



## **SUPPLIER COMPLIANCE GUIDE – VERSION A**

**FOR SUPPLIERS, MANUFACTURERS, BROKERS OR DISTRIBUTORS OF  
RAW MATERIALS AND PACKAGING COMPONENTS (COLLECTIVELY “MATERIALS”)**



**VERSION EFFECTIVE DATE: NOVEMBER 1, 2017**

## Table of Contents

About The Nature's Bounty Co. ....	4
Overview of this Guide.....	4
Invoicing Guidelines .....	5
Vendor Routing Guidelines .....	6
Delivery Requirements.....	7
Delivery Requirement #1: Packing List .....	7
Delivery Requirement #2: Pallet Requirements .....	7
Delivery Requirement #3: Use of Slip-Sheet (Pallet Pad) on all Palletized Deliveries .....	9
Delivery Requirement #4: No Split or Partial Shipments .....	9
Delivery Requirement #5: Delivery Shortages and Overages .....	9
Delivery Requirement #6: Return/Disposal of Defective, Non-Compliant or Unusable Materials ....	10
Delivery Requirement #7: On Time Delivery .....	10
Quality Assurance Requirements.....	11
QA Requirement #1: Inspection.....	11
QA Requirement #2: Specifications .....	11
QA Requirement #3: Certificates of Analysis (CoA) for Raw Materials .....	11
QA Requirement #4: Certificate of Compliance (CoC) for Packaging Components.....	12
QA Requirement #5: Fill Weight Verification for Raw Materials .....	13
QA Requirement #6: Supplier Corrective Action Response/Report (SCAR) .....	13
QA Requirement #7: Good Manufacturing Practices (GMP) .....	14
QA Requirement #8: Non-Acceptance of Materials on FDA Hold .....	14
QA Requirement #9: Allergen Control .....	14
QA Requirement #10: Bisphenol A (BPA) Absence Continuing Guarantee .....	15
Additional QA Requirements .....	15
EU, Kashrut (Kosher) or Halal Compliance.....	15
Material Shelf Life .....	15
Procurement Policy.....	16
Confidentiality.....	16

Appointments .....	16
Ethics .....	16
Gift & Entertainment Policy .....	16
Labor Law Compliance .....	17
Standard Terms and Conditions.....	18
Nature's Bounty's Minimum Levels of Insurance Coverage .....	28
Nature's Bounty Supplier Quality Questionnaire .....	29
Supplier's Oversight of HBE Supply Chain (for suppliers of Herbal and Botanical Extracts) .....	29
Disclosure of Manufacturer Information (for Distributors or Brokers of Materials).....	29
Nature's Bounty's Supplier Onboarding, Qualification and Risk Screening Program.....	30
Exhibit A: Pallet Label.....	30
Supplier Acknowledgement (Signature Required).....	31

## About The Nature's Bounty Co.

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, 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®, 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.

Nature's Bounty's principal executive offices are located at 2100 Smithtown Avenue, Ronkonkoma, NY 11779 and its website is [www.naturesbountyco.com](http://www.naturesbountyco.com).

## Overview of this Guide

Nature's Bounty attributes much of its success to suppliers that provide us with the highest quality materials, dedicated services, technical innovations, and competitive pricing.

We have developed this Supplier Compliance Guide to provide our 'approved' suppliers, manufacturers, brokers or distributors of raw materials and packaging components (collectively "**Materials**") with information about our expectations and practices. The content contained within the following pages provides our standards and requirements regarding on-time 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 of which to our external-facing website at [www.vendor.naturesbountyco.com/terms](http://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 supply or vendor agreement between you and us ("Master Agreement"), this Guide, together with the Purchase Order, constitutes the entire agreement between you and us, with respect to the purchase of **Materials** 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@nbty.com](mailto:SupplierManagement@nbty.com).

Nature's Bounty 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@nbty.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. Nature's Bounty 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. Nature's Bounty 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 to Nature's Bounty either:

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

The Nature's Bounty Co.  
Attn: Accounts Payable  
P.O. Box 9014  
Ronkonkoma, NY 11779  
(631) 244-2065

## Vendor Routing Guidelines

Vendor should deliver against the Freight Term indicated on our Purchase Order.

In instances where Nature's Bounty will be responsible for shipping costs, shipments will have Freight Terms listed as FOB Origin, Freight Collect and Nature's Bounty will select the carrier.

If the shipment is 8 pallets or less or weighs less than 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](http://www.vendor.naturesbountyco.com/terms).

