

LifeVantage Manufacturing Terms & Conditions

The following Terms and Conditions shall govern all purchases of nutritional supplement products identified in the Purchase Order printed on the reverse side hereof (hereinafter the Product") by and between [Your Company Name], its subsidiaries, agents, and/or assigns (hereinafter "Company" or "Buyer") and the Manufacturer or supplier of the Product identified in the Purchase Order (hereinafter "Manufacturer" or Seller").

1. Authorization: This Purchase Order, when properly signed by a duly authorized representative of the Buyer, is the only authorization, which will be recognized by the Buyer for charges to its account. The Buyer's product codes shown on the Purchase Order shall be shown on all invoices, packing slips, containers, and bills of lading and referenced on all correspondence regarding this Purchase Order. This offer expressly limits Seller's acceptance of the Terms and Conditions stated herein, without modification, addition, deletion or alteration, except as agreed by the parties in writing. In no event shall additional or different terms or conditions, whether stated orally or in writing in the Seller's quotation proposal, acknowledgment, confirmation, invoice or other form or writing be deemed a part of the agreement unless Buyer consents in writing.

2. Acceptance: Buyer at its discretion, reserves the right to reject or return, at Seller's cost and risk, at any time, all or part of merchandise shipped below sample standards or not in conformity with the Terms and Conditions hereof, including without limitation, any non-conformity concerning 1) sizes, labeling and packaging, 2) failure to ship on the date specified, and 3) any breach of any of the warranties of the Seller. Without limitation, the Buyer reserves the right, at Buyer's election in the event merchandise is shipped before scheduled shipping date, to charge back the Seller 7% of the gross amount of the invoice or invoices to cover storage and handling charges and to return such merchandise to the Seller with charge back for both inbound and outbound transportation charges. Buyer, furthermore, reserves the right, at its discretion, in the event merchandise is shipped after the cancellation date (whether accepted or not) or does not conform to shipping instructions or these Terms and Conditions, to charge back to the Seller the gross cost of the merchandise and inbound and outbound transportation charges or to refuse receipt entirely. Buyer shall have the right to request all goods or portions from time to time at any time prior to or following designated delivery dates and otherwise reserves the right to change delivery dates. The goods shall be delivered at the place designated by the Buyer.

3. Cancellation and Termination: In addition to other rights provided by law, Buyer shall have the right to cancel this Purchase Order in whole or part if merchandise is backordered, there is a deviation, substitution or variation from the quantities, prices, terms or conditions specified in this Purchase Order unless authorized on the face of this Purchase Order or if merchandise received is not in accordance with all warranties, specifications, drawings or sample standards, or if there is a defect in workmanship in quality, packaging, labeling or inserts. Buyer may cancel, terminate or rescind all or part of this Purchase Order in the event Seller breaches or fails to perform any of its obligations in any material respect or in the event Seller becomes insolvent or proceedings are instituted by or against the Seller under any federal or state bankruptcy or insolvency laws or the Seller ceases operation. Time is of the essence of this Purchase Order and Seller's failure to meet delivery date shall constitute a material breach of this Purchase Order.

4. Deduction and Setoffs: Any sums payable to the Seller shall be subject to all claims and defenses of Buyer whether arising from this or any other transaction or occurrence, and Buyer may set off or deduct against such sums all present and future indebtedness of Seller to Buyer. Buyer shall produce a copy of the deduction voucher(s) for debits taken by Buyer against Seller's account as a result of any returns and adjustments. Seller shall have deemed to have ACCEPTED EACH DEDUCTION UNLESS Seller, within 90 days following receipt of deduction voucher, notifies Buyer in writing as to why a deduction should not be made and has provided documentation of the reasons(s) given. Such notice should be directed to Accounts Payable Department, Company. Receipt of said reasons(s) shall not be construed to mean that Buyer has accepted Seller's position with respect to such deductions.

5. Shipping Instructions: A packing slip must accompany each individual shipment. Indicate on each carton, container and packaging slip: Purchase Order Number, total number of cartons in the shipment and product identification (Company product number and UPC code). Products must be shipped on 4-way standard warehouse pallets with height not to exceed 54 inches and weight not to exceed 2200lbs. Pallets must be shrink-wrapped to insure safe transportation. Drivers will assist with off loading if necessary. Any trailer, container, pallet, or other means used for transportation or storage of edible merchandise shall be suitably constructed for food use, properly

cleaned to prevent possible contamination and shall protect the edible merchandise against deterioration or contamination (21 CFR 110.80). Each container or pallet shall have a stamped lot number and date indicating when the merchandise was produced. Lot numbers and product information must also be recorded on any shipping manifest. Delivery appointments are required. Carrier must notify warehouse 25 hours in advance and schedule delivery time. Seller must also notify warehouse either by telephone or facsimile of pending shipments. Buyer will charge Seller for failure to ship to specified destinations or split shipments, the full freight fees plus any detention, redelivering, handling, storage and administrative fees.

