

SECURITIES AND EXCHANGE COMMISSION

FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

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**ChromaDex Corp.**

CIK: **1386570** | IRS No.: **262940963** | State of Incorporation: **DE** | Fiscal Year End: **1231**  
Type: **10-Q** | Act: **34** | File No.: **000-53290** | Film No.: **151224838**  
SIC: **2833** Medicinal chemicals & botanical products

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UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**FORM 10-Q**

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934  
For the quarterly period ended October 3, 2015

Commission File Number: **000-53290**

**CHROMADEX CORPORATION**  
(Exact Name of Registrant as Specified in its Charter)

Delaware  
(State or other jurisdiction of incorporation or  
organization)

26-2940963  
(I.R.S. Employer Identification No.)

10005 Muirlands Blvd. Suite G, Irvine, California  
(Address of Principal Executive Offices)

92618  
(Zip Code)

Registrant's telephone number, including area code: (949) 419-0288

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (Section 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, accelerated filer, non-accelerated filer or smaller reporting company. See definition of "large accelerated filer, accelerated filer and smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

Number of shares of common stock of the registrant: 109,114,247 outstanding as of November 11, 2015.

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**CHROMADEx CORPORATION**  
**2015 QUARTERLY REPORT ON FORM 10-Q**

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**PART I – FINANCIAL INFORMATION (UNAUDITED)****ITEM 1. FINANCIAL STATEMENTS****ChromaDex Corporation and Subsidiaries  
Condensed Consolidated Balance Sheets  
October 3, 2015 and January 3, 2015**

	<b>October 3, 2015</b>	January 3, 2015
	<b>(Unaudited)</b>	
<b>Assets</b>		
Current Assets		
Cash	\$ 4,708,642	\$ 3,964,750
Trade receivables, less allowance for doubtful accounts and returns		
October 3, 2015 \$43,000; January 3, 2015 \$38,000	3,784,541	1,906,709
Inventories	4,163,628	3,734,341
Prepaid expenses and other assets	377,469	292,891
<b>Total current assets</b>	<b>13,034,280</b>	<b>9,898,691</b>
Leasehold Improvements and Equipment, net	1,581,961	1,264,660
Deposits	59,040	57,435
Intangible assets, net	371,325	296,061
<b>Total assets</b>	<b>\$ 15,046,606</b>	<b>\$ 11,516,847</b>
<b>Liabilities and Stockholders' Equity</b>		
Current Liabilities		
Accounts payable	\$ 3,560,569	\$ 3,451,608
Accrued expenses	1,215,166	853,685
Current maturities of loan payable	598,837	223,358
Current maturities of capital lease obligations	216,551	148,278
Customer deposits and other	236,828	234,435
Deferred rent, current	52,914	69,456
<b>Total current liabilities</b>	<b>5,880,865</b>	<b>4,980,820</b>
Loan payable, less current maturities, net	4,226,414	1,977,113
Capital lease obligations, less current maturities	500,128	423,015
Deferred rent, less current	103,461	137,508
<b>Total liabilities</b>	<b>10,710,868</b>	<b>7,518,456</b>
Commitments and contingencies		
Stockholders' Equity		
Common stock, \$.001 par value; authorized 150,000,000 shares; issued and outstanding October 3, 2015 106,319,606 and January 3, 2015 105,271,058 shares	106,320	105,271
Additional paid-in capital	45,098,163	43,417,442
Accumulated deficit	(40,868,745)	(39,524,322)
<b>Total stockholders' equity</b>	<b>4,335,738</b>	<b>3,998,391</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 15,046,606</b>	<b>\$ 11,516,847</b>

See Notes to Condensed Consolidated Financial Statements.

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**ChromaDex Corporation and Subsidiaries**  
**Condensed Consolidated Statements of Operations (Unaudited)**  
**For the Three Month Periods Ended October 3, 2015 and September 27, 2014**

	<b>October 3, 2015</b>	September 27, 2014
Sales, net	\$ 6,287,309	\$ 4,139,710
Cost of sales	<u>3,805,679</u>	<u>2,616,764</u>
<b>Gross profit</b>	<u>2,481,630</u>	<u>1,522,946</u>
Operating expenses:		
Sales and marketing	550,878	518,662
General and administrative	<u>1,753,622</u>	<u>1,651,718</u>
<b>Operating expenses</b>	<u>2,304,500</u>	<u>2,170,380</u>
<b>Operating income (loss)</b>	<u>177,130</u>	<u>(647,434)</u>
Nonoperating income (expense):		
Interest income	976	230
Interest expense	<u>(181,822)</u>	<u>(12,449)</u>
<b>Nonoperating expenses</b>	<u>(180,846)</u>	<u>(12,219)</u>
<b>Net loss</b>	<u>\$ (3,716)</u>	<u>\$ (659,653)</u>
Basic and Diluted loss per common share	\$ (0.00)	\$ (0.01)
Basic and Diluted weighted average common shares outstanding	<u>107,442,916</u>	<u>106,610,400</u>

See Notes to Condensed Consolidated Financial Statements.

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**ChromaDex Corporation and Subsidiaries**  
**Condensed Consolidated Statements of Operations (Unaudited)**  
**For the Nine Month Periods Ended October 3, 2015 and September 27, 2014**

	<b>October 3, 2015</b>	<b>September 27, 2014</b>
Sales, net	<b>\$ 17,649,660</b>	\$ 11,070,002
Cost of sales	<b>10,769,714</b>	7,163,282
<b>Gross profit</b>	<b>6,879,946</b>	3,906,720
Operating expenses:		
Sales and marketing	<b>1,776,403</b>	1,554,777
General and administrative	<b>6,016,557</b>	6,458,027
Loss from investment in affiliate	<b>-</b>	21,543
<b>Operating expenses</b>	<b>7,792,960</b>	8,034,347
<b>Operating loss</b>	<b>(913,014)</b>	(4,127,627)
Nonoperating income (expense):		
Interest income	<b>2,339</b>	1,175
Interest expense	<b>(433,748)</b>	(34,359)
<b>Nonoperating expenses</b>	<b>(431,409)</b>	(33,184)
<b>Net loss</b>	<b>\$ (1,344,423)</b>	\$ (4,160,811)
Basic and Diluted loss per common share	<b>\$ (0.01)</b>	\$ (0.04)
Basic and Diluted weighted average common shares outstanding	<b>107,350,469</b>	106,290,782

See Notes to Condensed Consolidated Financial Statements.

**ChromaDex Corporation and Subsidiaries**  
**Condensed Consolidated Statement of Stockholders' Equity (Unaudited)**  
**For the Nine Month Period Ended October 3, 2015**

	Common Stock		Additional	Accumulated	Total
	Shares	Amount	Paid-in Capital	Deficit	Stockholders' Equity
Balance, January 3, 2015	105,271,058	\$ 105,271	\$ 43,417,442	\$(39,524,322)	\$ 3,998,391
Share-based compensation	210,000	210	715,699	-	715,909
Vested restricted stock	506,000	506	(506)	-	-
Net loss	-	-	-	(1,025,515)	(1,025,515)
Balance, April 4, 2015	105,987,058	105,987	44,132,635	(40,549,837)	3,688,785
Exercise of stock options	22,745	23	15,578	-	15,601
Share-based compensation	125,000	125	507,143	-	507,268
Vested restricted stock	156,000	156	(156)	-	-
Net loss	-	-	-	(315,192)	(315,192)
Balance, July 4, 2015	106,290,803	106,291	44,655,200	(40,865,029)	3,896,462
Exercise of stock options	12,803	13	9,652	-	9,665
Share-based compensation	-	-	433,327	-	433,327
Vested restricted stock	16,000	16	(16)	-	-
Net loss	-	-	-	(3,716)	(3,716)
<b>Balance, October 3, 2015</b>	<b>106,319,606</b>	<b>\$ 106,320</b>	<b>\$ 45,098,163</b>	<b>\$(40,868,745)</b>	<b>\$ 4,335,738</b>

See Notes to Condensed Consolidated Financial Statements.



**ChromaDex Corporation and Subsidiaries**  
**Condensed Consolidated Statements of Cash Flows (Unaudited)**  
**For the Nine Month Periods Ended October 3, 2015 and September 27, 2014**

	October 3, 2015	September 27, 2014
<b>Cash Flows From Operating Activities</b>		
Net loss	\$ (1,344,423)	\$ (4,160,811)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation of leasehold improvements and equipment	209,754	161,712
Amortization of intangibles	32,236	24,826
Share-based compensation expense	1,656,504	2,467,720
Allowance for doubtful trade receivables	5,429	24,190
Gain on exchange of equipment	-	(17,301)
Loss from disposal of equipment	19,643	-
Loss from investment in affiliate	-	21,543
Non-cash financing costs	139,780	-
Changes in operating assets and liabilities:		
Trade receivables	(1,883,261)	(1,714,035)
Other receivable	-	215,000
Inventories	(429,287)	(81,961)
Prepaid expenses and other assets	(86,183)	(87,068)
Accounts payable	108,961	967,229
Accrued expenses	361,481	201,147
Customer deposits and other	2,393	(320,127)
Deferred rent	(50,589)	(36,732)
<b>Net cash used in operating activities</b>	<b>(1,257,562)</b>	<b>(2,334,668)</b>
<b>Cash Flows From Investing Activities</b>		
Purchases of leasehold improvements and equipment	(242,765)	(53,428)
Purchases of intangible assets	(107,500)	(90,000)
Proceeds from sale of equipment	-	1,356
Proceeds from investment in affiliate	-	1,092,500
<b>Net cash provided by (used in) investing activities</b>	<b>(350,265)</b>	<b>950,428</b>
<b>Cash Flows From Financing Activities</b>		
Proceeds from exercise of stock options	25,266	449,158
Proceeds from loan payable	2,500,000	-
Payment of debt issuance cost	(15,000)	-
Principal payments on capital leases	(158,547)	(122,496)
<b>Net cash provided by financing activities</b>	<b>2,351,719</b>	<b>326,662</b>
Net increase (decrease) in cash	743,892	(1,057,578)
Cash Beginning of Period	3,964,750	2,261,336
Cash Ending of Period	\$ 4,708,642	\$ 1,203,758
<b>Supplemental Disclosures of Cash Flow Information</b>		
Cash payments for interest	\$ 293,968	\$ 34,359
<b>Supplemental Schedule of Noncash Investing Activity</b>		
Capital lease obligation incurred for purchases of equipment	\$ 303,933	\$ 322,802

Retirement of fully depreciated equipment - cost	\$	<b>8,181</b>	\$	56,110
Retirement of fully depreciated equipment - accumulated depreciation	\$	<b>(8,181)</b>	\$	(56,110)
<b>Supplemental Schedule of Noncash Operating Activity</b>				
Stock issued to settle outstanding payable balance	\$	-	\$	137,494
<b>Supplemental Schedule of Noncash Share-based Compensation</b>				
Changes in prepaid expenses associated with share-based compensation	\$	-	\$	55,631

See Notes to Condensed Consolidated Financial Statements.

## **Note 1. Interim Financial Statements**

The accompanying financial statements of ChromaDex Corporation (the “Company”) and its wholly owned subsidiaries, ChromaDex, Inc., ChromaDex Analytics, Inc. and Spherix Consulting, Inc. include all adjustments, consisting of normal recurring adjustments and accruals, that, in the opinion of the management of the Company, are necessary for a fair presentation of the Company’s financial position as of October 3, 2015 and results of operations and cash flows for the three and nine months ended October 3, 2015 and September 27, 2014. These unaudited interim financial statements should be read in conjunction with the Company’s audited financial statements and the notes thereto for the year ended January 3, 2015 appearing in the Company’s Annual Report on Form 10-K filed with the Securities and Exchange Commission (the “Commission”) on March 19, 2015. Operating results for the nine months ended October 3, 2015 are not necessarily indicative of the results to be achieved for the full year ending on January 2, 2016. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (“GAAP”) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

The balance sheet at January 3, 2015 has been derived from the audited financial statements at that date, but does not include all of the information and footnotes required by GAAP for complete financial statements.

## **Note 2. Nature of Business and Liquidity**

Nature of business: The Company is a natural products company that leverages its complementary business units to discover, acquire, develop and commercialize patented and proprietary ingredient technologies that address the dietary supplement, food, beverage, skin care and pharmaceutical markets. In addition to the Company’s ingredient technologies unit, the Company also has business units focused on natural product fine chemicals (known as “phytochemicals”), chemistry and analytical testing services, and product regulatory and safety consulting (known as Spherix Consulting). As a result of the Company’s relationships with leading universities and research institutions, the Company is able to discover and license early stage, Intellectual Property-backed ingredient technologies. The Company then utilizes the Company’s in-house chemistry, regulatory and safety consulting business units to develop commercially viable ingredients. The Company’s ingredient portfolio is backed with clinical and scientific research, as well as extensive Intellectual Property protection.

Liquidity: The Company has incurred a loss from operations of approximately \$913,000 and a net loss of approximately \$1,344,000 for the nine-month period ended October 3, 2015. As of October 3, 2015, the cash and cash equivalents totaled approximately \$4,709,000. Subsequent to the nine-month period ended October 3, 2015, the Company entered into Securities Purchase Agreements (the “SPAs”) with certain existing stockholders to raise \$2,000,000 in a registered direct offering. Pursuant to the SPAs, the Company sold a total of 200,000 units (the “Units”) at a purchase price of \$10.00 per Unit, with each Unit consisting of eight shares of the Company’s common stock and a warrant to purchase four shares of common stock with an exercise price of \$1.50 and a term of 3 years.

With the capital raise described above, we anticipate that our current cash and cash equivalents on hand and cash generated from operations will be sufficient meet our projected operating plans through at least December 31, 2016. We may, however, require additional funds, either through additional equity or debt financings or collaborative agreements or from other sources. We have no commitments to obtain such additional financing, and we may not be able to obtain any such additional financing on terms favorable to us, or at all. If adequate financing is not available, the Company will further delay, postpone or terminate product and service expansion and curtail certain selling, general and administrative operations. The inability to raise additional financing may have a material adverse effect on the future performance of the Company.

**Note 3. Significant Accounting Policies**

**Basis of presentation:** The financial statements and accompanying notes have been prepared on a consolidated basis and reflect the consolidated financial position of the Company and its wholly owned subsidiaries. All significant intercompany balances and transactions have been eliminated from these financial statements. The Company's fiscal year ends on the Saturday closest to December 31. Every fifth or sixth fiscal year, the inclusion of an extra week occurs due to the Company's floating year-end date. The fiscal year 2014 ended on January 3, 2015 consisted of 53 weeks. The fiscal year 2015 ending on January 2, 2016 will include the normal 52 weeks.

**Changes in accounting principle:** In April 2015, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2015-03, Interest – Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs. The amendments in this ASU require that debt issuance costs related to a debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. The recognition and measurement guidance for debt issuance costs have not changed.

The Company early adopted the amendments in this ASU effective as of April 4, 2015. As of October 3, 2015 and January 3, 2015, the Company had unamortized debt issuance costs of \$75,264 and \$91,361, respectively. The Company had previously presented the debt issuance costs as other noncurrent assets in its consolidated balance sheet as of January 3, 2015 in the Company's Annual Report on Form 10-K filed with the Commission on March 19, 2015. The early adoption has resulted in adjustments to the Company's consolidated balance sheet as of January 3, 2015, by reclassifying the debt issuance costs as a direct deduction from the carrying amount of the debt liability. Below are the effects of the change on the consolidated balance sheet as of January 3, 2015.