If the shipment is greater than 8 pallets or weighs more than 10,000 pounds supplier should e-mail carrier requests to [NBTYCorporateTransportation@nbty.com](mailto:NBTYCorporateTransportation@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 Transportation department at (631) 200-5266 or**  
**[NBTYCorporateTransportation@nbty.com](mailto:NBTYCorporateTransportation@nbty.com), Monday through Friday, from 9:00 AM to 5:00 PM, Eastern**  
**time, excluding holidays.**  
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## Delivery Requirements

Nature's Bounty requires all suppliers of **Materials** 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.

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### 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:

- Nature's Bounty Purchase Order number
- Nature's Bounty Part Number(s), as listed on our Purchase Order
- Unit of Measure
- Pallet Count and Quantity Breakdown
- Total Quantity
- Manufacturer's Name
- Manufacturer's Lot Number
- Distributor/Supplier Name (if different than manufacturer)

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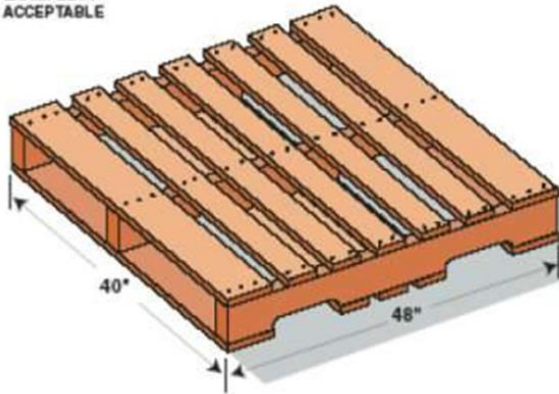
### Delivery Requirement #2: Pallet Requirements

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

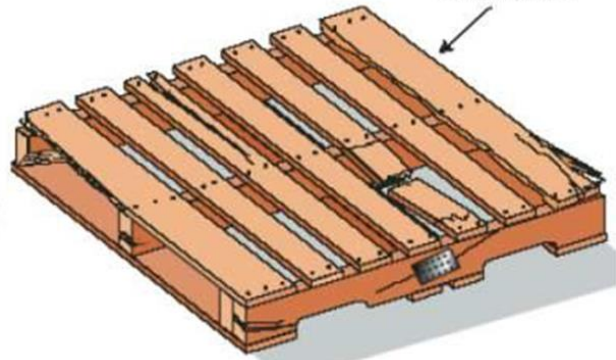
- 1) Pallets meet Grocery Manufacturer's Association (GMA) Grade "A" standards, including:
  - Dimension: 40" x 48"
  - Material: GMA, Group III or IV, hardwood, clean saw
  - Deck Coverage: Top Deck 63%; Bottom Deck 47%
  - Grade: Grade "A", 4-way, flush and non-reversible
    - Sound material, free 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.

EXAMPLE #1  
ACCEPTABLE



EXAMPLE #2  
UNACCEPTABLE



Additionally...

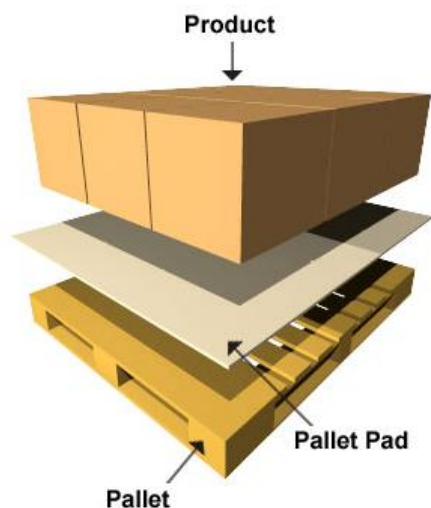
- Unless we agree in writing to vary from the below requirements, total pallet height maximums for all facilities must not exceed the following:
  - Total pallet height (Pallet and Product) for Caps and Bottles: \_\_\_\_\_ 76"
  - Total pallet height (Pallet and Product) for Corrugated: \_\_\_\_\_ 88"
  - Total pallet height (Pallet and Product) for Raw Materials: \_\_\_\_\_ 48"
- Maximum weight on a single pallet must not exceed 2,400 pounds.
- Boxes must not hang off the sides of pallets.
- Pallets must not be double-stacked without our prior written approval.
- 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.
- You must clearly mark all drums and cartons with a warning to indicate if a desiccant is included in the container.
- We will not accept **Materials** supplied in drums with wooden lids/covers.
- If the **Materials** 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
  - Nature's Bounty Purchase Order Number
  - Nature's Bounty Part Number(s), as listed on our Purchase Order
  - Product Description
  - Expiration Date
  - Manufacturer's Lot Number(s)



### Delivery Requirement #3: Use of Slip-Sheet (Pallet Pad) on all Palletized Deliveries

Deliveries of **Materials** 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 #4: No Split or Partial Shipments

**Materials** 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 Orders on the same business day. All shipments should consist of a single lot or multiple complete lots to minimize our internal testing requirements.