6. Billing Instructions: A bill of lading must accompany invoice. Seller shall provide a separate invoice for each bill of lading. All invoices and correspondence must indicate: Purchase Order Number, date shipped, number of cartons, total weight and Carrier's name.

7. Acknowledgment of Disclosure: Manufacturer hereby acknowledges that Company has disclosed to it Company's proprietary formulation comprising the Product as well as related information regarding its process for manufacture, and that such information is confidential and that Company is the sole and exclusive owner thereof (hereinafter the "Confidential and Proprietary Information").

8. Covenant Regarding Confidentiality: Manufacturer agrees not to disclose to any third party and to maintain in strict confidence all of Company's Confidential and Proprietary Information which has been, and may hereafter be, disclosed to Manufacturer relating to the Product.

9. Covenant Regarding Use: Manufacturer agrees to use the Confidential and Proprietary Information solely for the purpose of manufacturing the Product for Company and in satisfying the Purchase Order to which these Terms and Conditions pertain.

10. Covenant Not to Reproduce: Manufacturer agrees not to make any copies, photocopies or reproductions of any documents disclosing the Confidential and Proprietary Information, or any portion thereof which Company may provide to Manufacturer in connection herewith; and furthermore, Manufacturer shall promptly return any and all such documents to Company immediately upon Company's request.

11. Covenant To Protect: Manufacturer agrees not to disclose the Confidential and Proprietary Information to any third parties without the prior written consent of Company and, further, to take such steps as may be reasonably necessary to prevent its unauthorized disclosure to others. Such steps shall include, by way of illustration and without limitation, (i) limiting disclosure to those employees, agents, and/or associates who have a need to know the same for the purposes of satisfying said Purchase Order; (ii) giving notice to its (Manufacturer's) employees, agents and/or associates who will have access to the Confidential and Proprietary information that it is confidential; and (iii) advising said employees, agents and/or associates of the Terms and Conditions set forth herein and of their obligation to comply therewith.

12. Survival of Covenants: All covenants of Manufacturer set forth herein relating to the Confidential and Proprietary information shall survive the completion of the purchase to which these Terms and Conditions pertain, unless and until said information enters the public domain by means or reasons other than by Manufacturer's acts or omissions.

13. Covenants Regarding Exclusivity: Manufacturer agrees that it will manufacture the Product solely and exclusively for Company. Manufacturer further agrees that it will not use the Confidential and Proprietary Information, in whole or in part, to make the Product or any similar product to be marketed to the trade or public for any third party, or for Manufacturer's own account.

14. Standards: Manufacturer agrees that it will manufacture the Product in accordance with any and all specifications or special requirements submitted to it by Company.

15. Inspection: Manufacturer hereby acknowledges that Company requires that the Product be manufactured to the highest standards of quality; accordingly, Manufacturer grants to Company the right to have its (Company's) personnel or representatives visit any plant of Manufacturer during normal working hours to observe in process and/or final inspection of the Product being produced for Company.

16. Statutory Requirements: Manufacturer acknowledges that it is familiar with the requirements of the Food, Drug and Cosmetics Act, Title 21 of the United States Code (the "Federal Act"), and the regulations promulgated thereunder by the Food and Drug Administration ("FDA"), which are applicable to the Product. Manufacturer hereby agrees to comply with all such requirements and applicable amendments and revisions thereto (hereinafter referred to as "Federal Regulations").

17. Warranty: Manufacturer hereby warrants that all Products sold and delivered to Company pursuant to said Purchase Order (i) shall comply with all of Company's specifications relating to formulations and quality; (ii) shall, as of the date of shipment or delivery to Company not be adulterated or misbranded within the meaning of the Federal Act, Federal Regulations or other applicable law (collectively the "Law"), nor an article which may not, under the Law, be introduced into interstate commerce; and (iii) shall be free from adulteration, impurities, defects or any other material unsafe for human consumption. (Any Product supplied by Manufacturer in breach of the foregoing warranty of which is not in compliance with the Law or which, as a consequence of action by any federal or state authority subsequent to the date of its shipment to Company, is rendered in non-compliance with the Law, is hereinafter referred to as "Defective Product"). In addition to any and all other remedies provided for hereunder, or at law, Manufacturer agrees, at its sole cost, to recall and replace all Defective Product and replace the same with an equal amount of Product without the defect(s).

