling in good condition and in compliance with all local, state, federal and foreign rules, laws and regulations. Supplier will replace all Special Tooling when necessary, without expense to us. If any portion of the cost of Special Tooling is included in the price of the **PP Finished Products**, at our election, we will be entitled to become the owner and take possession of any or all of such Special Tooling or direct the disposal of such Special Tooling. In that event, we will reimburse supplier for the unpaid amount of your cost of the Special Tooling, if the price stated on the Purchase Order includes separately the cost of any Special Tooling.
 - (c) Supplier will be liable for any loss or destruction or damage to any tooling, article, material or other property furnished to you by us in connection with this Purchase Order. Supplier will be responsible for returning any such tooling, article, material or other property in as good condition as when you received it, except for reasonable wear and tear. Such property will be plainly marked to show that it is our property and will be safely stored apart from all other property. All such tooling, articles, materials or other property will remain our property, unless otherwise expressly provided in writing.
10. **Indemnification.** Supplier agrees to indemnify us and our affiliates, and our and each of our affiliate's respective employees, shareholders, officers, directors, customers, agents and attorneys (collectively, the "Nature's Bounty Indemnified Parties") and hold each Nature's Bounty Indemnified

Party harmless against any loss, cost, damage, expenses or liability paid or incurred by such Nature's Bounty Indemnified Parties (including all costs of defense and attorneys' fees and other professional fees and including all investigative costs and all indirect and consequential damages) arising from or relating to, directly or indirectly, any of the following: (i) your breach of any terms of this Guide, any Purchase Order, an applicable Quality Guide or Quality Agreement or a Master Agreement, including without limitation, the breach of any representations and warranties therein; (ii) claims by any of your subcontractors or suppliers, (iii) any product liability (including bodily injury and property damage), quality control issues, directly or indirectly, relating to the manufacturing or packaging **PP Finished Products** or your failure to comply with the Specifications or applicable laws, rules and regulations; (iv) your negligent act or omission, or that of your employees, agents or contractors; or (v) your infringement of any patents, copyrights, trademarks, trade names, trade dress or any other intellectual property rights of a third party relating to the **PP Finished Products**. We will notify supplier of any claim against any Nature's Bounty Indemnified Party, if that party intends to seek indemnification from you. We will control the defense and related settlement negotiations relating to any such claim, provided that we have the right to request at our full discretion that supplier lead or control the defense. Supplier will cooperate with us in the preparation of such defense and negotiations.

11. **Intellectual Property Rights.**

- (a) If the Purchase Order provides for payment for any research or development work, any data, patents, patentable information or other intellectual property arising out of the work called for by the Purchase Order or related thereto or done with the understanding that the Purchase Order would be awarded will be deemed a "work made for hire" for the sole and exclusive benefit of Nature's Bounty and will be our property. You represent and warrant that the price for the **PP Finished Products** includes such intellectual property and has not been, and will not be, increased as a result of this provision.
- (b) Supplier will not furnish any exclusive **PP Finished Products** made according to our own formulation or specifications to any other Person without our prior written consent, which we may withhold in our sole discretion. Where the **PP Finished Products** are formulated to our formulation or specification, we own all of the intellectual property arising out of such formulation or specification.
- (c) Supplier hereby grants Nature's Bounty a non-exclusive perpetual royalty free license to use trademarks, copyright materials and patents associated with all advertising, marketing and other materials associated with any goods or services that include **PP Finished Products** purchased from supplier.

12. **Relationship.** Supplier's relationship to us is that of an independent contractor. Supplier agrees that neither it nor any other persons furnishing material or performing services required by the Purchase Order are employees of Nature's Bounty. You hereby acknowledge and agree that we may sell, advertise and distribute the **PP Finished Products** by all means of distribution (including via direct marketing, network marketing, retail sales, internet and catalog), in each case without identifying you as the provider of such **PP Finished Products**.

13. **International Shipments.** If supplier ships **PP Finished Products** to us from outside the US, supplier must ship under DDP, as defined in the Incoterms® 2010 rules. This means that supplier is responsible for (i) the arrangement and cost of international freight, U.S. delivery, and insuring goods in transit; (ii) the entry of

the goods into the United States and all regulatory requirements of U.S. Customs and Border Protection and any other U.S. governmental authority having jurisdiction over your **PP Finished Products**; (iii) freight forwarding and customs brokerage costs; and (iv) payment of all customs bonds, duties and fees. We will not serve as importer of record for the import of your **PP Finished Products**, and we will not accept freight-collect shipments. The unit cost for your **PP Finished Products**, as it appears on our Purchase Orders, must include all freight, insurance and entry costs. If supplier is unable to comply with these requirements, please contact the Buyer listed on the Purchase Order immediately to discuss potential alternative terms of sale, which may be offered at our sole discretion.