**ChromaDex Corporation and Subsidiaries**  
**Condensed Consolidated Balance Sheet**  
**January 3, 2015**

	Previously Reported	Adjustments	As Adjusted
<b>Assets</b>			
Current Assets	\$ 9,898,691	\$ -	\$ 9,898,691
Leasehold Improvements and Equipment, net	1,264,660	-	1,264,660
Other Noncurrent Assets	444,857	(91,361)	353,496
<b>Total assets</b>	<b>\$ 11,608,208</b>	<b>\$ (91,361)</b>	<b>\$ 11,516,847</b>
<b>Liabilities and Stockholders' Equity</b>			
Current Liabilities	\$ 4,980,820	\$ -	\$ 4,980,820
Loan payable, less current maturities, net	2,068,474	(91,361)	1,977,113
Capital lease obligations, less current maturities	423,015	-	423,015
Deferred rent, less current	137,508	-	137,508
<b>Total liabilities</b>	<b>7,609,817</b>	<b>(91,361)</b>	<b>7,518,456</b>
<b>Total stockholders' equity</b>	<b>3,998,391</b>	<b>-</b>	<b>3,998,391</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 11,608,208</b>	<b>\$ (91,361)</b>	<b>\$ 11,516,847</b>

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**Inventories:** Inventories are comprised of raw materials, work-in-process and finished goods. They are stated at the lower of cost, determined by the first-in, first-out method (FIFO) method, or market. Labor and overhead has been added to inventory that was manufactured or characterized by the Company. The amounts of major classes of inventory as of October 3, 2015 and January 3, 2015 are as follows:

	October 3, 2015	January 3, 2015
Natural product fine chemicals	\$ 1,695,326	\$ 1,760,305
Bulk ingredients	3,163,302	2,298,036
	<u>4,858,628</u>	<u>4,058,341</u>
Less valuation allowance	695,000	324,000
	<u>\$ 4,163,628</u>	<u>\$ 3,734,341</u>

**Note 4. Loss Per Share Applicable to Common Stockholders**

The following table sets forth the computations of loss per share amounts applicable to common stockholders for the three and nine months ended October 3, 2015 and September 27, 2014:

	<u>Three Months Ended</u>		<u>Nine Months Ended</u>	
	<u>Oct. 3, 2015</u>	<u>Sept. 27, 2014</u>	<u>Oct. 3, 2015</u>	<u>Sept. 27, 2014</u>
Net loss	<u>\$ (3,716)</u>	<u>\$ (659,653)</u>	<u>\$ (1,344,423)</u>	<u>\$ (4,160,811)</u>
Basic and diluted loss per common share	<u>\$ (0.00)</u>	<u>\$ (0.01)</u>	<u>\$ (0.01)</u>	<u>\$ (0.04)</u>
Weighted average common shares outstanding (1):	<u>107,442,916</u>	<u>106,610,400</u>	<u>107,350,469</u>	<u>106,290,782</u>
Potentially dilutive securities (2):				
Stock options	15,839,603	13,890,766	15,839,603	13,890,766
Warrants	469,020	-	469,020	-
Convertible Debt	773,395	-	773,395	-

(1) Includes 1,132,241 and 1,676,175 weighted average nonvested shares of restricted stock for the three months ended October 3, 2015 and September 27, 2014, respectively, and 1,305,605 and 1,606,380 weighted average nonvested shares of restricted stock for the nine months ended October 3, 2015 and September 27, 2014, respectively, which are participating securities that feature voting and dividend rights.

(2) Excluded from the computation of loss per share as their impact is antidilutive.

**Note 5. Leasehold Improvements and Equipment**

Leasehold improvements and equipment consisted of the following:

	October 3, 2015	January 3, 2015
Laboratory equipment	\$ 3,577,132	\$ 3,151,748
Leasehold improvements	513,453	495,240
Computer equipment	379,806	329,737
Furniture and fixtures	15,678	13,039
Office equipment	21,547	7,877
Construction in progress	21,561	68,141
	<u>4,529,177</u>	<u>4,065,782</u>
Less accumulated depreciation	2,947,216	2,801,122
	<u>\$ 1,581,961</u>	<u>\$ 1,264,660</u>

Depreciation expense on leasehold improvements and equipment included in the consolidated statement of operations for the nine months ended October 3, 2015 and September 27, 2014 was approximately \$210,000 and \$162,000, respectively.

**Note 6. Loan Payable**

On June 17, 2015, the Company and Hercules Technology II, L.P entered into Amendment No. 1 (the "Amendment") to the Loan and Security Agreement entered into by the parties on September 29, 2014 (the "Agreement"). The terms of the Agreement provided the Company with access to a term loan of up to \$5 million. The first \$2.5 million of the term loan was funded at closing. The remaining \$2.5 million of the term loan was to be drawn down in part or in full at our option at any time but no later than July 31, 2015. The first advance and second advance, if any, were to be repaid in equal monthly installments through the loan's maturity on April 1, 2018, following an initial interest-only period that was to conclude on October 31, 2015.

Pursuant to the Amendment, the parties agreed that the interest only period shall be extended to March 31, 2016, provided however that if the Company's consolidated revenue is equal to or greater than \$11.5 million for the six months ending December 31, 2015, then the interest-only period shall be extended to June 30, 2016. The maturity date remains unchanged at April 1, 2018 and any remaining principal balance of the loan and all unpaid interest shall be due on the maturity date. The Amendment became effective on June 18, 2015 upon the funding of the full amount of the \$2.5 million second advance and payment of a nonrenewable facility fee of \$15,000 to the Agent.

The second advance of \$2.5 million is treated as if the Company entered into a separate loan. The facility fee of \$15,000 is treated as debt issuance costs and are being amortized as interest expense using the effective interest method over the term of the loan. There is also additional \$93,750 end of term charge the Company will pay, which is 3.75% of the \$2.5 million drawn. The end of term charge is being accrued as additional interest expense using the effective interest rate method over the term of the loan.

The Company determined that the amended terms of the first advance of \$2.5 million on September 29, 2014 were not substantially different from the original terms. The Company therefore did not apply debt extinguishment treatment, but rather accounted for prospectively as yield adjustments, based on the revised terms.

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Loan payable as of October 3, 2015 consists of the following:

Principal amount payable for following years ending December	
2015	\$ -
2016	905,393
2017	1,945,650
2018	2,148,957
Total principal payments	5,000,000
Accrued end of term charge	49,551
Total loan payable	5,049,551
Less unamortized debt issuance costs and debt discount	224,300
Less current portion	598,837
Loan payable – long term	\$ 4,226,414

The total interest expenses related to the term loan, including cash interest payments, the amortizations of debt issuance costs and debt discount, and the accrual of the end of term charge were approximately \$166,000 and \$387,000 for the three and nine months ended October 3, 2015. For the three and nine months ended September 27, 2014, the Company did not have any interest expense related to loan payable as the Company did not have any outstanding balance.

**Note 7. Share-Based Compensation**

**7A. Employee Share-Based Compensation**

***Stock Option Plans***

**Service Period Based Stock Options**

The majority of options granted by the Company feature service conditions. Accordingly, these options vest ratably over specified periods of approximately 3 to 5 years following the date of grant.

The following table summarizes our stock option activity during the nine months ended October 3, 2015:

	Number of Shares	Weighted Average		Aggregate Intrinsic Value
		Exercise Price	Remaining Contractual Term	
Outstanding at January 3, 2015	12,723,601	\$ 1.13	7.00	
Options Granted	2,051,685	1.22	10.00	
Options Classification from Employee to Non-Employee	(1,542,071)	0.93		
Options Exercised	(35,548)	0.71		
Options Forfeited	(150,586)	1.16		
Outstanding at October 3, 2015	<u>13,047,081</u>	<u>\$ 1.17</u>	<u>6.64</u>	<u>\$ 2,389,000</u>
Exercisable at October 3, 2015	<u>9,793,365</u>	<u>\$ 1.16</u>	<u>5.84</u>	<u>\$ 2,061,000</u>

The aggregate intrinsic values in the table above are based on the Company's closing stock price of \$1.25 on the last day of business for the period ended October 3, 2015.

Certain employees who were previously classified as employees under the share-based compensation plan have been reclassified to non-employees during the nine months ended October 3, 2015 as they became consultants. There was no impact on accounting as the options were fully vested.

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The fair value of the Company's stock options was estimated at the date of grant using the Black-Scholes option pricing model. The table below outlines the weighted average assumptions for options granted to employees during the nine months ended October 3, 2015.

Nine Months Ended October 3, 2015

Expected volatility	76%
Expected dividends	0.00%
Expected term	5.7 years
Risk-free rate	1.71%

The weighted average grant date fair value of options granted during the nine months ended October 3, 2015 was \$0.75.

As of October 3, 2015, there was approximately \$2,022,000 of total unrecognized compensation expense expected to be recognized over a weighted average period of 2.38 years.

**Stock Award**

On April 16, 2015, the Company awarded 125,000 shares of the Company's common stock that were fully vested and non-forfeitable to Mark Germain, who resigned from the Board. These shares were granted as compensation for his services as a director of the Company through April 16, 2015. The fair value of the award, which amounted to approximately \$154,000 was based on the trading price of the Company's stock on the date of grant. The expense related to this stock award was immediately recognized.

**Restricted Stock**

Restricted stock awards granted by the Company to employees have vesting conditions that are unique to each award.

The following table summarizes activity of restricted stock awards granted to employees at October 3, 2015 and changes during the nine months then ended:

	Shares	Weighted Average Award-Date Fair Value
Unvested shares at January 3, 2015	1,590,000	\$ 1.18
Granted	-	-
Vested	(520,000)	1.41
Forfeited	-	-
Unvested shares at October 3, 2015	<u>1,070,000</u>	<u>\$ 1.07</u>
Expected to Vest as of October 3, 2015	<u>1,070,000</u>	<u>\$ 1.07</u>

On February 25, 2015, Michael Brauser and Barry Honig, then members of the Company's Board of Directors (the "Board"), resigned from the Board. In connection with these resignations, the Board authorized the immediate vesting, as of the date of the resignations, of 250,000 shares of unvested restricted stock held by Mr. Brauser and 250,000 shares of unvested restricted stock held by Mr. Honig. The expense for this vested restricted stock was recognized during the fiscal year ended January 3, 2015.

On April 16, 2015, Mark Germain, then a member of the Board, resigned from the Board. In connection with Mr. Germain's resignation, the Board authorized the immediate vesting, as of the date of Mr. Germain's resignation, of 10,000 shares of unvested restricted stock held by Mr. Germain. The expense for this vested restricted stock was recognized during the fiscal year ended January 3, 2015.



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On July 9, 2015, Glenn Halpryn, then a member of the Board, resigned from the Board. In connection with Mr. Halpryn's resignation, the Board authorized the immediate vesting, as of the date of Mr. Halpryn's resignation, of 10,000 shares of unvested restricted stock held by Mr. Halpryn. The expense for this vested restricted stock was recognized during the fiscal year ended January 3, 2015.

***Employee Option, Stock and Restricted Stock Compensation***

The Company recognized compensation expense of approximately \$418,000 and \$1,238,000 in general and administrative expenses in the statement of operations for the three and nine months ended October 3, 2015, respectively, and approximately \$388,000 and \$2,359,000 for the three and nine months ended September 27, 2014, respectively.

**7B. Non-Employee Share-Based Compensation**

***Stock Option Plans***

The following table summarizes activity of stock options granted to non-employees at October 3, 2015 and changes during the nine months then ended:

		Weighted Average		
	Number of Shares	Exercise Price	Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding at January 3, 2015	1,050,451	\$ 1.35	5.46	
Options Granted	-	-	-	
Options Classification from Employee to Non-Employee	1,542,071	0.93		
Options Exercised	-	-	-	
Options Forfeited	-	-	-	
Outstanding at October 3, 2015	<u>2,592,522</u>	<u>\$ 1.10</u>	<u>6.29</u>	<u>\$ 594,000</u>
Exercisable at October 3, 2015	<u>2,547,522</u>	<u>\$ 1.10</u>	<u>6.24</u>	<u>\$ 593,000</u>

The aggregate intrinsic values in the table above are based on the Company's closing stock price of \$1.25 on the last day of business for the period ended October 3, 2015.

As of October 3, 2015, there was approximately \$31,000 of total unrecognized compensation expense expected to be recognized over a weighted average period of approximately 11 months.

***Stock and Restricted Stock Awards***

Restricted stock awards granted by the Company to non-employees generally feature time vesting service conditions, specified in the respective service agreements. Restricted stock awards issued to non-employees are accounted for at current fair value through the vesting period. On January 27, 2015, the Company awarded 350,000 shares of the Company's common stock to non-employees. 210,000 of these shares were treated as stock awards as the shares vested immediately on the date of award, and the remaining 140,000 shares, which were initially treated as unvested restricted stock, vested on May 28, 2015. The fair values of the awards, which totaled approximately \$350,000, were measured based on the trading prices of the Company's stock on the date of award and the date vested. The expense related to these stock awards were fully recognized during the nine-month period ended October 3, 2015.

In addition, 18,000 shares of restricted stock that were granted to a certain non-employee during the fiscal year ended January 3, 2015 became vested during the nine-month period ended October 3, 2015. The fair value of these vested restricted shares was approximately \$22,000, which represents the market value of the Company's common stock on respective vesting dates charged to expense.

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The following table summarizes activity of restricted stock awards issued to non-employees at October 3, 2015 and changes during the nine months then ended:

	Shares	Weighted Average Fair Value
Unvested shares at January 3, 2015	76,000	\$ 0.90
Granted	140,000	0.86
Vested	(158,000)	1.21
Forfeited	-	-
Unvested shares expected to vest at October 3, 2015	<u>58,000</u>	<u>\$ 1.25</u>

As of October 3, 2015, there was approximately \$73,000 of total unrecognized compensation expense related to the restricted stock award to a non-employee. That cost is expected to be recognized over a period of 2.4 years as of October 3, 2015.

***Non-Employee Option, Stock and Restricted Stock Compensation***

The Company recognized share-based compensation expense of approximately \$15,000 and \$418,000 in general and administrative expenses in the statement of operations for the three and nine months ended October 3, 2015 and approximately \$43,000 and \$109,000 for the three and nine months ended September 27, 2014, respectively.

**Note 8. Business Segments**

The Company has following three reportable segments.

- Ingredients segment develops and commercializes proprietary-based ingredient technologies and supplies these ingredients to the manufacturers of consumer products in various industries including the nutritional supplement, food and beverage and animal health industries.
- Core standards, and contract services segment includes supply of phytochemical reference standards, which are small quantities of plant-based compounds typically used to research an array of potential attributes, reference materials, and related contract services.
- Scientific and regulatory consulting segment which consist of providing scientific and regulatory consulting to the clients in the food, supplement and pharmaceutical industries to manage potential health and regulatory risks.

The "Other" classification includes corporate items not allocated by the Company to each reportable segment. Further, there are no intersegment sales that require elimination. The Company evaluates performance and allocates resources based on reviewing gross margin by reportable segment.