### Delivery Requirement #5: Delivery Shortages and Overages

Each shipment is subject to count and recount and must match against the Packing List. Nature's Bounty will not impose a surcharge for shortages. However, we will not pay for **Materials** 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 **Materials**, 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 #6: Return/Disposal of Defective, Non-Compliant or Unusable Materials**

Nature's Bounty will notify supplier of any delivered **Materials**, in full or partial quantities, that are found to be defective, non-compliant and/or unusable as a result of not passing our inspection and audit procedures. All costs associated with the return and/or disposal of non-compliant, defective and/or unusable **Materials** will be at the supplier's expense.

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## **Delivery Requirement #7: 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 **Materials** more than thirty (30) days late from the last acknowledged promised date of Purchase Order will be considered cancelled unless Nature's Bounty 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 our Purchasing department and the Buyer about the issue by phone or email, and then note the issue on the Purchase Order and return the Purchase Order 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.

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**All price increases must be communicated to the appropriate Nature's Bounty Category Manager in writing with ninety (90) days advance notice and should include a detailed explanation for the increase.**  
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Should you require clarification or have questions about our guidelines and requirements, please contact our Supplier Management Office at **SupplierManagement@nbty.com**. We appreciate your cooperation.

## Quality Assurance Requirements

Nature's Bounty may from time to time enter into standalone written quality agreements with its suppliers ("Quality Agreement"). In the event that a Quality Agreement exists, if the terms and conditions agreed to as part of the Quality Agreement conflict with any terms or conditions contained in this Guide, then, with respect to such conflict, the terms and conditions contained in the Quality Agreement shall take precedence over those listed in this Guide.

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### QA Requirement #1: Inspection

Nature's Bounty does not accept any **Material** until it has passed our inspection and audit procedures. Inspections may include sampling and inspection of the **Material** for any visually observable defects or contamination and verification of the chemical, physical, or microbiological properties required by our specification and the information included in the Certificate of Analysis ("CoA").

All **Materials** must be perfectly and absolutely clean. Imperfect or unclean goods will be rejected.

We may require a Standard Information on Dietary Ingredients Form executed confirming the **Material's** "Country of Origin" as well as all other information required by our specifications. Our Quality Assurance department will notify you if this information is required.

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### QA Requirement #2: Specifications

Nature's Bounty may revise specifications for future deliveries of **Materials**. Our Procurement department will provide any specification revisions, to which suppliers must strictly adhere. Suppliers must verify that the **Materials** provided to Nature's Bounty conform to our current specifications. Nature's Bounty will not accept **Materials** that do not conform to its current specifications.

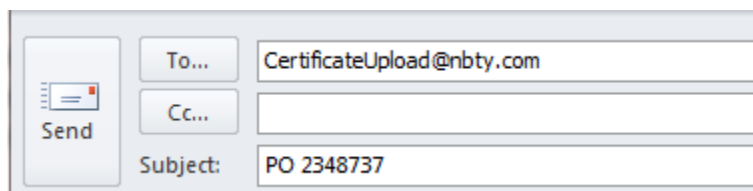
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### QA Requirement #3: Certificates of Analysis (CoA) for Raw Materials

Supplier must provide a hard-copy Certificate of Analysis (CoA) as part of the delivery of all **Materials**. In addition to providing the hard-copy CoA, supplier must also email an electronic copy of the CoA concurrently or prior to the delivery of the **Materials**. Electronic copies of the CoA should be emailed to **CertificateUpload@nbty.com**.

Any CoA arriving later than the day of the delivery of **Materials** may result in the issuance of a surcharge, at our discretion, as well as the issuance of a Supplier Corrective Action Report (SCAR) to allow the supplier to document corrective and preventative actions moving forward.

Please note that when submitting an electronic copy of the CoA, the emailed CoAs should reference the Nature's Bounty Purchase Order number within the subject line of the email. For example, if the Nature's Bounty Purchase Order is listed as No. 248737, please type the following into the subject line of the email.