14. **Waiver; Severability.** Our failure to insist on strict performance of any of the terms of the Purchase Order or this Guide, or to exercise any rights conferred, will not be construed as a waiver of our rights to assert or rely on any such terms or rights on any future occasion. Our rights and remedies under this Guide are not exclusive, but in addition to any other rights or remedies provided by equity, law or under the Purchase Order or under a Master Agreement, if any. If any term or provision of this Guide, or any Purchase Order, is held invalid or unenforceable, the remainder of this Guide and such Purchase Order, and any other application of such term or provision, will not be affected thereby.

15. **Disputes and Remedies; Governing Law and Venue.** The Purchase Order, this Guide and the transactions contemplated hereby and thereby will be governed by New York law, without regard to its principles of conflicts of law, and all legal proceedings with respect thereto must be commenced in the New York State Courts sitting in Suffolk County, New York. In any legal proceeding, Nature's Bounty is entitled to recovery of reasonable attorneys' fees and expenses consistent with Section 10 above. In addition to the provisions set forth in this Guide, the provisions of the Uniform Commercial Code of the State of New York (as amended from time to time), and all warranties, express or implied, included therein and any other applicable law or regulation, will apply to this Guide and the **PP Finished Products** covered by the Purchase Order furnished to supplier.

16. **Equal Employment Opportunity.** Supplier will comply with all provisions of Executive Order 11246 or by rule or order of the Secretary of Labor, or as otherwise provided by law. Supplier will comply with the provisions of Section 503 of the Rehabilitation Act of 1973, Title 1 of the Americans with Disabilities Act of 1990 and the Vietnam Era Veterans' Readjustment Assistance Act of 1974.

17. **Labor Disputes.** Supplier must immediately give us written notice of and relevant information relating to any actual or potential labor dispute that may delay or threatens to delay performance hereunder. Supplier agrees to include this Section 17 in all subcontracts issued in connection with its performance hereunder.

18. **Anti-Corruption Policy.**

- (a) In connection with you providing us with the **PP Finished Products** pursuant this Guide and each applicable Purchase Order, and any related agreement or activity:
 - i. You agree and understand that you shall comply with all applicable anti-bribery laws and regulations, including the United States Foreign Corrupt Practices Act, and all other applicable laws dealing with bribery, extortion, and kickbacks (collectively, "Applicable Anti-Corruption Laws");

- ii. You represent and covenant that you have not offered and will not offer, directly or indirectly, any illegal bribe, kickback, or other improper or illegal payment to any person;
 - iii. You represent and covenant that no payments of money or anything of value have been or will be corruptly offered, promised, paid, or authorized, directly or indirectly, to any Government Official for purpose of: (A) influencing any act or decision of the Government Official in his or her official capacity; (B) inducing the Government Official to do an act in violation of a lawful duty; or (C) inducing the Government Official to use his or her influence with a government or instrumentality thereof, in order to assist you or Nature's Bounty in obtaining or retaining business or securing any improper advantage, in connection with any business venture, contract, or agreement in which Nature's Bounty is a participant;
 - iv. You represent and covenant that you have not made and will not make or permit any off-the-books accounts, inadequately identified transactions, recording of non-existent expenditures, entry of liabilities with incorrect identification of their object, or the use of false documents;
- (b) Upon our request, you shall execute the Certification of Anti-Corruption Compliance, the latest version that we provide to you.
- (c) From time-to-time upon our reasonable request, in connection with the **PP Finished Products** you provide to us pursuant this Guide and each applicable Purchase Order, you agree to make your applicable books and accounting available to us for our (or our designated representative's) review in connection with your compliance with the Applicable Anti-Corruption Laws.

19. **Notification.** In addition to the other notification obligations set forth in this Guide, including Section 3(b) of this Guide, the Quality Guides and the Quality Agreement (if applicable), supplier shall promptly notify Nature's Bounty, in writing, of (a) any and all events that had or may have a material adverse effect on supplier's business or financial condition, (b) any lease or exchange of a material portion of supplier's assets, (c) any change in Control (as defined below), and (d) the breach of any material obligations of supplier to its creditors. "Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of supplier, whether through the ownership of voting securities, by contract or otherwise.