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Three months ended October 3, 2015	Ingredients segment	Core Standards and Contract Services segment	Scientific and Regulatory Consulting segment	Other	Total
Net sales	\$ 4,146,597	\$ 1,875,296	\$ 265,416	\$ -	\$ 6,287,309
Cost of sales	2,157,183	1,533,402	115,094	-	3,805,679
<b>Gross profit</b>	<b>1,989,414</b>	<b>341,894</b>	<b>150,322</b>	<b>-</b>	<b>2,481,630</b>
Operating expenses:					
Sales and marketing	259,874	287,901	3,103	-	550,878
General and administrative	-	-	-	1,753,622	1,753,622
<b>Operating expenses</b>	<b>259,874</b>	<b>287,901</b>	<b>3,103</b>	<b>1,753,622</b>	<b>2,304,500</b>
<b>Operating income (loss)</b>	<b>\$ 1,729,540</b>	<b>\$ 53,993</b>	<b>\$ 147,219</b>	<b>\$ (1,753,622)</b>	<b>\$ 177,130</b>

Three months ended September 27, 2014	Ingredients segment	Core Standards and Contract Services segment	Scientific and Regulatory Consulting segment	Other	Total
Net sales	\$ 2,031,250	\$ 1,814,622	\$ 293,838	\$ -	\$ 4,139,710
Cost of sales	1,200,790	1,239,356	176,618	-	2,616,764
<b>Gross profit</b>	<b>830,460</b>	<b>575,266</b>	<b>117,220</b>	<b>-</b>	<b>1,522,946</b>
Operating expenses:					
Sales and marketing	243,068	259,951	15,643	-	518,662
General and administrative	-	-	-	1,651,718	1,651,718
<b>Operating expenses</b>	<b>243,068</b>	<b>259,951</b>	<b>15,643</b>	<b>1,651,718</b>	<b>2,170,380</b>
<b>Operating income (loss)</b>	<b>\$ 587,392</b>	<b>\$ 315,315</b>	<b>\$ 101,577</b>	<b>\$ (1,651,718)</b>	<b>\$ (647,434)</b>

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Nine months ended October 3, 2015	Ingredients segment	Core Standards and Contract Services segment	Scientific and Regulatory Consulting segment	Other	Total
Net sales	\$ 10,238,574	\$ 6,546,816	\$ 864,270	\$ -	\$ 17,649,660
Cost of sales	5,629,564	4,742,480	397,670	-	10,769,714
<b>Gross profit</b>	<b>4,609,010</b>	<b>1,804,336</b>	<b>466,600</b>	<b>-</b>	<b>6,879,946</b>
Operating expenses:					
Sales and marketing	832,779	935,237	8,387	-	1,776,403
General and administrative	-	-	-	6,016,557	6,016,557
<b>Operating expenses</b>	<b>832,779</b>	<b>935,237</b>	<b>8,387</b>	<b>6,016,557</b>	<b>7,792,960</b>
<b>Operating income (loss)</b>	<b>\$ 3,776,231</b>	<b>\$ 869,099</b>	<b>\$ 458,213</b>	<b>\$ (6,016,557)</b>	<b>\$ (913,014)</b>

Nine months ended September 27, 2014	Ingredients segment	Core Standards and Contract Services segment	Scientific and Regulatory Consulting segment	Other	Total
Net sales	\$ 4,889,431	\$ 5,407,455	\$ 773,116	\$ -	\$ 11,070,002
Cost of sales	2,962,505	3,728,521	472,256	-	7,163,282
<b>Gross profit</b>	<b>1,926,926</b>	<b>1,678,934</b>	<b>300,860</b>	<b>-</b>	<b>3,906,720</b>
Operating expenses:					
Sales and marketing	793,414	694,523	66,840	-	1,554,777
General and administrative	-	-	-	6,458,027	6,458,027
Loss from investment in affiliate	-	-	-	21,543	21,543
<b>Operating expenses</b>	<b>793,414</b>	<b>694,523</b>	<b>66,840</b>	<b>6,479,570</b>	<b>8,034,347</b>
<b>Operating income (loss)</b>	<b>\$ 1,133,512</b>	<b>\$ 984,411</b>	<b>\$ 234,020</b>	<b>\$ (6,479,570)</b>	<b>\$ (4,127,627)</b>

	Ingredients segment	Core Standards and Contract Services segment	Scientific and Regulatory Consulting segment	Other	Total
At October 3, 2015					
Total assets	\$ 6,527,861	\$ 3,042,917	\$ 110,284	\$ 5,365,544	\$ 15,046,606

	Ingredients segment	Core Standards and Contract Services segment	Scientific and Regulatory Consulting segment	Other	Total
At January 3, 2015					
Total assets	\$ 3,757,073	\$ 3,220,518	\$ 105,711	\$ 4,433,545	\$ 11,516,847

***Disclosure of major customers***

During the three and nine months ended October 3, 2015, Customer B in our ingredients segment accounted for 19.1% and 13.8%, respectively of the Company’s total sales. During the three and nine months ended September 27, 2014, Customer A in our ingredients segment accounted for 12.3% and 13.8%, respectively of the Company’s total sales.

**Note 9. Commitments and Contingencies**

***Capitalized Lease Obligations***

On January 31, 2015, the Company entered into a financing transaction to purchase laboratory equipment. Under the lease terms, the Company will make monthly lease payments, including interest, of approximately \$7,000 for 48 months, for a total payment of approximately \$356,000. The Company has recorded a capital lease of approximately \$304,000. The equipment will be utilized in our core standards and contract services segment.

***Inventory Purchase Obligations***

On September 29, 2015, the Company entered into an agreement with W.R. Grace & Co. Conn. (“Grace”) pursuant to which the Company has agreed to purchase from Grace not less than approximately \$6.1 million worth of nicotinamide riboside chloride (the “Required Volume”) at a fixed price per kilogram (the “Price per Kilogram”) between September 4, 2015 and December 31, 2015. So long as Grace makes available for sale to the Company the Required Volume prior to December 31, 2015, if the Company does not in fact purchase the Required Volume the Company will be obligated to pay the Price per Kilogram for the difference in kilograms between the Required Volume and the amount actually purchased. If Grace is unable to deliver the Required Volume by December 31, 2015, it will continue to deliver nicotinamide riboside chloride until it has delivered the Required Amount and the Company will pay for amounts delivered after December 31, 2015 within 60 days after they have been delivered. As of October 3, 2015, the Company had purchased approximately \$1.0 million of the \$6.1 million it is required to purchase pursuant to the agreement.

**Note 10. Related Party Transactions**

On August 28, 2015, the Company entered into an Exclusive Supply Agreement (the “Supply Agreement”) with Healthspan Research, LLC (“Healthspan”). Under the terms of the Supply Agreement, Healthspan agreed to purchase NIAGEN® from the Company and the Company granted to Healthspan worldwide rights for resale of specific dietary supplements containing NIAGEN® in certain markets.

Pursuant to the terms of the Supply Agreement, in exchange for a 4% equity interest in Healthspan, the Company agreed to initially supply NIAGEN® to Healthspan free of charge and thereafter at a fixed price and, in exchange for an additional 5% equity interest in Healthspan, the Company will grant to Healthspan certain exclusive rights to resell NIAGEN® in certain direct response channels. Healthspan will pay the Company royalties on the cumulative worldwide net sales of its finished products containing NIAGEN®. The exclusivity rights will remain for so long as Healthspan meets certain minimum purchase requirements. In the event that, during the initial term, the Company terminates the exclusivity rights due to failure to meet the minimum purchase requirements or for any reason other than a material breach of the Supply Agreement by Healthspan, then the 5% equity interest shall be automatically redeemed for a purchase price of \$1.00 effective upon the date of termination of the exclusivity rights.

In connection with the foregoing, also on August 28, 2015, the Company and Healthspan entered into an interest purchase agreement and limited liability company agreement pursuant to which the Company was issued 9% of the outstanding equity interests of Healthspan. Rob Fried, a director of the Company, is the manager of Healthspan and owns 91% of the outstanding equity interests of Healthspan. The Supply Agreement, interest purchase agreement and limited liability company agreement were unanimously approved by the independent directors of the Company.

As of October 3, 2015, the Company had not shipped any NIAGEN® to Healthspan and no accounting was done for the nine-month period ended on October 3, 2015.

**Note 11. Subsequent Events**

Subsequent to the nine-month period ended October 3, 2015, the Company entered into Securities Purchase Agreements with certain existing stockholders to raise \$2,000,000 in a registered direct offering. Pursuant to the SPAs, the Company sold a total of 200,000 Units at a purchase price of \$10.00 per Unit, with each Unit consisting of eight shares of the Company’s common stock and a warrant to purchase four shares of common stock with an exercise price of \$1.50 and a term of 3 years. The offering was made pursuant to a prospectus supplement dated November 4, 2015 and an accompanying prospectus dated May 8, 2015 pursuant to the Company’s shelf registration statement on Form S-3 that was filed with the Securities and Exchange Commission on May 8, 2015 and became effective on June 5, 2015 (File No. 333-203204). The prospectus supplement registered the shares of common stock issued in the offering and the common stock underlying the warrants.

## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

### GENERAL

*This Quarterly Report on Form 10-Q (the "Form 10-Q") contains "forward-looking statements," as defined in Section 21E of the Securities Exchange Act of 1934, as amended. These statements reflect the Company's current expectations of the future results of its operations, performance and achievements. Forward-looking statements are covered under the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. The Company has tried, wherever possible, to identify these statements by using words such as "anticipates," "believes," "estimates," "expects," "plans," "intends" and similar expressions. These statements reflect management's current beliefs and are based on information now available to it. Accordingly, these statements are subject to certain risks, uncertainties and contingencies that could cause the Company's actual results, performance or achievements in 2015 and beyond to differ materially from those expressed in, or implied by, such statements. Such statements, include, but are not limited to, statements contained in this Form 10-Q relating to our business, financial performance, business strategy, recently announced transactions and capital outlook. Important factors that could cause actual results to differ materially from those in the forward- looking statements include: a continued decline in general economic conditions nationally and internationally; decreased demand for our products and services; market acceptance of our products; the ability to protect our intellectual property rights; the impact of any litigation or infringement actions brought against us; competition from other providers and products; risks in product development; the inability to raise capital to fund continuing operations; changes in government regulation; the ability to complete customer transactions, and other factors relating to our industry, our operations and results of operations and any businesses that may be acquired by us. Should one or more of these or other risks or uncertainties materialize, or should the underlying assumptions prove incorrect, actual results may differ significantly from those anticipated, believed, estimated, expected, intended or planned. Additional risks, uncertainties, and other factors are set forth under Item 1A "Risk Factors" in the Company's Annual Report on Form 10-K for the year ending January 3, 2015 and filed with the Commission on March 19, 2015 and in future reports the Company files with the Commission. Readers of this Form 10-Q should not place undue reliance on any forward-looking statements. Except as required by federal securities laws, the Company undertakes no obligation to update or revise these forward-looking statements to reflect new events or uncertainties.*

You should read the following discussion and analysis of the financial condition and results of operations of the Company together with the financial statements and the related notes presented in Item 1 of this Form 10-Q.

### Overview

The Company is a natural products company that leverages its complementary business units to discover, acquire, develop and commercialize patented and proprietary ingredient technologies that address the dietary supplement, food, beverage, skin care and pharmaceutical markets. In addition to the Company's ingredient technologies unit, the Company also has business units focused on natural product fine chemicals, chemistry and analytical testing services, and product regulatory and safety consulting. As a result of the Company's relationships with leading universities and research institutions, the Company is able to discover and license early stage, Intellectual Property-backed ingredient technologies. The Company then utilizes the Company's in-house chemistry, regulatory and safety consulting business units to develop commercially viable ingredients. The Company's ingredient portfolio is backed with clinical and scientific research, as well as extensive Intellectual Property protection.

The discussion and analysis of our financial condition and results of operations is based on our financial statements, which have been prepared in accordance with U.S. generally accepted accounting principles. The preparation of these financial statements requires our management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported revenues, if any, and expenses during the reporting periods. On an ongoing basis, we evaluate such estimates and judgments, including those described in greater detail below. We base our estimates on historical experience and on various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

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As of October 3, 2015, the Company had approximately \$4,709,000 cash and cash equivalents on hand as of October 3, 2015. Subsequent to the nine-month period ended October 3, 2015, the Company entered into Securities Purchase Agreements with certain existing stockholders, under which the Company raised \$2,000,000 in a registered direct offering through the sale to such stockholders of an aggregate of 200,000 Units at a purchase price of \$10.00 per Unit, with each Unit consisting of eight shares of the Company's common stock and a warrant to purchase four shares of common stock with an exercise price of \$1.50 and a term of 3 years.

With the capital raise described above, we anticipate that our current cash and cash equivalents on hand, and cash generated from operations will be sufficient to meet our projected operating plans through at least December 31, 2016. We may, however, seek additional capital prior to December 31, 2016, both to meet our projected operating plans after December 31, 2016 and/or to fund our longer term strategic objectives.

Additional capital may come from public and/or private stock or debt offerings, borrowings under lines of credit or other sources. These additional funds may not be available on favorable terms, or at all. Further, if we issue equity or debt securities to raise additional funds, our existing stockholders may experience dilution and the new equity or debt securities we issue may have rights, preferences and privileges senior to those of our existing stockholders. In addition, if we raise additional funds through collaboration, licensing or other similar arrangements, it may be necessary to relinquish valuable rights to our products or proprietary technologies, or to grant licenses on terms that are not favorable to us. If we cannot raise funds on acceptable terms, we may not be able to develop or enhance our products, obtain the required regulatory clearances or approvals, achieve long term strategic objectives, take advantage of future opportunities, or respond to competitive pressures or unanticipated customer requirements. Any of these events could adversely affect our ability to achieve our development and commercialization goals, which could have a material and adverse effect on our business, results of operations and financial condition. If we are unable to establish small to medium scale production capabilities through our own plant or through collaboration we may be unable to fulfill our customers' requirements. This may cause a loss of future revenue streams as well as require us to look for third party vendors to provide these services. These vendors may not be available, or charge fees that prevent us from pricing competitively within our markets.

Some of our operations are subject to regulation by various state and federal agencies. In addition, we expect a significant increase in the regulation of our target markets. Dietary supplements are subject to FDA, FTC and U.S. Department of Agriculture regulations relating to composition, labeling and advertising claims. These regulations may in some cases, particularly with respect to those applicable to new ingredients, require a notification that must be submitted to the FDA along with evidence of safety. There are similar regulations related to food additives.

## Results of Operations

Our net sales and net loss for the three- and nine-month periods ending on October 3, 2015 and September 27, 2014 were as follows:

	Three months ending		Nine months ending	
	Oct. 3, 2015	Sept. 27, 2014	Oct. 3, 2015	Sept. 27, 2014
Net sales	\$ 6,287,000	\$ 4,140,000	\$ 17,650,000	\$ 11,070,000
Net loss	(4,000)	(660,000)	(1,344,000)	(4,161,000)
Basic and Diluted loss per common share	\$ (0.00)	\$ (0.01)	\$ (0.01)	\$ (0.04)

Over the next two years, we plan to continue to increase research and development efforts for our line of proprietary ingredients, subject to available financial resources.



## Net Sales

Net sales consist of gross sales less discounts and returns.

	Three months ending			Nine months ending		
	Oct. 3, 2015	Sept. 27, 2014	Change	Oct. 3, 2015	Sept. 27, 2014	Change
<b>Net sales:</b>						
Ingredients	\$ 4,147,000	\$ 2,031,000	104%	\$ 10,239,000	\$ 4,889,000	109%
Core standards and contract services	1,875,000	1,815,000	3%	6,547,000	5,408,000	21%
Scientific and regulatory consulting	265,000	294,000	-10%	864,000	773,000	12%
<b>Total net sales</b>	<b>\$ 6,287,000</b>	<b>\$ 4,140,000</b>	<b>52%</b>	<b>\$ 17,650,000</b>	<b>\$ 11,070,000</b>	<b>59%</b>

- The increases in sales for the ingredients segment are due to increased sales throughout most of the ingredients we sell, including “NIAGEN®,” “PUREENERGY®,” and “PTEROPURE®.”
- The increases in sales for the core standards and contract services segment are primarily due to increased sales of analytical testing and contract services.