Send

To... CertificateUpload@nbty.com

Cc...

Subject: PO 2348737

All CoAs, whether hard-copy or electronic must contain the following information relating to the **Materials**:

1. Supplier name and lot number (and manufacturer's name and lot number if supplier is not the manufacturer);
2. Expiration date;
3. Manufacturing and packaging dates;
4. Relevant technical data; and
5. Analytical, chemical and microbiological data, as required by Nature's Bounty's specifications.

All CoAs must be signed and dated by an authorized representative of the company. The name and title of the signatory must be printed on the CoA.

The CoA must be no older than eight (8) months from the date the **Materials** are delivered to Nature's Bounty as evidenced by the authorized signature date.

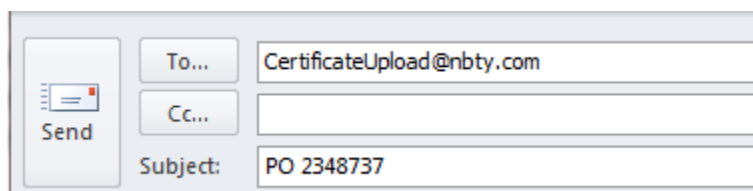
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#### QA Requirement #4: Certificate of Compliance (CoC) for Packaging Components

Suppliers must provide a hard-copy Certificate of Compliance (CoC) as part of the delivery of all packaging components. In addition to providing the hard-copy CoC, supplier must also email an electronic copy of the CoC concurrently or prior to the delivery of the packaging components. Electronic copies of the CoC should be emailed to **CertificateUpload@nbty.com**.

Any CoC arriving later than the day of the delivery of the packaging components may result in the issuance of a surcharge, at our discretion, as well as the issuance of a Supplier Corrective Action Report (SCAR) to allow the supplier to document corrective and preventative actions moving forward.

Please note that when submitting an electronic CoC, the emailed CoC should reference the Nature's Bounty Purchase Order number within the subject line of the email. For example, if the Nature's Bounty Purchase Order is listed as No. 248737, please type the following into the subject line of the email.



Send

To... CertificateUpload@nbty.com

Cc...

Subject: PO 2348737

All CoCs, whether hard-copy or electronic must contain the following information relating to the packaging components:

1. Supplier name and lot number (and manufacturer's name and lot number if supplier is not the manufacturer);
2. Nature's Bounty Part Number;

3. Component description;
4. Manufacturing dates;
5. Relevant technical data, and
6. Statement assuring compliance with 21 CFR Part 177 and that the item was manufactured under U.S. Good Manufacturing Practices.

All CoCs must be signed and dated by an authorized representative of the company. The name and title of the signatory must be printed on the CoC.

The CoC must be no older than eight (8) months from the date the packaging components are delivered to Nature's Bounty as evidenced by the authorized signature date.

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### **QA Requirement #5: Fill Weight Verification for Raw Materials**

In adherence to U.S. Food and Drug Administration (FDA) 21 CFR Part 117, Nature's Bounty will be conducting verification of the fill weight of raw material containers supplied to us under a Purchase Order. To assist us with the weighing activities of our Raw Material Fill Weight Verification Program, we will require raw material suppliers to list the container **Tare Weight** and **Net Weight** on all raw material container labels. Such labels will be required to be on each raw material container and not the pallet. Please note that the Tare Weight should reflect the total weight of the complete shippable container (e.g.: drum, cover, closure ring, etc.).

Nature's Bounty has established an acceptable Net Weight tolerance range of not less than 0.5% and not greater than 1.0% (-0.5% / +1.0%) of the actual Net Weight of the material versus the Net Weight listed on each raw material container label. If the actual Net Weight of the material in the container does not fall within this tolerance range, Nature's Bounty reserves the right to reject the lot and not accept future shipments of the rejected lot. In such cases, Nature's Bounty's Quality Assurance department will initiate a Supplier Corrective Action Report (SCAR) to be sent to you to allow you to document corrective and preventative actions moving forward.

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### **QA Requirement #6: Supplier Corrective Action Response/Report (SCAR)**

Nature's Bounty expects our approved suppliers to comply with good manufacturing practices applicable to the appropriate U.S. Food and Drug Administration (FDA) 21 CFR Part 117 and to strive for continuous improvement. If deemed necessary, we will send supplier a SCAR when Materials do not meet Nature's Bounty's specifications and/or when a supplier repeatedly disregards the guidelines and requirements listed in this Guide.