18. Manufacturer's Indemnification: Manufacturer agrees to indemnify and hold Company harmless from and against any and all claims, losses, damages, injuries, liabilities or expenses, including reasonable attorneys fees and costs of investigation and suit to defend such claims, arising out of any allegation, claim or assertion by the FDA or any third party that any of the Products resold by Company is adulterated, misbranded, unsafe or otherwise constitutes Defective Product. The foregoing indemnity shall include, without limiting its generality, losses, damages, liabilities and expenses arising out of an FDA recall of Defective Product and the consequential damages proximately caused thereby, such as loss of business, profits and reputation and refunds which Company is obligated to make to its customers as a consequence thereof. Company agrees to give Manufacturer prompt notice of any and all claims made against it in connection with allegedly Defective Product, and to cooperate with Manufacturer in defending against such claims. The foregoing warranty and indemnification shall be binding upon Manufacturer and its successors and shall inure to the benefit of Company and its successors in connection with Product delivered pursuant to said Purchase Order.

19. Manufacturer's Insurance: Manufacturer agrees to carry product and contractual liability insurance for Company's benefit at Manufacturer's expense, with liability policy limits satisfactory to Company, to name Company at Company's request, as an additional insured on all such policies and to deliver to Company evidence of such insurance and of Manufacturer's compliance with the provisions of this Section 19 promptly following the execution hereof and upon each annual renewal hereof, or upon Company's request for such evidence of insurance.

20. Cancellation Of Purchase Order: Company shall have the right hereunder to cancel all or part of the Purchase Order to which these Terms and Conditions pertain after its acceptance by Manufacturer, without penalty or cancellation charge.

21. Packaging: Manufacturer agrees to package and label the Product in accordance with the specifications and labels provided to it by Company.

22. Governing Law: This Agreement, including its interpretation performance and enforcement, shall be governed by and construed in accordance with the laws of the State of Utah. The Uniform Commercial Code, as adopted in the State of Utah, applies except as expressly provided otherwise in these Terms and Conditions.

23. Place Of Agreement: This Agreement shall be deemed to have made and entered into in the State of Utah, and further, that substantial performance hereunder shall take place in the State of Utah.

24. Attorneys Fees: In any dispute arising hereunder which is adjudicated in court, the prevailing party shall be entitled to recover from the other party its court costs, including reasonable attorneys' fees as determined by any court of competent jurisdiction.

25. Non-Delegation: Manufacturer may not in any manner, by way of assignment or otherwise, delegate any obligations under said Purchase Order without the prior written consent of Company.

26. Successors: This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

27. Non-Waiver: No delay or omission or failure to exercise any right or remedy provided for herein shall be deemed to be a waiver thereof or acquiescence to the event giving rise to such right or remedy, but every such right and remedy may be exercised from time to time and so often as may be deemed expedient by the party exercising such right or remedy.

28. Validity: In the event that any provision of these Terms and Conditions is in conflict with any rule of law or statutory provision or is otherwise unenforceable under the laws or regulations of the federal or any state government, or subdivisions thereof, such terms shall be deemed stricken herefrom, but such invalidity or unenforceability shall not invalidate any of the other terms or conditions hereof. To the extent possible, a likely valid provision, which meets the objective of the invalid provision, shall be substituted for any invalid provision hereof.

29. Relationship: Manufacturer shall at all times act as an independent contractor in the manufacture of the Product and is not a partner, joint venturer, agent or legal representative of Company for any purpose, and Manufacturer has no right or power to act for or bind Company in any respect, to pledge its credit, to accept any service of process upon it, or to receive any notices of any nature whatsoever.

30. Supremacy: In the event that any term or condition hereof is inconsistent with any corresponding term, condition or provision contained in the Purchase Order to which these Terms and Conditions pertain, or in any other commercial document relating to the same transaction, the term and condition hereof shall prevail and govern over any such inconsistent term, conditions or provision.

31. Definitions: The term "Purchase Order" shall mean this two sided order form and any specifications, drawings, samples, or other documentation or material expressly made a part of this Purchase Order. "Goods" shall mean any materials, machinery, equipment, article, item or work provided for in this Purchase Order. "Seller" or "Manufacturer" shall mean the person, firm or corporation named on the face of the Purchase Order by whom this Purchase Order is issued, "Terms and Conditions" shall mean these Terms and Conditions set forth on this Purchase Order document and on any specification, drawing or other document and on any specification, drawing or other documentation expressly made a part of this Purchase Order.