- The sales for the scientific and regulatory consulting segment decreased 10% for the three-month period ended October 3, 2015, but increased 12% for the nine-month period ended October 3, 2015, in each case compared to the comparable periods in 2014. Fewer consulting projects for customers were completed during the three-month period ended October 3, 2015 as we focused more on completing internal projects.

## Cost of Sales

Cost of sales include raw materials, labor, overhead, and delivery costs.

	Three months ending				Nine months ending			
	Oct. 3, 2015	Sept. 27, 2014	Oct. 3, 2015	Sept. 27, 2014	Oct. 3, 2015	Sept. 27, 2014	Oct. 3, 2015	Sept. 27, 2014
	Amount	% of net sales	Amount	% of net sales	Amount	% of net sales	Amount	% of net sales
<b>Cost of sales:</b>								
Ingredients	\$2,157,000	52%	\$1,201,000	59%	\$ 5,630,000	55%	\$2,962,000	61%
Core standards and contract services	1,533,000	82%	1,239,000	68%	4,743,000	72%	3,729,000	69%
Scientific and regulatory consulting	115,000	43%	177,000	60%	397,000	46%	472,000	61%
<b>Total cost of sales</b>	<b>\$3,805,000</b>	<b>61%</b>	<b>\$2,617,000</b>	<b>63%</b>	<b>\$10,770,000</b>	<b>61%</b>	<b>\$7,163,000</b>	<b>65%</b>

The cost of sales, as a percentage of net sales, decreased 2% and 4% for the three- and nine-month periods ended October 3, 2015, respectively, compared to the comparable periods in 2014.

- The decreases in cost of sales, as a percentage of net sales, for the ingredients segment are largely due to the increased purchase volume, which enabled us to obtain lower prices from our suppliers as a result.

- The cost of sales as a percentage of net sales for the core standards and contract services segment increased to 82% from 68% for the three-month period ended October 3, 2015 and increased to 72% from 69% for the nine-month period ended October 3, 2015. The increase in cost as a percentage of net sales is mainly due to increased costs in fine chemical reference standards as additional reserves were placed for the portion of the inventory that are considered slow-moving and obsolete. In addition, there was a one-time severance payment related to the termination of a certain employee during the three-month period ended October 3, 2015, which resulted in additional cost.

- The percentage decreases in cost of sales for the scientific and regulatory consulting segment are largely due to higher utilizations of in-house consulting labor. Less work was subcontracted out to 3<sup>rd</sup> party consultants.

## Gross Profit

Gross profit is net sales less the cost of sales and is affected by a number of factors including product mix, competitive pricing and costs of products and services.

	Three months ending			Nine months ending		
	Oct. 3, 2015	Sept. 27, 2014	Change	Oct. 3, 2015	Sept. 27, 2014	Change
<b>Gross profit:</b>						
Ingredients	\$ 1,990,000	\$ 830,000	140%	\$ 4,609,000	\$ 1,927,000	139%
Core standards and contract services	342,000	576,000	-41%	1,804,000	1,679,000	7%
Scientific and regulatory consulting	150,000	117,000	28%	467,000	301,000	55%
<b>Total gross profit</b>	<b>\$ 2,482,000</b>	<b>\$ 1,523,000</b>	<b>63%</b>	<b>\$ 6,880,000</b>	<b>\$ 3,907,000</b>	<b>76%</b>

- The increased gross profits for the ingredients segment are due to the increased sales throughout the ingredient portfolio we offer, as well as obtaining lower prices from our suppliers as a result of increased purchase volumes.

- The decreased gross profit for the core standards and contract services segment for the three-month period ended October 3, 2015 is largely due to increased costs in fine chemical reference standards as additional reserves were placed for the portion of the inventory that are considered slow-moving and obsolete. In addition, the labor utilization was relatively low as the sales for analytical testing and contract services did not increase in proportion to the increase in fixed labor costs. Lastly, there was a one-time severance payment related to the termination of a certain employee which resulted in additional cost. The gross profit, however, increased for the nine-month period ended October 3, 2015, mainly due to increase in sales.

- The increased gross profits for the scientific and regulatory consulting segment are largely due to higher utilizations of in-house consulting labor.

## Operating Expenses-Sales and Marketing

Sales and Marketing Expenses consist of salaries, advertising and marketing expenses.

	Three months ending			Nine months ending		
	Oct. 3, 2015	Sept. 27, 2014	Change	Oct. 3, 2015	Sept. 27, 2014	Change
<b>Sales and marketing expenses:</b>						
Ingredients	\$ 260,000	\$ 243,000	7%	\$ 833,000	\$ 793,000	5%
Core standards and contract services	288,000	260,000	11%	935,000	695,000	35%
Scientific and regulatory consulting	3,000	16,000	-81%	8,000	67,000	-88%
<b>Total sales and marketing expenses</b>	<b>\$ 551,000</b>	<b>\$ 519,000</b>	<b>6%</b>	<b>\$ 1,776,000</b>	<b>\$ 1,555,000</b>	<b>14%</b>

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- For the ingredients segment, we were able to maintain sales and marketing expenses at a similar level of the comparable periods in 2014 despite the significant increases in sales. We do anticipate increased expenses going forward as we increase marketing efforts for our proprietary ingredients.
- For the core standards and contract services segment, the increases are largely due to hiring additional sales and marketing staff and making certain operational changes.
- For the scientific and regulatory consulting segment, we had very little sales and marketing expenses compared to comparable periods in 2014.

### Operating Expenses-General and Administrative

General and Administrative Expenses consist of research and development, general company administration, IT, accounting and executive management.

	Three months ending			Nine months ending		
	Oct. 3, 2015	Sept. 27, 2014	Change	Oct. 3, 2015	Sept. 27, 2014	Change
<b>General and administrative</b>	<b>\$ 1,754,000</b>	<b>\$ 1,652,000</b>	<b>6%</b>	<b>\$ 6,017,000</b>	<b>\$ 6,458,000</b>	<b>-7%</b>

General and Administrative Expenses increased 6% for the three-month period ended October 3, 2015, however, decreased 7% for the nine-month period ended October 3, 2015, compared to the comparable periods in 2014. One of the factors that contributed to the decreases in general and administrative expense for the nine-month period was a decrease in share-based compensation. For the nine-month period ended October 3, 2015, our share-based compensation decreased to approximately \$1,657,000, compared to approximately \$2,468,000 for the comparable period in 2014.

In 2014, we had higher share-based compensation expenses as we awarded an aggregate of 1,090,000 shares of restricted stock to the Company's officers and members of the board of directors. The fair values of these restricted stock awards were approximately \$1,537,000 in aggregate, which were expensed over a period of six months from January 2, 2014 to July 1, 2014.

### Non-operating income- Interest Income

Interest income consists of interest earned on money market accounts. Interest income for the nine-month period ended October 3, 2015 was approximately \$2,000, a slight increase compared to approximately \$1,000 for the nine-month period ended September 27, 2014.

### Non-operating Expenses- Interest Expense

Interest expense consists of interest on loan payable and capital leases.

	Three months ending			Nine months ending		
	Oct. 3, 2015	Sept. 27, 2014	Change	Oct. 3, 2015	Sept. 27, 2014	Change
<b>Interest expense</b>	<b>\$ 182,000</b>	<b>\$ 12,000</b>	<b>1417%</b>	<b>\$ 434,000</b>	<b>\$ 34,000</b>	<b>1176%</b>

The increases in interest expense were mainly related to the Term Loan Agreement dated September 29, 2014, between the Company and Hercules Technology II, L.P, which the Company drew down first \$2.5 million on September 29, 2014 and second \$2.5 million on June 18, 2015. For more information on this term loan, please refer to Note 6 of Financial Statements appearing in Part I of this report.

## **Depreciation and Amortization**

Depreciation expense for the nine-month period ended October 3, 2015, was approximately \$210,000 as compared to \$162,000 for the nine-month period ended September 27, 2014. We depreciate our assets on a straight-line basis, based on the estimated useful lives of the respective assets. Amortization expense of intangible assets for the nine-month period ended October 3, 2015, was approximately \$32,000 as compared to \$25,000 for the nine-month period ended September 27, 2014. We amortize intangible assets using a straight-line method over 10 years.

## **Liquidity and Capital Resources**

From inception and through October 3, 2015, we have incurred aggregate losses of approximately \$41 million. These losses are primarily due to expenses associated with the development and expansion of our operations. These operations have been financed through capital contributions, the issuance of common stock and warrants through private placements, and the issuance of debt.

Our board of directors periodically reviews our capital requirements in light of our proposed business plan. Our future capital requirements will remain dependent upon a variety of factors, including cash flow from operations, the ability to increase sales, increasing our gross profits from current levels, reducing selling and administrative expenses as a percentage of net sales, continued development of customer relationships, and our ability to market our new products successfully. However, based on our results from operations, we may determine that we need additional financing to implement our business plan. There can be no assurance that any such financing will be available on terms favorable to us or at all. Without adequate financing we may have to further delay or terminate product and service expansion and curtail certain selling, general and administrative expenses. Any inability to raise additional financing would have a material adverse effect on us.

The Company had approximately \$4,709,000 cash and cash equivalents on hand as of October 3, 2015. Subsequent to the nine-month period ended October 3, 2015, the Company entered into Securities Purchase Agreements with certain existing stockholders under which the Company raised \$2,000,000 in a registered direct offering through the sale to such stockholders of an aggregate of 200,000 Units at a purchase price of \$10.00 per Unit, with each Unit consisting of eight shares of the Company's common stock and a warrant to purchase four shares of common stock with an exercise price of \$1.50 and a term of 3 years.

With the capital raise described above, we anticipate that our current cash and cash equivalents on hand, and cash generated from will be sufficient to meet our projected operating plans through at least December 31, 2016. We may, however, seek additional capital prior to December 31, 2016, both to meet our projected operating plans through and after December 31, 2016 and to fund our longer term strategic objectives. To the extent we are unable to raise additional cash or generate sufficient revenue to meet our projected operating plans prior to December 31, 2016, we will revise our projected operating plans accordingly.

### *Net cash used in operating activities*

Net cash used in operating activities for the nine months ended October 3, 2015 was approximately \$1,258,000 as compared to approximately \$2,335,000 for the nine months ended September 27, 2014. Along with the net loss, increases in trade receivables and inventories were the largest uses of cash during the nine-month period ended October 3, 2015. Net cash used in operating activities for the nine months ended September 27, 2014 largely reflects an increase in trade receivables and a decrease in customer deposits along with the net loss.

We expect our operating cash flows to fluctuate significantly in future periods as a result of fluctuations in our operating results, shipment timetables, accounts receivable collections, inventory management, and the timing of our payments, among other factors.

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*Net cash provided by (used in) investing activities*

Net cash used in investing activities was approximately \$350,000 for the nine months ended October 3, 2015, compared to approximately \$950,000 provided by for the nine months ended September 27, 2014. Net cash used in investing activities for the nine months ended October 3, 2015 mainly consisted of purchases of leasehold improvements and equipment and intangible assets. Net cash provided by investing activities for the nine months ended September 27, 2014 mainly consisted of proceeds received from the assignment of the Senior Note issued by NeutriSci to an unrelated third party. NeutriSci originally issued the Senior Note to the Company as a part of the consideration for the purchase of the BluScience product line.

*Net cash provided by financing activities*

Net cash provided by financing activities was approximately \$2,352,000 for the nine months ended October 3, 2015, compared to approximately \$327,000 for the nine months ended September 27, 2014. Net cash provided by financing activities for the nine months ended October 3, 2015 mainly consisted of proceeds from the 2<sup>nd</sup> draw of the term loan we entered into with Hercules Technology II, L.P. Net cash provided by financing activities for the nine months ended September 27, 2014 mainly consisted of proceeds from exercise of stock options, offset by principal payments on capital leases.

**Dividend policy**

We have not declared or paid any dividends on our common stock. We presently intend to retain earnings for use in our operations and to finance our business. Any change in our dividend policy is within the discretion of our Board of Directors and will depend, among other things, on our earnings, debt service and capital requirements, restrictions in financing agreements, if any, business conditions, legal restrictions and other factors that our Board of Directors deems relevant.

**Off-Balance Sheet Arrangements**

During the nine months ended October 3, 2015, we had no significant off-balance sheet arrangements other than ordinary operating leases as disclosed in the “Financial Statements and Supplementary Data” section of the Company’s Annual Report on Form 10-K for the year ending January 3, 2015 and filed with the Commission on March 19, 2015.

**ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

*Interest Rate Risk*

The Company had an outstanding loan payable of \$5.0 million at October 3, 2015. Interest is payable monthly at the greater of either (i) 9.35% plus the prime rate as reported in The Wall Street Journal (the “Prime Rate”) minus 3.25%, or (ii) 9.35%. If the Prime Rate rises, the Company will incur more interest expenses. The loan is repayable in installments through April 1, 2018, following an initial interest-only period until March 31, 2016, provided however that if the Company’s consolidated revenue is equal to or greater than \$11.5 million for the six months ending December 31, 2015, then the interest-only period shall be extended to June 30, 2016.

Our capital lease obligations bear interest at a fixed rate and therefore have no exposure to changes in interest rates.

The Company’s cash consists of short term, high liquid investments in money market funds managed by banks. Due to the short-term duration of our investment portfolio and the relatively low risk profile of our investments, a sudden change in interest rates would not have a material effect on either the fair market value of our portfolio, or our operating results or cash flows.

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*Foreign Currency Risk*

All of our long-lived assets are located within the United States and we do not hold any foreign currency denominated financial instruments.

*Effects of Inflation*

We do not believe that inflation and changing prices during the nine months ended October 3, 2015 and September 27, 2014 had a significant impact on our results of operations.

**ITEM 4. CONTROLS AND PROCEDURES**

**Evaluation of Disclosure Controls and Procedures**

Our Chief Executive Officer and Chief Financial Officer have evaluated the effectiveness of our disclosure controls and procedures, as defined in Rules 13a – 15(e) and 15d – 15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), as of the end of the period covered by this quarterly report. They have concluded that, based on such evaluation, our disclosure controls and procedures were effective as of October 3, 2015.

**Changes in Internal Control over Financial Reporting**

There was no change in internal control over financial reporting (as defined in Rule 13a–15(f) promulgated under the Securities Exchange Act of 1934) that occurred during the Company’s third fiscal quarter that has materially affected or is reasonably likely to materially affect the Company’s internal control over financial reporting.

**PART II - OTHER INFORMATION**

**ITEM 1. LEGAL PROCEEDINGS**

We are not involved in any legal proceedings which management believes may have a material adverse effect on our business, financial condition, operations, cash flows, or prospects. The Company from time to time is involved in legal proceedings in the ordinary course of our business, which can include employment claims, product claim, patent infringement, etc. We do not believe that any of these claims and proceedings against us as they arise are likely to have, individually or in the aggregate, a material adverse effect on our financial condition or results of operations.

**ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS**

None.

**ITEM 3. DEFAULTS UPON SENIOR SECURITIES**

None.

**ITEM 4. MINE SAFETY DISCLOSURES**

Not applicable.

**ITEM 5. OTHER INFORMATION**

None.