20. **Construction.** Unless the context of this Guide otherwise requires, (i) words of any gender include each other gender; (ii) words using the singular or plural number also include the plural or singular number, respectively; (iii) the term "hereof," "herein," "hereby" and similar or derivative words refer to this entire Guide; (iv) the term "paragraph" or "section" refers to the specified paragraph or section of this Guide; (v) the term "Exhibit" refers to the exhibits to this Guide; (vi) this Guide will be deemed to have been drafted by the parties equally; (vii) the word "or" will be deemed to include both its disjunctive and its conjunctive meaning; (viii) the term "including" and similar or derivative words will be deemed to be followed by the words "without limitation," and (ix) the word "Person" means any natural person, corporation, limited liability company, partnership, joint venture, association, company, trust, bank or similar financial institution, other entity, government, agency, and political subdivision of a government. Whenever this Guide refers to a number of days, that number will refer to calendar days unless business days are specified. As used herein, (a) "business day" means any day other than Saturday, Sunday or any day on which banks located in New York City are authorized or obligated to close, and (b) "affiliate" means, with respect to any person or entity,

any other person or entity that controls, is controlled by, or is under common control with, such person or entity.

21. **Notices.** Unless otherwise noted in this Guide, all notices or other communications provided for or permitted herein will be in writing, and delivered by nationally recognized overnight courier, such as FedEx, to the party entitled or required to receive the same, at the address first set forth in the Introduction with respect to us, such address specified in the Purchase Order with respect to supplier or such other address as either party may designate by written notice given pursuant to this section. All notices and other communications will be deemed given on actual delivery, or first attempted delivery if delivery is refused by the intended recipient.

22. **Non-solicitation.** For so long as you provide us with **PP Finished Products** pursuant to the terms of this Guide, supplier agrees to not directly or indirectly solicit, induce, recruit, encourage or otherwise endeavor to cause or attempt to cause any employees or consultants of Nature's Bounty or its subsidiaries to terminate their relationship with Nature's Bounty or its subsidiaries, as applicable; provided, however, that nothing in this paragraph shall prohibit the use of a general solicitation in a publication or by other means.

Nature's Bounty Supplier Quality Questionnaire

Being that Puritan's Pride is an affiliate company to The Nature's Bounty Co., Nature's Bounty's Quality Assurance organization requires that suppliers providing contract manufacturing and/or packaging services for **PP Finished Products** complete our **Nature's Bounty Supplier Quality Questionnaire** as a requirement of doing business with Nature's Bounty, and thereby comply with Good Manufacturing Practices (GMP).

Please note that the Nature's Bounty Supplier Quality Questionnaire is a stand-alone document separate from this Guide, the latest version of which is posted at www.vendor.naturesbountyco.com/terms.

Disclosure of Manufacturer Information (for Distributors or Brokers of Finished Products)

Distributors or brokers of **PP Finished Products**, at the request of Puritan's Pride, must provide information relevant to the manufacturer of the **PP Finished Products** being provided, including manufacturer company name, address (including Country of Origin), contact information (phone and email) as well as manufacturer's part number specific to the **PP Finished Products** provided. Failure to comply with such request for manufacturer information may result in the loss of 'approved supplier' status. Please reference the **Nature's Bounty Supplier Quality Questionnaire** for more detailed manufacturer information required by Nature's Bounty.

Nature's Bounty's Supplier Onboarding, Qualification and Risk Screening Program

All suppliers of **PP Finished Products** are required to participate in Nature's Bounty's Supplier Qualification and Risk Screening process, which includes a nominal annual enrollment fee. For more information about Nature's Bounty's Supplier Onboarding Program, inclusive of the Supplier Qualification and Risk Screening process, please contact Nature's Bounty's Supplier Management Office at SupplierManagement@nbt.com or visit <http://nbt.globalrms.com/>.

Exhibit A: Pallet Label

Supplier Name	
Purchase Order #	
Puritan's Pride Part #	
Product Description	
Manufacturer's Lot #	
Expiration Date	
Pallet #	_____ of _____

Supplier Acknowledgement (Signature Required)

As an authorized representative of my company (which is referred to in the Supplier Compliance Guide as “you” or “supplier”), I acknowledge that I have read and understand the expectations of Puritan’s Pride as well as the practices to be followed by suppliers as described within this Supplier Compliance Guide, and that I am authorized to sign this Supplier Compliance Guide on behalf of my company. I also understand that non-compliance to these guidelines and requirements may result in the assessment of compensable surcharges to my company as well as the potential loss of ‘approved’ supplier status with Puritan’s Pride, Inc. and its affiliates. By signing below, supplier acknowledges its agreement with and its acceptance of this Supplier Compliance Guide.

Company (Supplier) Name: _____

Signature of Authorized Supplier Representative: _____

Printed Name: _____

Title: _____

Phone Number: _____

Email: _____

Date: _____

If you have any questions/comments/concerns regarding this Supplier Compliance Guide, please feel free to reach out to our Supplier Management Office at **SupplierManagement@nbty.com**.

PLEASE RETURN THIS COMPLETED SUPPLIER ACKNOWLEDGMENT TO NATURE’S BOUNTY AND RETAIN A COPY FOR YOUR RECORDS.