Suppliers must respond to our corrective or preventive action request promptly, and in no event later than the next delivery of Materials to Nature's Bounty. Failure to respond will directly affect the supplier rating and may jeopardize the supplier's future business relationship with Nature's Bounty.

The supplier's response to our corrective or preventative action request must completely address the issues presented in the SCAR by performing root cause analysis. Supplier's response must delineate an action plan to prevent future recurrence of the problem. Nature's Bounty will carefully evaluate the response for adequacy, potential changes to our processes and products, and completeness of the resolution.

All supplier corrective action responses must be verified by our site Quality Manager to determine if the response has the potential to alter the chemical or physical nature of our products. We expect suppliers to self-evaluate all corrective or preventative action responses to ensure that future Material deliveries fully comply with our specifications and this Guide. Nature's Bounty may request evidence of such self-evaluation at any time or we may choose to audit your facilities.

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## **QA Requirement #7: Good Manufacturing Practices (GMP)**

Upon Nature's Bounty's request, supplier will submit to our Quality Control audits, which may encompass an audit of your compliance to this Guide, including labor law compliance, as well your compliance with Nature's Bounty's Supplier Quality Questionnaire, which is a stand-alone document separate from this Guide but incorporated by reference herein, and your compliance with the Global Anti-Corruption Policy and the Gifts and Entertainment Policy of Nature's Bounty.

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## **QA Requirement #8: Non-Acceptance of Materials on FDA Hold**

Nature's Bounty will not accept any **Materials** that are on FDA hold. Suppliers shall make all efforts not to ship **Materials** that are on FDA hold as such **Materials** will be refused at the point of delivery. Should Nature's Bounty inadvertently accept delivery of **Materials** that are later found to have been on FDA hold at the time of delivery, Nature's Bounty will subsequently notify the supplier to remove the **Materials** at the supplier's expense.

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## **QA Requirement #9: Allergen Control**

Food allergens and any required gluten control shall be managed and labeled in accordance with regulations in local and destination market(s). Nature's Bounty requires a letter from supplier that guarantees the **Materials** that Nature's Bounty purchases do not contain undeclared allergens (i.e., FALCPA compliance).

Suppliers must have a documented Allergen Control Program with supporting documentation. Elements of an Allergen Control Program must include:

- Risk assessment;
- Ingredient and ingredient supplier allergen controls including proper segregation, identification, storage and handling of allergens;
- Operational practices such as scheduling, rework, equipment/tool usage and maintenance practices;
- Documented sanitation programs targeted for allergen including allergen, cleaning, and sanitation processes of product contact surfaces between line changeovers validated and verified at a frequency to demonstrate control;
- Document Corrective Action when an allergen residue is detected via the verification process;
- Labeling and packaging controls; and,
- Consumer complaint investigation, training and auditing for management of food allergens.

Supplier will have an Allergen Process Flow diagram - or "Allergen Map" - for each facility to identify where allergenic ingredients and foods exist in each plant and where they are introduced into the process. All documentation must be available to Nature's Bounty upon request.

Supplier's Allergen Control Plan must be reviewed regularly and updated when necessary – especially when new ingredients are added, when processes or protocols are changed, or when new products or equipment are introduced into the plant. Nature's Bounty requires supplier to notify Nature's Bounty of any changes to the allergen status of the ingredients they supply to Nature's Bounty prior to any changes.

Supplier shall ensure that allergenic ingredients are shipped in clearly marked (e.g.: Fish Allergen; Dairy Allergen; Gluten Allergen; Peanut Allergen; Soy Allergen; etc.) and sealed containers and that the containers are not damaged or broken at time of shipment.

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### **QA Requirement #10: Bisphenol A (BPA) Absence Continuing Guarantee**

Nature's Bounty does not accept any packaging components that contain or are processed with Bisphenol A (BPA). Through acknowledgement of this Guide and/or fulfillment of any order, supplier guarantees that any current or future **Materials** that Nature's Bounty purchases do not contain and/or are not processed with BPA. Should BPA be found to be present in any **Materials** provided to Nature's Bounty, supplier will be obligated to defend and indemnify Nature's Bounty for any claims or expenses that Nature's Bounty incurs as a result. Additionally, should Nature's Bounty inadvertently accept delivery of **Materials** that are later found to contain or have been processed with BPA, Nature's Bounty will subsequently notify the supplier to remove the **Materials** at the supplier's expense.