**ITEM 6. EXHIBITS**

Exhibit No.    Description of Exhibits

10.1	Exclusive Supply Agreement, effective as of August 27, 2015 between Healthspan Research, LLC and ChromaDex, Inc. (1)
10.2	Limited Liability Company Agreement, effective as of August 27, 2015 between Healthspan Research LLC and ChromaDex, Inc. (1)
10.3	Interest Purchase Agreement, effective as of August 27, 2015 between Healthspan Research LLC and ChromaDex, Inc. (1)
10.4	Take or Pay Purchase Agreement for nicotinamide riboside chloride, effective as of September 21, 2015, between W.R. Grace & Co. Conn. And ChromaDex, Inc. (1)
10.5	Supply Agreement, effective as of August 28, 2015 and First Addendum to Supply Agreement, effective as of September 30, 2015 between Nectar7 LLC and ChromaDex, Inc. (1)
31.1	Certification of the Chief Executive Officer pursuant to §240.13a-14 or §240.15d-14 of the Securities Exchange Act of 1934, as amended
31.2	Certification of the Chief Financial Officer pursuant to §240.13a-14 or §240.15d-14 of the Securities Exchange Act of 1934, as amended
32.1	Certification pursuant to 18 U.S.C. Section 1350 (as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002)

A redacted version of this Exhibit is filed herewith. An un-redacted version of this Exhibit has been separately filed with the (1) Commission pursuant to an application for confidential treatment. The confidential portions of the Exhibit have been omitted and are marked by an asterisk.



## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: November 12, 2015

ChromaDex Corporation  
(Registrant)

/s/ THOMAS C. VARVARO  
Thomas C. Varvaro  
Duly Authorized Officer and Chief Financial Officer

[\*] INDICATES CONFIDENTIAL PORTION HAS BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND HAS BEEN FILED SEPARATELY WITH THE COMMISSION

### EXCLUSIVE SUPPLY AGREEMENT

**THIS SUPPLY AGREEMENT** (the "Agreement"), is made and entered into as of August 28, 2015 (the "Effective Date") by and between Healthspan Research LLC, a Delaware limited liability company, with principal offices located at 3130 Wilshire Blvd., 4th Floor, Santa Monica, California 90403 ("Buyer") and ChromaDex Inc., a California corporation, with principal offices located at 10005 Muirlands, Blvd, Suite G, Irvine, CA 92618, USA ("Seller").

### RECITALS

**WHEREAS**, the Seller has developed a novel and proprietary ingredient, Nicotinamide Riboside, with the trade name NIAGEN® (the "Product").

**WHEREAS**, the Buyer desires to purchase the Product from Seller and will have worldwide rights for resale in all markets except the Excluded Field (as defined below) and will have worldwide exclusivity rights to sell the Product in the Field (as defined below), and Seller desires to sell Product to Buyer subject to the terms and conditions hereinafter described.

**NOW, THEREFORE**, in consideration of the mutual premises and agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows.

1. **Definitions.** The following terms have the meanings specified below:

1.1 "Affiliate" shall mean, with respect to a party, any person or entity that controls, is controlled by, or is under common control with such party. An entity or person shall be deemed to be in control of another entity ("Controlled Entity") if the former owns directly or indirectly at least fifty percent (50%) of the outstanding voting equity of the Controlled Entity (or some other majority equity or ownership interest exists, in the event that such Controlled Entity is other than a corporation).

1.2 "Breaching Party" has the meaning set forth in Section 11.2.

1.3 "Buyer" means the party executing this Agreement to purchase the Product, and its successors and assigns.

1.4 "Effective Date" has the meaning set forth in the preamble to this Agreement.

1.5 "Excluded Products" means topical skincare or cosmetic products, foods or beverages, and any and all dietary supplements in the form of an energy shot or a melt (melting or dissolvable tablet or delivery system). Additional products, may be added to this definition of Excluded Products at any time at the sole discretion of Seller upon written notice, unless the Parties have previously agreed in writing that such product may not be excluded because Buyer has demonstrated established sales of or other commitment to a similar product or product format. Notwithstanding the foregoing, in no event shall the definition of Excluded Products be altered to hinder, impair or prevent Buyer from selling dietary supplement products in tablet or capsule form for which it has been granted exclusivity hereunder.

[\*] INDICATES CONFIDENTIAL PORTION HAS BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND HAS BEEN FILED SEPARATELY WITH THE COMMISSION

1.6 “Excluded Field” means the Doctor Channel and the Multi-Level Marketing channel. The “Doctor Channel” is defined herein as the sale of nutritional supplements through licensed health-care practitioners which does not include or utilize direct to consumer marketing on television or radio. The “Multi-Level Marketing Channel” is defined herein as the sale of products through a network of independent marketing representatives which does not include or utilize direct to consumer marketing on television or radio. Additional channels may be added to this definition of Excluded Field at any time at the sole discretion of Seller upon written notice, unless the Parties have previously agreed in writing that such channel may not be excluded because Buyer has demonstrated established sales of or other commitment to a specified field or channel. Notwithstanding the foregoing, in no event shall the definition of Excluded Field be altered to hinder, impair or prevent Buyer from selling dietary supplements in the form of a tablet or capsule in the Field.

1.7 “Exclusivity Rights” has the meaning set forth in Section 3.2.

1.8 “Field” means the marketing and advertising of the Finished Product through direct response television and radio advertisements of any length or format intended to reach one or more potential consumers asking them to purchase from or respond directly to Buyer or its agent via a website, telephone number, or other medium to purchase the Finished Product.

1.9 “Finished Products” shall mean the Buyer's dietary supplement finished product containing the Product and any other ingredients determined by Buyer, including, without limitation, Pterostilbene (“PT”) sourced from Seller or any other party.

1.10 “Force Majeure Events” has the meaning set forth in Section 16.

1.11 “Good Manufacturing Practices” shall mean current and any future good manufacturing practices and quality system regulations set forth by any applicable regulatory authority of a country in which the Product or the Finished Products shall be respectively manufactured or sold.

1.12 “Initial Price” has the meaning set forth in Section 2.5.

1.13 “Initial Term” has the meaning set forth in Section 11.1.

1.14 “LLC Agreement” has the meaning set forth in Section 3.1.

1.15 “Loss” has the meaning set forth in Section 17.1.

1.16 “Membership Interest Purchase Agreement” has the meaning set forth in Section 3.1.

1.17 “Minimum Purchase Requirements” has the meaning set forth in Section 3.2.

1.18 “Net Sales” has the meaning set forth in Section 4.1.

1.19 “Non-Breaching Party” has the meaning set forth in Section 11.2.

1.20 “Person” means any individual, corporation, partnership, joint venture, limited liability company, trust, association, or other entity.

1.21 “Product” has the meaning set forth in the recitals to this Agreement.

[\*] INDICATES CONFIDENTIAL PORTION HAS BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND HAS BEEN FILED SEPARATELY WITH THE COMMISSION

- 1.22 “Renewal Term” has the meaning set forth in Section 11.1.
- 1.23 “Royalty Report” has the meaning set forth in Section 4.3.
- 1.24 “Seller” means ChromaDex, Inc., and its successors and assigns.
- 1.25 “Specification” shall mean the description the Product set forth on Exhibit A.
- 1.26 “Term” has the meaning set forth in Section 11.1.
- 1.27 “Territory” shall be worldwide.

2. **Ordering, Payment, and Pricing.**

2.1 Grant. Seller hereby grants to Buyer the right, with the right to subcontract to any Person subject to Seller’s consent which consent shall not be unreasonably withheld or delayed, during the Term to sell (and offer to sell) the Finished Product anywhere in the Territory other than the Excluded Field. Further, Seller hereby grants Buyer the exclusive right, with the right to subcontract to any Person subject to Seller’s consent which consent shall not be unreasonably withheld or delayed, during the Term to sell (and offer to sell) the Finished Product in the Field in the Territory. Seller shall refer all inquiries made to Seller concerning the Product in the Field solely to Buyer.

2.2 Purchase Orders. Buyer shall submit quarterly or more frequent purchase orders (“PO”) for the Product to Seller, which PO shall set forth the specific quantities ordered, delivery date and shipping instructions. Such PO shall be submitted to Seller at least thirty (30) days prior to the required delivery date specified therein. Seller does not guarantee fulfillment of any PO submitted on less than thirty (30) day notice, however Seller will use commercially reasonable efforts to fulfill those POs. The minimum PO quantity and pack size shall be twenty kilograms (20kg).

2.3 Invoicing and Payment. Seller shall deliver to Buyer an invoice following each shipment setting forth in reasonable detail the quantity of Product shipped, price per kilogram of Product then in effect, and other identifying information such as the PO number or bill of lading number necessary to identify the Product shipment. Payment for the invoiced amount shall be made via wire transfer to Seller on or before the thirtieth (30th) day after receipt of the invoice. Except for any amounts disputed by Buyer in good faith, failure to make prompt and full payment hereunder constitutes a material breach of Agreement. Buyer reserves the right to withhold payment on any invoice that is inaccurate, incorrect, or for which defective or damaged Product is received by Buyer. The parties will seek to resolve any disputed invoice in good faith within thirty (30) days of the date on which such invoice payment was due to Seller.

2.4 [\*]

2.5 Price. During the first year of the Term following expiration of the utilization of the Product supplied for free subject to Section 2.6 hereof, Seller and Buyer agree that the price per kilogram of Product shall be fixed at \$[\*] (the “Initial Price”), subject to adjustment as set forth in Section 2.4. Following the first year of the Term following expiration of the utilization of the Product supplied for free subject to Section 2.6 hereof, the price per kilogram of Product shall remain at the Initial Price during the Initial Term until adjusted pursuant to Section 2.4. The price of the Product is inclusive of shipping.

[\*] INDICATES CONFIDENTIAL PORTION HAS BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND HAS BEEN FILED SEPARATELY WITH THE COMMISSION

2.6 Initial Supply and Exclusivity Fee. Notwithstanding anything contained herein to the contrary, in exchange for a 4% equity interest in Buyer as of the date hereof, Seller agrees to supply \$[\*] of the Product free of charge at the Initial Price and in exchange for a 5% equity interest in Buyer as of the date hereof, Seller will grant Exclusivity Rights to Buyer, provided, that during the Initial Term, if Exclusivity Rights are terminated by Seller for any reason other than a material breach of this Agreement by Buyer which is not timely cured, then the 5% equity interest shall be automatically redeemed for a purchase price of One Dollar effective upon the date of termination of the Exclusivity Rights. Notwithstanding the foregoing, and for purposes of clarity, the termination of the Exclusivity Rights or of this Agreement due to the Buyer's failure to meet a Minimum Purchase Requirement, shall not be deemed a breach of this Agreement by Buyer for the purposes of this Section 2.6 and will trigger Seller's obligation to have its 5% equity interest redeemed as provided for herein.

2.7 Audit. Upon written request of Buyer and upon reasonable notice to Seller, Seller shall permit an independent certified public accountant selected by Buyer and reasonably acceptable to Seller, to inspect during normal business hours any agreement between Seller and any third-party purchasing the Product and other records of Seller for purposes of verifying Seller's compliance with Section 2.4. The accounting firm shall only disclose to Seller whether or not Section 2.4 of this Agreement has been complied with and the amount of any discrepancies. Buyer and Seller shall work in good faith to correct any discrepancies identified during such review. All information obtained by Buyer or its representatives during such review shall be subject to the confidentiality provisions of Section 18.

3. **Requirements for Exclusivity.**

3.1 On the Effective Date, and subject to the provisions of Section 2.6 hereof, Buyer shall issue Seller membership interests, in an amount to equate to nine percent (9%) equity in Buyer as of the date hereof under the terms of a Membership Interest Purchase Agreement, a form of which is attached hereto as Exhibit B (the "Membership Interest Purchase Agreement"), which membership interests shall be subject to the terms of a Limited Liability Company Agreement, a form of which is attached hereto as Exhibit C (the "LLC Agreement").

3.2 Exclusivity in the Territory for the Product in the Field ("Exclusivity Rights") will continue if the annual minimum purchase requirements ("Minimum Purchase Requirements"), set forth below are met.

(a) Year 1 means the 12-month period beginning the earlier of (i) the date of first Product shipment or (ii) six (6) months from the Effective Date. In Year 1 the Minimum Purchase Requirements are waived.

(b) Year 2 means the 12-month period beginning on the first calendar day following the last calendar day of Year 1. In Year 2, Buyer will purchase at a minimum of [\*] dollars (\$[\*]) of the Product. Buyer will provide quarterly or more frequent POs with delivery dates for the Product. At least quarterly POs will be binding to maintain the exclusivity.

(c) Year 3 means the 12-month period beginning on the first calendar day following the last calendar day of Year 2. In Year 3, Buyer will purchase at a minimum of [\*] dollars (\$[\*]) of the Product. Buyer will provide quarterly or more frequent POs with delivery dates for the Product. At least quarterly POs will be binding to maintain the exclusivity.

[\*] INDICATES CONFIDENTIAL PORTION HAS BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND HAS BEEN FILED SEPARATELY WITH THE COMMISSION

(d) Year 4 means the 12-month period beginning on the first calendar day following the last calendar day of Year 3. Provided that the Term extends to Year 4, the Minimum Purchase Requirements shall be [\*] dollars (\$[\*]) or an amount negotiated in good faith between the Parties six (6) months prior to the end of the Initial Term.

(e) Following Year 4, the Minimum Purchase Requirement shall increase no more than once in each consecutive 12-month period following Year 4, in an amount agreed upon in writing between the Parties.

(f) In the event Buyer exceeds the Minimum Requirement in any year, such excess shall be deemed credited towards the Minimum Requirement in the succeeding year or years.

3.3 If Buyer fails to meet the Minimum Purchase Requirements set forth in Section 3.2, and if after 30 days from receipt of written notice from Seller, Buyer has not cured the shortfall, then Seller may, at its sole option and upon written notice to Buyer, terminate Buyer's Exclusivity Rights, provided, however, that if Buyer fails to meet the Minimum Purchase Requirements due to the actions or omissions of Seller, including, without limitation, inadequate supply of Product or recall of the Product, this Section 3.3 shall not apply. For clarity, termination of Exclusivity Rights hereunder does not constitute a termination of this Agreement. If Seller terminates Buyer's Exclusivity Rights pursuant to the terms of this Section 3.3, Seller and Buyer shall work in good faith to determine a mutually acceptable subcontractor who may assume Buyer's Exclusivity Rights and obligations under this Agreement.

4. **Royalties.**

4.1 For purposes of this Agreement, "Net Sales" shall mean, with respect to any Finished Products, the gross sales price for such Finished Product actually received by Seller, less any (a) trade, quantity and cash discounts on Finished Product actually provided to third parties in connection with arms-length transactions, (b) credits, allowances or refunds, not to exceed the original invoice amount, for actual claims, damaged goods, rejections or returns of Finished Product, (c) actual freight and insurance costs incurred in transporting such Finished Product to such customers, and (d) excise, sale, use, value added or other taxes, other than income taxes paid by Buyer due to the sale of Finished Product, in all cases calculated in accordance with generally accepted accounting principles of Buyer, consistently applied.

4.2 Royalty Rate. Buyer shall pay to Seller the following royalties on cumulative worldwide Net Sales of all Finished Products by Buyer.

Cumulative worldwide Net Sales of all Finished Products by Buyer and its Affiliates (in US Dollars)	Royalty Rate on Net Sales of all Finished Products
< \$[*]	[*]%
> \$[*] < \$[*]	[*]%
> \$[*] < \$[*]	[*]%
> \$1[*] < \$[*]	[*]%
> \$[*] < \$[*]	[*]%
> \$[*] USD	[*]%

[\*] INDICATES CONFIDENTIAL PORTION HAS BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND HAS BEEN FILED SEPARATELY WITH THE COMMISSION

4.3 Royalty Payments and Accounting. During the Term, Buyer shall furnish to Seller a quarterly written report showing in reasonably specific detail the calculation of royalties owing for the reporting period (“Royalty Report”). With respect to sales of Finished Products, Buyer shall, in all material respects, keep complete and accurate records in reasonably sufficient detail to enable the Royalties payable hereunder to be determined.

4.4 Audits. Upon the written request of Seller upon reasonable notice and not more than once in each calendar year, Buyer shall permit an independent certified public accounting firm of nationally recognized standing selected by Seller and reasonably acceptable to Buyer, at Seller's expense, to have access during normal business hours to such of the records of Seller as may be reasonably necessary to verify the accuracy of the royalty reports for any year ending not more than twelve (12) months prior to the date of such request. The accounting firm shall disclose to Seller only whether or not the reports are correct and the amount of any discrepancies. No other information shall be shared. If such accounting firm concludes that additional royalties were owed during such period, Buyer shall pay the additional royalties within thirty (30) days of the date Seller delivers to Buyer such accounting firm's written report so concluding. The fees charged by such accounting firm shall be paid by Seller; provided, however, if the audit correctly discloses an under reporting and underpayment in excess of five percent (5%) for any twelve-month (12-month) period are owed by Buyer for the audited period, then Buyer shall pay the reasonable fees and expenses charged by such accounting firm. All information obtained by Seller or its representatives during such review shall be subject to the confidentiality provisions of Section 18.

4.5 Payment of Royalty. Payment for the royalty due under this Section 4 shall be made quarterly, no later than thirty (30) days following the last day of the quarter in which Net Sales were generated with quarters ending March 31<sup>st</sup>, June 30<sup>th</sup>, September 30<sup>th</sup>, and December 31<sup>st</sup>. Payments shall be made by wire transfer to an account designated by Seller.

5. **Obligations.**

5.1 Seller shall supply Product to Buyer and Buyer shall market and sell Finished Product anywhere in the Territory, including, without limitation, in the food, drug, mass (FDM) channel, the retail channel, and in the Field. Buyer shall not sell Finished Product in the Excluded Field and shall not sell Excluded Products.

5.2 Buyer will purchase the Product exclusively from Seller, and not from any third party.

5.3 Buyer may not re-sell or re-ship the Product in bulk raw material form, unless pursuant to an approved subcontract relationship permitted hereunder or otherwise expressly authorized to do so in writing by Seller.

[\*] INDICATES CONFIDENTIAL PORTION HAS BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND HAS BEEN FILED SEPARATELY WITH THE COMMISSION

5.4 For U.S. distribution, on or in labels, packaging, advertising, promotional materials or Internet communications for Buyer's Finished Product, Buyer will only make claims that are substantiated by competent and reliable scientific evidence, and are in material compliance with all applicable laws, rules, and regulations. Buyer may not use, in labeling, advertising, promotion or otherwise: (a) any statements or quotations made by or attributed to any investigator who has conducted clinical studies on the Product, or (b) any photographs or other images of such investigators, without (i) the prior written consent of such investigators and the institutions at which such studies were conducted, and (ii) 20 days notification to Seller of such written consent prior to any such use. Buyer will not misrepresent on product labels the amount, quantity or level of the Product contained in the Finished Product. In the event that a third party is used by Buyer to manufacture any of the Finished Product for marketing or sale by Buyer, Buyer hereby guarantees material compliance by said third party with the requirements of this Section 5.4, specifically including compliance with current Good Manufacturing Practices as set forth in 21 CFR section 111, or a successor section, and other relevant rules, regulations, statutes, and laws. In the event that current labeling, packaging or formulations of the Finished Product do not comply with the requirements of this Section 5.4, Buyer will rectify all nonconforming Finished Product as soon as commercially practicable and in a manner reasonably acceptable to Seller or Seller reserves the right to immediately terminate this Agreement.

5.5 Patent Marking. During the Term, Buyer will ensure proper patent marking on all Finished Product. All Finished Product shall be marked as follows:

“Patent: See [ChromaDexPatents.com](http://ChromaDexPatents.com)“

5.6 Seller agrees to assist Buyer with the following: (i) product formulation and design, (ii) establishing manufacturing relationships for Finished Products; and (iii) regulatory review of Finished Product labels, marketing materials, website, etc.

5.7 Seller shall have good and valid title to all Product sold by Seller to Buyer. Transfer and delivery of the Product to Buyer is made free and clear of all liens, claims, encumbrances, and rights of third parties.

6. **Representations and Warranties of Seller**. Seller represents and warrants to Buyer as follows:

6.1 Organization and Authority. Seller is a corporation, duly incorporated, validly existing, and in good standing under the laws of the State of California. Seller has fully legal power and authority to enter into this Agreement and each agreement delivered in connection with this Agreement, and to perform its obligations hereunder and thereunder. This Agreement and each agreement delivered in connection with this Agreement have been duly executed and delivered by Seller and assuming due authorization, execution, and delivery by Buyer, constitute a legal, valid, and binding obligation of Seller, enforceable against Seller in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium, or similar laws affecting creditors' rights generally and by general principles of equity. The execution, delivery, and performance of this Agreement by the Seller will not violate provision of law, any rule or regulation of any governmental authority, or any judgment, decree or order of any court that is binding on the Seller, and will not conflict with or result in any breach of any of the terms, conditions or provisions of, or constitute a default under, any agreement to which the Seller is a party.



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6.2 **Licenses; Compliance with Law; Litigation.** Seller has obtained all licenses, authorizations, approvals, consents or permits required by applicable law to conduct its business generally, to produce the Product, and to perform its obligations under this Agreement. Seller is in compliance with all applicable laws relating to the development, manufacture, and quality of the Product. There are no claims, suits, actions, or proceedings pending or threatened, against Seller or its Affiliates in connection with the Product or the Seller IP (as defined below).

7. **Taxes and Import Duties.** The price of the Product specified does not include federal taxes, state or local sales taxes, use taxes, occupational taxes or import duties. Unless prohibited by law, Buyer is responsible for and shall pay all applicable sales, use, occupational, excise, value added or other similar taxes or import duties applicable to the, initial sale, price, delivery or direct use of the Products provided by Seller, or in lieu thereof, Buyer shall provide Seller with a resale or similar tax-exemption certificate acceptable to and considered valid by the applicable taxing authorities. In no event shall Buyer be responsible for any income or similar taxes of Seller.

8. **Delivery and Risk of Loss.** All sales are FOB/FCA Seller's U.S. dock. Risk of loss, destruction of or damage to the Product shall be Seller's until delivery of the Product to a common carrier at Seller's U.S. dock. Thereafter, title shall pass to Buyer and Buyer shall be fully responsible, and shall hold Seller harmless, for and assume all risk of loss, destruction of or damage to the Product. Loss or damage to the Product after risk of loss has passed to Buyer will not release or excuse Buyer from its obligations under this Agreement to Seller, including the obligation to make full payment of the purchase price. Seller will properly pack, mark, and ship goods as instructed by Buyer and otherwise in accordance with applicable law and industry standards and shall provide Buyer with shipment documentation showing the PO number, quantity of Product, number of cartons or containers in shipment, bill of lading number, and the country of origin. Seller reserves the right to pack or ship orders in the most economical manner, provided that such packaging and shipping is commercially reasonable for goods similar to the Product and such packaging and/or shipping does not result in increased risk of total or partial loss or damage of the Product. However, where Buyer requests special packaging or shipping, any actual additional cost will be billed to and be the responsibility of Buyer. Buyer acknowledges that Seller cannot accept returns, unless they do not meet the applicable Specifications or are otherwise defective or damaged.

9. **Delivery Delays.** Seller shall use reasonable efforts to make prompt deliveries in a commercially reasonable manner. Delivery dates and estimates are, however, not guaranteed. Except as provided in Section 16, Buyer has no right to delay or defer delivery or acceptance.

10. **Rejection and Revocation of Acceptance.** Any rejection or revocation of acceptance of Product by Buyer must be made within thirty (30) days of delivery of Product and any attempted rejection or revocation of acceptance of such Product made thereafter shall be null and void unless agreed to in writing by Seller. Failure to make a claim within such period shall be conclusive evidence that the Product was satisfactory in all respects and supplied in accordance with ordered Specifications. Each shipment hereunder is to be regarded as a separate and independent sale.

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11. **Term and Termination.**

11.1 **Term.** This agreement shall commence on the Effective Date and shall remain in full force and effect for a term (the "**Initial Term**") of three (3) years from the Effective Date. Notwithstanding the foregoing Buyer may determine, in its sole discretion, at the end of each year during the Initial Term whether it desires to continue the following year. If Buyer decides not to continue, Buyer shall provide Seller ninety (90) days or more written notice prior the end of the year of its intent to terminate and subsequently shall have no liability to Seller, except for payments owed to Seller under this Agreement for Product sold to Buyer. At the end of the Initial Term, this Agreement shall automatically renew for successive one (1) year terms (each, a "**Renewal Term**") ad together with the Initial Term, the "**Term**"), unless either party serves notice of non-renewal at least ninety (90) days prior to the expiration of the then current Term.

11.2 **Termination.** This Agreement may be terminated by: (i) any party (the "**Non-Breaching Party**") in the event that the other party (the "**Breaching Party**") breaches any material term of this Agreement and fails to cure such breach within thirty (30) days following notice thereof from the Non-Breaching party in writing; (ii) a party upon the giving of notice if the other party files a petition for bankruptcy, is adjudicated bankrupt, takes advantage of the insolvency laws of any state, territory or country, or has a receiver, trustee, or other court officer appointed for its property, which proceeding is not dismissed within 60 days; (iii) a party if an event of Force Majeure (as described in Section 16 of this Agreement) with respect to the other party shall have continued for ninety (90) days or is reasonably expected to continue for more than one hundred eighty (180) days; (iv) a party immediately upon any corporate action taken by the other party for purposes of winding up or dissolving; or, (v) by Seller upon thirty (30) days written notice if Buyer's Exclusivity Rights are terminated in accordance with Section 3.5 above and Buyer's quarterly POs are less than half the Minimum Purchase Requirements, provided, no such termination shall be effective unless the provisions of Section 2.6 have been complied with.

11.3 In the event of a non-renewal of this Agreement or termination by either party in accordance with the terms of this Agreement, without the payment of any additional amounts, Buyer shall be allowed to continue to ship Finished Product inventory for six (6) months from the date of expiration or termination, as applicable.

11.4 The obligations under section 12, 13, 14, 15, 17, 18, and 21 shall survive termination or expiration of this Agreement. The obligations under Sections 11.3, 4, 5.1, 5.3, 5.4, 5.5, and 5.7 shall survive termination or expiration of this Agreement so that Buyer and Seller may comply with Section 11.3.

12. **LIMITED WARRANTY AND DISCLAIMER OF ALL OTHER WARRANTIES.**

12.1 Seller warrants to Buyer that the Product sold hereunder will:

(a) conform in all respects to its Specification and quality standards reasonably established by Buyer and communicated to Seller from time to time;

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(b) be manufactured and packaged in compliance with current federal, state, foreign, or local laws applicable thereto and all product packaging and labels shall not misrepresent the amount, quantity or level of the Product contained therein; in the event that current labeling, packaging or formulations of the Product do not comply with the requirements of this Section 12.1, Buyer will rectify all nonconforming Product as soon as commercially practicable and in a manner reasonably acceptable to Buyer; and

(c) be new and conveyed by Seller to Buyer with good, title, free and clear of all liens, claims, encumbrances of any kind.

12.2 EXCEPT AS OTHERWISE PROVIDED IN 12.1 HEREOF, SELLER HEREBY EXPRESSLY DISCLAIMS ANY AND ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE PRODUCT, INCLUDING BUT NOT LIMITED TO THE WARRANTIES OF MERCHANTABILITY; FITNESS FOR A PARTICULAR PURPOSE AND NON-INFRINGEMENT. BUYER ASSUMES ALL RISKS AND LIABILITIES FOR ANY LOSS, DAMAGE, OR INJURY TO PERSONS OR PROPERTY RESULTING FROM THE USE OR SUBSEQUENT SALE OF THE PRODUCT AS ALTERED BY BUYER IN COMBINATION WITH OTHER INGREDIENTS. SELLER HAS NOT MADE ANY RECOMMENDATION TO BUYER REGARDING THE USE OR SUBSEQUENT SALE OF THE PRODUCT OTHER THAN PRODUCT FORMULATION AND DESIGN GUIDANCE PROVIDED IN SECTION 5.6. BUYER HAS SATISFIED ITSELF THAT THE PRODUCT AND THE PURPOSE FOR WHICH IT WILL BE USED AND/OR SOLD IS IN COMPLIANCE WITH THE LAWS OF THE RELEVANT COUNTRIES AS OF THE DATE HEREOF.

12.3 ALL CLAIMS MADE WITH RESPECT TO THE PRODUCT SHALL BE DEEMED WAIVED BY BUYER UNLESS MADE IN WRITING AND RECEIVED BY SELLER WITHIN THIRTY (30) DAYS OF DELIVERY. BUYER MUST MAKE ANY CLAIM FOR NON-CONFORMING PRODUCT, BREACH OF WARRANTY WITH RESPECT TO THE PRODUCT SOLD, OR ANY CLAIM OF ANY NATURE WHATSOEVER WITH RESPECT TO THE PRODUCT SOLD HEREUNDER IN WRITING WITHIN THIRTY (30) DAYS AFTER BUYER'S RECEIPT OF PRODUCT. BUYER IRREVOCABLY WAIVES AND RELEASES ALL CLAIMS THAT ARE NOT PROPERLY MADE WITHIN SAID PERIOD.

13. **LIMITATION OF LIABILITY.**

TO THE FULLEST EXTENT PERMITTED BY LAW, THE PARTIES WAIVE AND RELINQUISH ANY CLAIMS, DEMANDS, AND CAUSES OF ACTION OR RECOVERIES FOR PUNITIVE DAMAGES, EXEMPLARY DAMAGES, OR STATUTORY DAMAGES. IN NO EVENT WILL EITHER PARTY BE LIABLE FOR INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES ARISING UNDER THIS AGREEMENT OR OTHERWISE WITH RESPECT TO THE SALE OF THE PRODUCT, INCLUDING ANY LOST REVENUES OR PROFITS, CONSEQUENTIAL AND/OR INCIDENTAL DAMAGES, BUSINESS INTERRUPTION OR DAMAGE TO BUSINESS REPUTATION, REGARDLESS OF THE THEORY UPON WHICH ANY CLAIM MAY BE BASED, INCLUDING ANY TORT OR STATUTORY CAUSES OF ACTION. BOTH PARTIES UNDERSTAND AND AGREE THAT THIS LIMITATION OF LIABILITY ALLOCATES RISK OF NONCONFORMING GOODS BETWEEN THE PARTIES AS AUTHORIZED BY THE UNIFORM COMMERCIAL CODE AND OTHER APPLICABLE LAW.

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14. **Intellectual Property Rights.** The sale of Product covered by this Agreement shall not confer upon Buyer any license or right under any patents, trade secrets or other proprietary information owned or controlled by Seller, or the right to otherwise utilize such proprietary information, it being specifically understood and agreed that all such rights are reserved to Seller. If Buyer desires to use the Product trademark NIAGEN®, Buyer agrees to do so in accordance with a customary Trademark License Agreement reasonably acceptable to Buyer and Seller that shall be executed by the parties prior to the sale or marketing of Finished Product utilizing the trademark NIAGEN®.