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### **Additional QA Requirements**

#### **EU, Kashrut (Kosher) or Halal Compliance**

When required by the Purchase Order, or Nature's Bounty specifications, supplier must provide documents evidencing compliance with European Union regulations and directives, or compliance with laws of Kashrut (Kosher) or Halal, concurrently with or before the delivery of the **Materials**.

#### **Material Shelf Life**

Deliveries of **Materials** must have at least two-thirds of the overall shelf life remaining at time of delivery to our facility.

## 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](mailto: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, please 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 raw materials and/or packaging components (“Master Agreement”), this Guide, together with each Purchase Order, constitutes the entire agreement between you and us, with respect to the purchase of raw materials, packaging components (collectively “**Materials**”). 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 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. 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 **Materials**, and shall retain such records and books for at least five (5) years following the last date on which we purchase such **Materials** 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 **Materials** or related to supplier's systems, equipment, materials, and/or processes that may impact supplier's ability to manufacture **Materials** in accordance with this Guide and any applicable law, ruling, regulation, act and order. When the inspection is directly related to the **Materials**, 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 **Materials** or related to supplier's systems, equipment, materials, and/or processes that may impact supplier's ability to manufacture **Materials** including (A) audits or requests for audits of its facility or any other facility at which **Materials** 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 **Materials**, any equipment, materials or manufacturing process used in the manufacture of the **Materials**, or any other written communication that may reasonably have an impact on the ability of Supplier to manufacture the **Materials**. Supplier shall consult with Nature's Bounty concerning Supplier's response to each such communication that relates directly to the **Materials**, the facility, or any equipment, materials or manufacturing process used in the manufacture of **Materials**, 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 **Materials**. 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 **Materials** inventory, (c) the equipment, (d) all records relating to the manufacture of the **Materials** 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 **Materials** in accordance with the highest industry standards. You will provide us with the results of any such inspections or tests before delivery of the **Materials**. In addition, if you engage a third-party to inspect or test such **Material**, 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 **Materials** you manufacture to designs we do not provide or by a process or method unless we specifically direct its use.

4. **Rejected Materials.** We, or our agents, will conduct a final inspection and accept or reject **Materials** at our facility designated for delivery, notwithstanding any prior payment, inspection or acceptance. We may reject, and hold at your expense, all **Materials** 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 **Materials**; or (ii) require you to refund the price of any rejected **Materials**. You may not retender rejected **Materials** 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. **Advance Manufacturing or Procurement.** Supplier will not, without our prior written consent, manufacture **Materials** or procure materials for the purpose of manufacturing **Materials** in advance of your normal flow time or deliver in advance of schedule. We may return **Materials** that are shipped to us later than, or substantially in advance of, scheduled delivery dates, at supplier's expenses and risk of loss. Supplier will not be liable for delays in delivery due to acts of God, floods, fire, war, riot, strikes or damage in transit beyond your reasonable control as long as supplier exercises due care in the delivery of the **Materials** (each an "Excused Delay"). In the event of an Excused Delay, at our option, we may: (i) terminate the Purchase Order without liability to supplier, or (ii) agree in writing to a revised delivery schedule. Except in the case of Excused Delays, if we accept a delivery of **Materials** after the date of delivery set forth in the Purchase Order, we may direct you to make shipment of such **Materials** to the delivery point set forth in the Purchase Order by the most expeditious means. The additional cost of such expedited shipping and handling will be borne by the supplier. Acceptance of late deliveries will not be deemed a waiver of any of our rights to hold you liable for any loss or damages resulting from such delay, nor will it modify any of your other obligations to make future deliveries in accordance with the delivery schedule set forth in the Purchase Order.

6. **Representations and Warranties.** Supplier hereby makes the following representations and warranties with respect to this Guide, each Purchase Order and the **Materials** 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 **Materials** pursuant thereto.

- (a) The price of the **Materials** is your lowest price in effect as of the Purchase Order date for comparable quantities of similar items under similar circumstances. If either you or we discover at any time that the price violates this Section 6, you will, within thirty (30) days thereafter, pay to us in cash or credit us, at our option, an amount equal to such difference.
- (b) The **Materials** conform to any specifications contained in the corresponding Purchase Order and to any samples, specifications and descriptions incorporated therein, as described in all marketing and advertising materials provided to us, and as made or referred to in the negotiation or solicitation of the Purchase Order and are free from defect in design, material and workmanship.
- (c) If supplier is responsible for the design or formulation of the **Materials**, supplier represents that the **Materials** 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.
- (d) The warranties set forth herein will inure to us and our customers and will be in effect as to each item of **Materials** furnished for twenty-four (24) months after we accept such item, or for such longer period of time as may be specified in supplier's standard warranty or any other warranty, whether express or implied, provided by law.
- (e) The **Materials** 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.
- (f) The **Materials** comply with prices, terms of sales and promotional discounts and allowances with the provisions of the Robinson-Patman Act (as the same may be amended from time to time) and all other trade regulation laws and the rules and regulations issued thereunder.
- (g) The **Materials** 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 **Materials** 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 **Materials** were produced, or provided, in full compliance with the laws regarding slavery and human trafficking of the country or countries of their manufacture.