15. **Waiver and Severability.** No waiver or renunciation of the claim or right by any party of any of the provisions of this Agreement shall be effective unless the waiver or renunciation is in writing signed by the waiving party. No failure to exercise, or delay in exercising, any right, remedy, power, or privilege arising from this Agreement shall operate or be construed as a waiver thereof, nor shall any single or partial exercise of any other right, remedy, power, or privilege hereunder preclude any other or further exercise of any other right, remedy, power, or privilege. If any term, covenant, warranty, remedy or condition of this Agreement, or the application thereof to any person or circumstance shall, to any extent, be held or deemed invalid or unenforceable, the remainder of this Agreement or the application of such term, covenant or provision, to persons or circumstances other than those to which it is held invalid or unenforceable, shall not be affected thereby, and each remaining term, covenant or provision of this Agreement shall be deemed valid and enforced to the fullest extent permitted by law.

16. **Force Majeure.** The obligations of the parties under this Agreement with respect to the Product shall be suspended during the period and to the extent that Seller is prevented or hindered from delivering Product or Buyer is prevented or hindered from making payment or accepting delivery of Product, due to any of the following causes, conduct, or occurrences beyond such party's reasonable control (such causes, "Force Majeure Events"): (i) commercial impracticability related to volume of production, (ii) fire, flood, earthquake, lightning, storm, accidents, (iii) act of war, riot, terrorism, civil disorder or disobedience, act of public enemies, (iv) shortages of power or transportation facilities (including car or truck shortages), (v) orders or actions of any state, federal or foreign governmental or regulatory authorities, or (vi) organized labor disputes or strikes. The party suffering the Force Majeure Event shall give notice of suspension as soon as reasonably practicable to the other party stating the date and extent of such suspension and the cause thereof, and the party suffering the Force Majeure Event shall resume the performance of its obligation as soon as reasonable practicable after cessation of the Force Majeure Event. No party shall be liable for the nonperformance or delay in performance of its respective obligations under this Agreement when such failure is due to a Force Majeure event. The Term shall be extended automatically for a period of time equal to the time lost by reason of the Force Majeure Event. During a Force Majeure Event, Seller may allocate its available supply among its customers in a manner determined by Seller in good faith to be fair and reasonable.

17. **Indemnification and Insurance.**

17.1 Subject to the limitations contained in Section 12, to the fullest extent permitted by law, Buyer shall defend, indemnify and hold Seller harmless from and against any and all claims, demands, causes of action, controversy, liabilities, fines, regulatory actions, losses, costs and expenses (including, but not limited to reasonable attorneys' fees, expert witness expenses and litigation expenses) (hereinafter "Loss"), arising from or in connection with (a) injury, death, loss, property damage, or other Loss arising solely from the combination of the Product with other ingredients not obtained from Seller, from the repackaging, delivery system, or subsequent processing, advertising or labeling by Buyer, or (b) Buyer's breach of this Agreement, or any representation, warranty, or covenant herein. Notwithstanding the foregoing, Buyer has no indemnity obligation to Seller to the extent that any Loss result from the negligence of Seller or a breach of this Agreement by Seller.

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17.2 Subject to the limitations contained in Section 12, to the fullest extent permitted by law, Seller shall defend, indemnify and hold Buyer harmless from any and all Loss, arising from or in connection with (a) any patent or other intellectual property infringement in connection with the Product (provided that such alleged infringement does not arise from the combination of the Product with other ingredients), (b) injury, death, loss, property damage or any other Claim, whether in tort, contract, breach of warranty or otherwise, relating to or arising from the Product (except if such injury, death, loss, property damage or other Loss arises solely from the combination of the Product with other ingredients not obtained from Seller, from the repackaging, delivery system, or subsequent processing by Buyer), or (c) Seller's breach of this Agreement, or any representation, warranty, or covenant made herein. Notwithstanding the foregoing, Seller has no indemnity obligation to Buyer to the extent that any Claims result from the negligence of Buyer or breach of this Agreement by Buyer.

17.3 During the Term of this Agreement, the Parties agree, at their sole cost and expense, to maintain in full force and effect a general liability (including products liability) policy with limits of at least \$5,000,000 for each claim/annual aggregate issued by an insurance provider reasonably satisfactory to the other Party. The Parties shall cause the other to be named as additional insured under such policy.

18. **Confidentiality.** At all times during the Term and at all times thereafter, Buyer, on one hand, and Seller, on the other hand, on behalf of itself and its representative and affiliates, including any Person who receives Confidential Information pursuant to Sections 2.7 or 4.4, agrees to keep confidential, and not use or disclose, any Confidential Information (as defined below) of the other party, provided, however, that the provisions of this Section 18 will not prohibit (a) any disclosure required by any applicable law (in which case the disclosing party will notify the affected party promptly and in advance of such disclosure so that such affected party may seek a protective order and the disclosing party will cooperate with the affected party in its efforts to do so); (b) any disclosure made in connection with the enforcement of any right or remedy relating to this Agreement; or (c) disclosure of information which is in the public domain, or which is otherwise known generally, through no act or omission of the disclosing party or its representatives. "Confidential Information" means oral and written information regarding Buyer or Seller, as applicable, and their respective Affiliates (as hereinafter defined), their respective businesses, assets, financial condition, operations and/or prospects, marketing procedures, customers, suppliers, payment terms, intellectual property, formulas, specifications, books and records, in whatever medium or form, and any other information that Buyer or Seller, or their respective affiliates or representative so furnish or make available to the other party whether prior to, on, or after the date of this Agreement.

19. **Relationship.** The relationship between Seller and Buyer shall be that of independent contractors and neither party, its agents and employees, shall under no circumstances be deemed the employees, distributors, franchisees, agents or representatives of the other party.

20. **Assignment and Modification.** This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns. Buyer may sublicense its rights and obligations under this Agreement to a third-party with the prior written consent of Seller, which consent shall not be unreasonably withheld or delayed. This Agreement shall not be modified, altered or amended in any respect except by a writing signed by the parties. Any variation, modification or addition to the terms set forth in this Agreement shall be considered a material modification and shall not be considered part of this Agreement.

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21. **Governing Law.** This Agreement and all claims and causes of action shall be governed by and subject to the internal laws (exclusive of the conflicts of law provisions) and decisions of the courts of the State of New York. The sole and exclusive venue for all claims and causes of action between the parties shall be the state or federal court located in New York, New York.

22. **Notices.** Any demand upon, notice to, or other communication given hereunder shall be in writing and shall be given by (a) personal delivery, (b) facsimile transmission (with message confirmed during normal business hours at place of receipt), (c) first class mail, postage prepaid, or (d) FedEx or equivalent nationally recognized overnight delivery service, delivery charges prepaid, in each case addressed to the party at the address shown below or such other address as the Parties may advise in writing in accordance with this Section 22. A notice shall be deemed given when actually received, provided that if any facsimile notice is received after 5:00 p.m. local time at the place of receipt, it shall be deemed to have been given as of the next business day.

If to Seller:

ChromaDex, Inc.  
10005 Muirlands Blvd., Suite G  
Irvine, CA 92618  
Attention: Tom Varvaro  
Fax: 949-419-0294  
Email: [tom.varvaro@chromadex.com](mailto:tom.varvaro@chromadex.com)

If to Buyer:

Healthspan Research LLC  
3130 Wilshire Blvd., 4th Floor  
Santa Monica, California 90403  
Attention: Rob Fried, Manager  
Fax:  
Email: [rob@friedfilms.com](mailto:rob@friedfilms.com)

23. **Entire Agreement.** This Agreement, all exhibits and schedules, and any documents referred to herein contain the complete agreement between the parties with respect to the subject matter hereof. All previous and contemporaneous agreements, representations, warranties, promises and conditions relating to the subject matter of this Agreement, whether written or oral, are superseded by this Agreement.

24. **Counterparts.** This Agreement may be executed in counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when joined, shall together constitute one and the same instrument. Delivery of any counterpart by facsimile, .pdf, or other electronic means shall be deemed delivery of an originally executed counterpart in all cases.

25. **Time of Essence.** Time is of the essence for the performance of each party's obligations hereunder, including any Exhibit hereto.

26. **Recitals.** The recitals set forth on the first page of this Agreement are hereby incorporated herein by reference.

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**IN WITNESS WHEREOF**, the parties have caused this Supply Agreement to be executed by their duly authorized representatives.

Buyer

Seller:

HEALTHSPAN RESEARCH LLC

CHROMADEx, INC.

By: /s/ Rob Fried  
Name: Rob Fried  
Title: Manager

By: /s/ Frank Jaksch  
Name: Frank Jaksch  
Title: CEO

14 of 17

Buyer's Initials \_\_\_\_\_

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[\*] INDICATES CONFIDENTIAL PORTION HAS BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND HAS BEEN FILED SEPARATELY WITH THE COMMISSION

EXHIBIT A  
SPECIFICATIONS

15 of 17

Buyer's Initials \_\_\_\_\_

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EXHIBIT B

MEMBERSHIP INTEREST PURCHASE AGREEMENT

16 of 17

Buyer's Initials \_\_\_\_\_

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[\*] INDICATES CONFIDENTIAL PORTION HAS BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND HAS BEEN FILED SEPARATELY WITH THE COMMISSION

EXHIBIT C

LLC AGREEMENT

17 of 17

Buyer's Initials \_\_\_\_\_

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LIMITED LIABILITY COMPANY AGREEMENT

OF

HEALTHSPAN RESEARCH, LLC

Dated as of August 28, 2015

THE UNITS REPRESENTED BY THIS LIMITED LIABILITY COMPANY AGREEMENT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR UNDER ANY OTHER APPLICABLE SECURITIES LAWS. SUCH UNITS MAY NOT BE SOLD, ASSIGNED, PLEDGED OR OTHERWISE DISPOSED OF AT ANY TIME WITHOUT EFFECTIVE REGISTRATION UNDER SUCH ACT AND LAWS OR AN EXEMPTION THEREFROM, AND COMPLIANCE WITH THE OTHER RESTRICTIONS ON TRANSFERABILITY SET FORTH HEREIN.

CERTAIN OF THE UNITS REPRESENTED BY THIS LIMITED LIABILITY COMPANY AGREEMENT MAY ALSO BE SUBJECT TO ADDITIONAL RESTRICTIONS ON TRANSFER, VESTING PROVISIONS, REPURCHASE OPTIONS, OFFSET RIGHTS AND FORFEITURE PROVISIONS SET FORTH HEREIN AND/OR IN A SEPARATE AGREEMENT WITH THE INITIAL HOLDER OF SUCH UNITS. A COPY OF SUCH AGREEMENT(S) MAY BE OBTAINED BY THE HOLDER OF SUCH UNITS UPON WRITTEN REQUEST AND WITHOUT CHARGE.

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#### SCHEDULES

Schedule A – Schedule of Unitholders

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**LIMITED LIABILITY COMPANY AGREEMENT OF HEALTHSPAN RESEARCH, LLC**

THIS LIMITED LIABILITY COMPANY AGREEMENT, is entered into as of August 28, 2015, by and among the Members (as defined below) and the Company (as defined below).

WHEREAS, the Company was formed as a limited liability company pursuant to and in accordance with the Delaware Act by filing a Certificate of Formation (the "*Certificate*") with the Office of the Secretary of State of the State of Delaware on July 1, 2015; and

WHEREAS, the Members desire to participate in the Company for, among other things, the purpose of acquiring, holding and disposing of, directly or indirectly, the outstanding equity of the Company and any of its direct and indirect Subsidiaries, if any, and for any other purpose necessary, convenient or incidental to the conduct, promotion or attainment of such purpose.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

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ARTICLE I

DEFINITIONS

Capitalized terms used but not otherwise defined herein shall have the following meanings:

“**Additional Member**” means a Person admitted to the Company as a Member pursuant to Section 10.2.

“**Adjusted Capital Account Deficit**” means with respect to any Capital Account as of the end of any Taxable Year, the amount by which the balance in such Capital Account is less than zero. For this purpose, such Person's Capital Account balance shall be (i) reduced for any items described in Treasury Regulation Section 1.704-1(b)(2)(ii)(d)(4), (5), and (6), and (ii) increased for any amount such Person is obligated to contribute or is treated as being obligated to contribute to the Company pursuant to Treasury Regulation Section 1.704-1(b)(2)(ii)(c) (relating to partner liabilities to a partnership) or 1.704-2(g)(1) and 1.704-2(i) (relating to Minimum Gain).

“**Affiliate**” of any particular Person means (i) any other Person controlling, controlled by or under common control with such particular Person, where “control” means the possession, directly or indirectly, of the power to direct the management and policies of a Person whether through the ownership of voting securities, by contract or otherwise, and (ii) including, if such Person is a partnership or limited liability company, any partner, manager, or member thereof.

“**Agreement**” means this Limited Liability Company Agreement, as amended, modified or waived from time to time in accordance with the terms hereof.

“**Applicable Tax Rate**” means the combined federal, state and local tax rate applicable to any Member as determined from time to time by the Board.

“**Approved Sale**” has the meaning set forth in Section 9.3(a)(i).

“**Assignee**” means a Person to whom Units have been Transferred in accordance with the terms of this Agreement and the other agreements contemplated hereby, but who has not become a Member pursuant to Article XI.

“**Board**” means the Board of Managers of the Company established pursuant to Section 5.2.

“**Book Value**” means, with respect to any Company property, the Company's adjusted basis for federal income tax purposes, adjusted from time to time to reflect the adjustments required or permitted by Treasury Regulation Sections 1.704-1(b)(2)(iv)(d)-(g). For the avoidance of doubt, the initial Book Value of any asset contributed to the Company shall be the Fair Market Value of such asset at the time it is contributed to the Company.

“**Business**” means the Company's and its Subsidiaries' businesses, including, without limitation, the business relating to developing and selling dietary supplements containing Nicotinamide Riboside and other ingredients.



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“**Capital Account**” means the capital account maintained for a Unitholder pursuant to Section 3.2.

“**Capital Contributions**” means any cash, cash equivalents, promissory obligations or the Fair Market Value of other property which a Unitholder contributes with respect to any Unit pursuant to Section 3.1.

“**Certificate**” means the Company's Certificate of Formation as filed with the Secretary of State of Delaware.

“**Certificated Units**” has the meaning set forth in Section 3.1(a).

“**Chromadex**” means Chromadex Inc., California corporation.

“**Class A Unit**” means a Unit having the rights and obligations specified with respect to Class A Units in this Agreement.

“**Class B Unit**” means a Unit having the rights and obligations specified with respect to Class B Units in this Agreement.

“**Code**” means the United States Internal Revenue Code of 1986, as amended from time to time.

“**Company**” means Healthspan Research LLC, a Delaware limited liability company.

“**Company Total Equity Value**” means the aggregate proceeds which would be received by the Members if: (i) the assets of the Company as a going concern were sold at their Fair Market Value; (ii) the Company satisfied and paid in full all of its obligations and liabilities (including all Taxes, costs and expenses incurred in connection with such transaction and any reserves established by the Board for contingent liabilities); and (iii) such net sale proceeds were then distributed in accordance with Section 4.1(c), all as determined by the Board. When determined in connection with a Sale of the Company, Company Total Equity Value shall be derived from the consideration paid and payable in connection with such Sale of the Company (rather than the Fair Market Value).

“**Confidential Information**” has the meaning set forth in Section 7.5.

“**Conversion Units**” means (i) with respect to a Public Offering of the Company (or any corporate successor thereto), Units or such other common equity securities of the Company (or any corporate successor thereto) that are sold pursuant to such Public Offering, and (ii) with respect to a Public Offering of the Company (or any successor thereto), common stock or such other common equity securities of the Company (or any successor thereto) that are sold pursuant to such Public Offering.

“**Corporate Conversion**” has the meaning set forth in Section 9.11(b).

“**Delaware Act**” means the Delaware Limited Liability Company Act, 6 Del.L. § 18-101, et seq., as it may be amended from time to time, and any successor to the Delaware Act.