- (j) The **Materials** comply with the laws of the United States of America (the “US”) and each political subdivision thereof governing weights, measures and sizes, none of such food or drugs 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 may not, 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.
- (k) All **Materials** 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.
- (l) Neither the sale or use of any **Materials** 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.
- (m) 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.
- (n) The **Materials** are merchantable by us, wholesome and fit for human consumption, as determined by the FDA, and free of defect and contamination.
- (o) The **Materials** have been and may be legally transported and sold under the provisions of any applicable federal, state or municipal law.
- (p) The **Materials** 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.
- (q) The **Materials** 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”).
- (r) 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



7. **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.

Supplier will give us at least sixty (60) days prior written notice of all formula, label, insert and other packaging changes, claim changes and addition of claims. Supplier's failure to provide the prior written notice required in the immediately preceding sentence is a material breach of this Agreement, and we will have the right to immediately terminate your 'approved' Supplier status. We reserve the right not to purchase or sell any **Materials** after we receive a notification required under this Section 7.

8. **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.

9. **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 **Materials** already delivered and accepted.

10. **Use of Property and Data.**

- (a) All information we supply to you in connection with the purchase of the **Materials**, 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 **Materials**, 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 **Materials** 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 **Materials**, 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.

11. **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, Quality Agreement, Quality Questionnaire, a Master Agreement, including, without limitation, the breach of any representations and warranties therein; (ii) claims for injuries or other damage arising from the **Materials** covered by the Purchase Order, notwithstanding any actual or alleged defect or hazard inherent in the goods or negligence of any Nature's Bounty Indemnified Parties; (iii) any recall, inspection, testing, replacement or correction of the Materials covered by the Purchase Order or goods in which such **Materials** are incorporated, whether required by governmental authority or otherwise, (iv) claims by any of your subcontractors or suppliers, (v) any product liability (including bodily injury and property damage), quality control issues, false advertising claims or any claims regarding efficacy or effectiveness, directly or indirectly, relating to the **Materials**; or (vi) your infringement of any patents, copyrights, trademarks, trade names, trade dress or any other intellectual property rights of a third party relating to the **Materials**. 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 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.

12. **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 **Materials** 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 **Materials** 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 **Materials** 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 **Materials** purchased from supplier.

13. **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 **Materials** 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 **Materials**.

14. **International Shipments.** If supplier ships **Materials** 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 **Materials**; (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 **Materials**, and we will not accept freight-collect shipments. The unit cost for your **Materials**, 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.

15. **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.

16. **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 11 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 **Materials** covered by the Purchase Order furnished to supplier.

17. **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.

18. **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 18 in all subcontracts issued in connection with its performance hereunder.

19. **Anti-Corruption Policy.**

(a) In connection with you providing us with the **Materials** 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 **Materials** 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.

20. **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.

21. **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.

22. **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.

23. **Non-solicitation.** For so long as you provide us with **Materials** 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's Minimum Levels of Insurance Coverage

In the absence of a supply or vendor agreement between you and us that addresses the minimum level of insurance coverage, supplier will obtain and maintain in full force and effect during the course of conducting business with Nature's Bounty, at its own expense, policies of insurance with carriers with a minimum AM Best Financial Rating of A-VII, the following insurance coverage lines, as applicable to the business relationship between supplier and Nature's Bounty.

The Nature's Bounty Co. and its affiliates must be named as an Additional Insured and Loss Payee for General Liability coverage in the description of operations box, along with The Nature's Bounty Co. as Certificate Holder.

**Note:** In the case where a supplier's current insurance coverage does not meet the levels listed below and the supplier wishes to request an exception from any of the below coverage levels, an email request should be sent to [SupplierManagement@nbty.com](mailto:SupplierManagement@nbty.com). The email should include a copy of the supplier's current Certificate of Insurance as well as a list of the insurance levels that do not meet Nature's Bounty's recommended levels. If the supplier believes that a specific type of insurance coverage area or level of coverage is not applicable to the business relationship between supplier and Nature's Bounty this should also be explained as part of the email communication. Nature's Bounty will promptly review requests for insurance coverage exceptions on a case-by-case basis. Suppliers will be notified of the results of the review and will be required to comply with Nature's Bounty's final decision in order to remain an approved supplier. Conformance to our insurance coverage requirements, as applicable to the business relationship between supplier and Nature's Bounty, is required to maintain your approved supplier status.

Insurance Coverage Area	Minimum Limits
<b>General Liability</b>	
Including contractual liability coverage on an occurrence basis for bodily injury, death, "broad form" property damage, advertising injury and personal injury.	\$1,000,000 per occurrence; \$1,000,000 Personal and Advertising Injury; \$3,000,000 General Aggregate; \$100,000 - Damages to premises rented to you
<b>Employer's Liability</b>	
Employer's Liability coverage for injury, disease and death.	Bodily injury by accident - \$1,000,000 each accident Bodily injury by disease - \$1,000,000 policy limit Bodily injury by disease - \$1,000,000 each employee
<b>Product Liability</b>	
This can either be included in the General Liability or via standalone policy. If Self Insured Retention is applicable, the SIR should be noted on certificate and if Claims Made this should be referenced as well (all Accord certs have a box for Claims Made or Occurrence).	\$1,000,000 per occurrence; \$1,000,000 aggregate
<b>Excess or Umbrella Coverage</b>	
Excess or Umbrella Coverage	\$3,000,000 per occurrence; \$3,000,000 aggregate
<b>Workers Compensation</b>	
Workers Compensation as required by law in the state where services will be performed.	Statutory

## Nature's Bounty Supplier Quality Questionnaire

Nature's Bounty's Quality Assurance organization requires that manufacturers, suppliers, manufacturers, brokers or distributors of raw materials and packaging components (collectively "**Materials**") complete the Nature's Bounty Supplier Quality Questionnaire as a requirement of doing business with Nature's Bounty, and thereby comply with Good Manufacturing Practices (GMP).

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**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](http://www.vendor.naturesbountyco.com/terms).**

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## Supplier's Oversight of HBE Supply Chain (for suppliers of Herbal and Botanical Extracts)

Nature's Bounty requires suppliers of herbal and botanical extracts (HBE) to acknowledge the management and oversight of their HBE supply chain through best practices. Suppliers must qualify and perform periodic vendor audits using applicable internationally recognized herbal medicinal standards as the basis for these assessments. Such audits include review and monitoring of seeding, cultivation, harvesting, collection, storage, handling and transportation of HBE materials in compliance with Dietary Supplement cGMP requirements. Suppliers must ensure that they maintain adequate record-keeping and retain samples of seeds and HBE materials. By signing the Supplier Acknowledgement section of this Supplier Compliance Guide, supplier certifies compliance with the above requirements.

## Disclosure of Manufacturer Information (for Distributors or Brokers of Materials)

Distributors or brokers of **Materials** to Nature's Bounty must, at the request of Nature's Bounty, provide information relevant to the manufacturer of the **Materials** being provided to Nature's Bounty, including manufacturer company name, address (including Country of Origin), contact information (phone and email) as well as manufacturer's part number specific to the **Materials** provided. Should distributor or broker elect to change the manufacturing source for **Materials** provided to Nature's Bounty, distributor or broker shall provide written notice to Nature's Bounty requesting approval for such changes. Distributor or broker will be required to obtain, and submit to Nature's Bounty, a completed Nature's Bounty's Supplier Quality Questionnaire from the proposed new manufacturing source for review and approval by Nature's Bounty. No **Materials** are to be shipped to Nature's Bounty from a new manufacturing source until the site and **Materials** are approved in writing by Nature's Bounty. Failure to comply with these guidelines or Nature's Bounty's request for manufacturer information may result in the loss of 'approved supplier' status with Nature's Bounty. Please refer to 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 **Materials** 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@nbty.com](mailto:SupplierManagement@nbty.com) or visit <http://nbty.globalrms.com/>.

### Exhibit A: Pallet Label

<b>Supplier Name</b>	
<b>Purchase Order #</b>	
<b>Nature's Bounty Part #</b>	
<b>Product Description</b>	
<b>Manufacturer's Lot #</b>	
<b>Expiration Date</b>	
<b>Pallet #</b>	<b>of</b>

## 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 Nature’s Bounty’s expectations 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 Nature’s Bounty’s 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 The Nature’s Bounty Co. 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@nbt.com**.

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