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“**Distribution**” means each distribution made by the Company to a Unitholder, whether in cash, property or securities of the Company and whether by liquidating distribution, redemption, repurchase or otherwise; provided that none of the following shall be a Distribution: (i) any redemption or repurchase by the Company of any securities of the Company in connection with the termination of employment of an employee of the Company or any of its Subsidiaries or any service provider of the Company or any of its Subsidiaries, and (ii) any recapitalization, exchange or conversion of securities of the Company, and any subdivision (by unit split or otherwise) or any combination (by reverse unit split or otherwise).

“**Eligible Service Provider**” has the meaning set forth in Section 3.8(a).

“**Equity Agreement**” has the meaning set forth in Section 3.1(b).

“**Equity Securities**” means (i) units (including, without limitation, the Units), stock or other equity interests in the Company (including, without limitation, other classes, groups or series thereof having such relative rights, powers, and/or obligations as may from time to time be established by the Board, including rights, powers, and/or duties different from, senior to or more favorable than existing classes, groups and series of units, stock and other equity interests in the Company, and including, without limitation, any so-called “profits interests”), (ii) obligations, evidences of Indebtedness or other securities or interests convertible or exchangeable into, or exercisable for, units, stock or other equity interests in the Company, and (iii) warrants, options or other rights to purchase or otherwise acquire units, stock or other equity interests in the Company.

“**Event of Withdrawal**” means the death, retirement, resignation, expulsion, bankruptcy or dissolution of a Member or the occurrence of any other event that terminates the continued membership of a Member in the Company.

“**Excluded Issuances**” means issuances of: (i) Units set forth on the Schedule of Unitholders as of the date hereof, (ii) Equity Securities in connection with debt financings, refinancings or similar transactions approved by the Board (other than any such transaction in which any Founder Investor is issued Equity Securities), (iii) Equity Securities upon exercise or conversion or exchange of debt securities, other Equity Securities which were issued in compliance with Section 3.1(c) or Equity Securities which were issued in an issuance which is exempt from Section 3.1(c), (iv) Equity Securities issued in connection with any transactions involving the Company or any of its Subsidiaries and other Persons that are deemed “strategic” transactions and that are approved, in each case, by the Board (including, without limitation, Equity Securities issued in connection with joint ventures and similar arrangements or as consideration in connection with an acquisition transaction), (v) Equity Securities issued to officers, directors, consultants, employees or other service providers to the Company or any of its Subsidiaries pursuant to incentive or other compensation plans (including any Management Incentive Plan) or any other arrangements that are approved by the Board; (vi) Units issued in connection with any Unit split, Unit dividend or recapitalization of the Company, (vii) Equity Securities pursuant to a Corporate Conversion effectuated in accordance with Section 9.11 of this Agreement or otherwise pursuant to a Public Offering; or (viii) Units issued to Founder Investors pursuant to Section 3.1(d)(ii).

“**Excluded Unitholder**” has the meaning set forth in Section 3.1(c)(i).

“**Exclusivity Units**” has the meaning set forth in Section 9.13(a).

“**Exempt Transfers**” has the meaning set forth in Section 9.1.

“**Exercise Period**” has the meaning set forth in Section 3.1(c)(ii).

“**Fair Market Value**” means, with respect to any asset or equity interest, its fair market value determined according to Article XIV.

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“**Family Group**” means, as to any particular Person, (i) such Person's spouse and descendants (whether natural, adopted or by marriage), (ii) any trust solely for the benefit of such Person and/or such Person's spouse and/or descendants and (iii) any partnerships or limited liability companies where the only partners or members are such Person and/or such Person's spouse and/or descendants.

“**Fiscal Period**” means any interim accounting period within a Taxable Year established by the Board and which is permitted or required by Code Section 706.

“**Fiscal Quarter**” means each calendar quarter ending March 31, June 30, September 30 and December 31, or such other quarterly accounting period as may be established by the Board or as required by the Code.

“**Fiscal Year**” means the calendar year ending on December 31, or such other annual accounting period as may be established by the Board or as required by the Code.

“**Forfeiture Allocations**” has the meaning set forth in Section 4.2.

“**Founder Equity**” means (i) the Units issued from time to time to one or more of the Founder Investors hereunder and/or pursuant to any Equity Agreement and any other Equity Securities issued to or acquired by the Founder Investors, and (ii) any securities issued directly or indirectly with respect to the foregoing securities by way of a unit split, unit dividend, or other division of securities, or in connection with a combination of securities, recapitalization, merger, consolidation, or other reorganization. As to any particular securities constituting Founder Equity, such securities shall remain Founder Equity in the hands of transferees but such securities shall cease to be Founder Equity when they have been (A) effectively registered under the Securities Act and disposed of in accordance with the registration statement covering them, (B) distributed to the public through a broker, dealer or market maker pursuant to Rule 144 under the Securities Act (or any similar provision then in force), or (C) redeemed or repurchased by the Company or any Subsidiary or any designee thereof.

“**Founder Investors**” means, collectively, Rob Fried, and Persons designated as Founder Investors from time to time by the Manager.

“**GAAP**” means United States generally accepted accounting principles, consistently applied.

“**Governmental Entity**” means the United States of America or any other nation, any state or other political subdivision thereof, or any entity or instrumentality exercising executive, legislative, judicial, regulatory, police or administrative functions of government.

“**Indebtedness**” means at a particular time, without duplication, (i) any indebtedness for borrowed money or issued in substitution for or exchange of indebtedness for borrowed money, (ii) any indebtedness evidenced by any note, bond, debenture or other debt security, (iii) any indebtedness for the deferred purchase price of property or services with respect to which a Person is liable, contingently or otherwise, as obligor or otherwise (other than trade payables and other current liabilities incurred in the ordinary course of business which are not more than 120 days past due), (iv) any commitment by which a Person assures a creditor against loss (including, without limitation, contingent reimbursement obligations with respect to letters of credit), and (v) any credit or loan agreement or facility or other agreement, instrument or document evidencing, creating or relating to any of the foregoing.

“**Indemnified Person**” has the meaning set forth in Section 6.4(a).

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**“Independent Third Party”** means any Person who, immediately prior to the contemplated transaction, (i) does not own, directly or indirectly, in excess of 20% of the Units on a fully diluted basis (a **“20% Owner”**), (ii) is not controlling, controlled by or under common control with any such 20% Owner, (iii) is not an affiliated investment fund of such 20% Owner, and (iv) is neither a portfolio company of any such 20% Owner nor a Subsidiary of any portfolio company of any such 20% Owner.

**“Involuntary Transfer”** means any transfer or attempted transfer, encumbrance or other purported disposition by or in which any Member (other than a Founder Investor) shall be deprived or divested of any right, title or interest in or to any of the Units of such Member, including any transfer to a creditor pursuant to court order, any transfer in connection with a reorganization, insolvency, dissolution, bankruptcy or similar proceeding, any transfer to a public officer or agency pursuant to any abandoned property or escheat law, any transfer to the spouse or former spouse of a Member (other than a Founder Investor) as a result of or incident to any dissolution of marriage, marital separation or similar event, any levy of attachment or execution or otherwise by operation of law (other than a Transfer pursuant to Section 9.2 or 9.3 or an Exempt Transfer)

**“IRS Notice”** has the meaning set forth in Section 8.3(a).

**“Liquidation Assets”** has the meaning set forth in Section 12.2(b).

**“Liquidation FMV”** has the meaning set forth in Section 12.2(b).

**“Liquidation Statement”** has the meaning set forth in Section 12.2(b).

**“Losses”** means items of Company loss and deduction determined according to Section 3.2(b).

**“Management Equity”** means (i) the Units that may be issued to Management Members pursuant to this Agreement and/or any Equity Agreements and identified from time to time by the Board on the Schedule of Unitholders under the subheading titled “Management Members” and (ii) any securities issued directly or indirectly with respect to the foregoing securities by way of a unit split, unit dividend, or other division of securities, or in connection with a combination of securities, recapitalization, merger, consolidation, or other reorganization. As to any particular securities constituting Management Equity, such securities shall remain Management Equity in the hands of transferees but such securities shall cease to be Management Equity when they have been (A) effectively registered under the Securities Act and disposed of in accordance with the registration statement covering them, (B) distributed to the public through a broker, dealer or market maker pursuant to Rule 144 under the Securities Act (or any similar provision then in force) or (C) redeemed or repurchased by the Company or any Subsidiary or designee thereof or any Founder Investor, or forfeited to the Company.

**“Majority Founder Investors”** means the Founder Investors holding a majority of Units then held by all of the Founder Investors.

**“Management Incentive Plan”** means the plan or program, if any, established by the Board to facilitate the grant of Management Incentive Units to Eligible Service Providers, as in effect from time to time.

**“Management Member(s)”** means the Persons that may from time to time be listed under the subheading titled “Management Members” on the Schedule of Unitholders attached hereto, and any other Member who acquires Equity Securities after the date hereof and/or enters into an Equity Agreement after the date hereof pursuant to the terms of Section 3.1, and in either case is designated as a “Management Member” by the Board.

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“**Management Incentive Unit Agreements**” means those certain Management Incentive Unit Agreements by and among the Company and certain Eligible Service Providers as in effect from time to time and which may, at the discretion of the Board, be entered into pursuant to, and subject to the terms of, a Management Incentive Plan.

“**Management Incentive Units**” has the meaning set forth in Section 3.8(a).

“**Manager**” means a Manager on the Board, who, for purposes of the Delaware Act, will be deemed a “manager” (as defined in the Delaware Act) but will be subject to the rights, obligations, limitations and duties set forth in this Agreement.

“**Member**” means each of the Founder Investors, the Management Members, each other Person listed on the Schedule of Unitholders attached hereto, and any Person admitted to the Company as a Substituted Member or Additional Member; but only for so long as such Person is shown on the Company's books and records as the owner of one or more Units.

“**Minimum Gain**” means the partnership minimum gain determined pursuant to Treasury Regulation Section 1.704-2(d).

“**Non-Exercising Unitholder**” has the meaning set forth in Section 3.1(c)(iv).

“**Original LLC Agreement**” has the meaning set forth in the preamble to this Agreement.

“**Other Business**” has the meaning set forth in Section 6.6.

“**Other Members**” has the meaning set forth in Section 9.2(a).

“**Other Unitholders**” means each holder of Units other than a Founder Investor.

“**Over-Allotment Notice**” has the meaning set forth in Section 3.1(c)(iv).

“**Over-Allotment Notice Exercise Period**” has the meaning set forth in Section 3.1(c)(iv).

“**Participation Threshold**” has the meaning set forth in Section 3.8(b).

“**Permitted Transferee**” means (i) with respect to any Person who is an individual, a member of such Person's Family Group; provided that the Transferee is not engaged in competition with the Company or any of its Subsidiaries, as determined by the Board, and (ii) with respect to the Founder Investors, to any Affiliate.

“**Person**” means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, an association, a Governmental Entity or any other entity.

“**Prime Rate**” means, as of any date, a variable rate per annum equal to the rate of interest most recently published by The Wall Street Journal as the “prime rate” at large U.S. money center banks.

“**Pro Rata Share**” means with respect to each Unit, the proportional amount such Unit would receive if an amount equal to the Company Total Equity Value were distributed to all Units in accordance with Section 4.1(c), and with respect to each Unitholder, such Unitholder's pro rata share of Company Total Equity Value represented by all Units owned by such Unitholder, in each case as determined in good faith by the Board.

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“**Profits**” means items of the Company income and gain determined according to Section 3.2(b).

“**Proportional Share**” has the meaning set forth in Section 3.1(c)(i).

“**Proposed Transfer Notice**” means written notice from an Other Unitholder setting forth the terms and conditions of a proposed Transfer, which at a minimum shall contain all material terms and conditions (including price and form of consideration) of the proposed Transfer of Units and the identity of the prospective Transferee, which Transferee must be a bona fide third party that is not an Affiliate or member of the Family Group of or otherwise related to, by blood or marriage, the Other Unitholder.

“**Public Offering**” means any underwritten sale of common equity securities of the Company (or any corporate successor thereto) pursuant to an effective registration statement under the Securities Act filed with the Securities and Exchange Commission.

“**Regulatory Allocations**” has the meaning set forth in Section 4.3(e).

“**Sale of the Company**” means either (i) the sale, lease, license, transfer, conveyance or other disposition, in one transaction or a series of related transactions, of all or substantially all of the assets of the Company, or (ii) a transaction or a series of related transactions (including by way of merger, consolidation, recapitalization, reorganization or sale of securities by the holders of securities of the Company) the result of which is that (A) the Unitholders immediately prior to such transaction or series of related transactions are (after giving effect to such transaction or series of related transactions) no longer, in the aggregate, the “beneficial owners” (as such term is defined in Rule 13d-3 and Rule 13d-5 promulgated under the Securities Exchange Act), directly or indirectly through one or more intermediaries, of more than 50% of the voting power of the outstanding voting securities of the Company and (B) the Founder Investors are no longer entitled to appoint a majority of the Managers to the Board. Notwithstanding the foregoing, (a) no such transaction or series of related transactions (including by way of merger, consolidation, recapitalization, reorganization, sale of units or otherwise) in connection with a Public Offering of the Company (or a corporate successor thereto) shall be deemed a Sale of the Company, and (b) a Sale of the Company shall not include any such transaction or series of related transactions effected by the issuance of voting securities by the Company, unless in connection with such issuance the Company either (x) redeems securities of the Company outstanding immediately prior to such issuance having a redemption price equal to more than 50% of the Company Total Equity Value immediately prior to such issuance or (y) makes a distribution upon the securities of the Company outstanding immediately prior to such issuance in an amount equal to more than 50% of the Company Total Equity Value immediately prior to such issuance payable other than in cash out of earnings or earned surplus and other than a distribution payable solely in equity securities of the Company.

“**Sale Notice**” has the meaning set forth in Section 9.2(a).

“**Securities Act**” means the Securities Act of 1933, as amended, and applicable rules and regulations thereunder, and any successor to such statute, rules or regulations. Any reference herein to a specific section, rule or regulation of the Securities Act shall be deemed to include any corresponding provisions of future law.

“**Securities Exchange Act**” means the Securities Exchange Act of 1934, as amended, and applicable rules and regulations thereunder, and any successor to such statute, rules or regulations. Any reference herein to a specific section, rule or regulation of the Securities Exchange Act shall be deemed to include any corresponding provisions of future law.

“**Sellers’ Representative**” has the meaning set forth in Section 9.3(a)(iv).



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“**Sub Board**” has the meaning set forth in Section 5.2(a)(iii).

“**Subsidiary**” means, with respect to any Person, any corporation, limited liability company, partnership, association or business entity of which (i) if a corporation, a majority of the total voting power of shares of stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof, or (ii) if a limited liability company, partnership, association or other business entity (other than a corporation), a majority of partnership or other similar ownership interest thereof is at the time owned or controlled, directly or indirectly, by such Person or one or more Subsidiaries of that Person or a combination thereof. For purposes hereof, and without limitation, a Person or Persons shall be deemed to have a majority ownership interest in a limited liability company, partnership, association or other business entity (other than a corporation) if such Person or Persons shall be allocated a majority of limited liability company, partnership, association or other business entity gains or losses or shall be or control any managing director or general partner of such limited liability company, partnership, association or other business entity. For purposes hereof, references to a “Subsidiary” of any Person shall be given effect only at such times that such Person has one or more Subsidiaries, and, unless otherwise indicated, the term “Subsidiary” refers to a Subsidiary of the Company.

“**Substituted Member**” means a Person that is admitted as a Member to the Company pursuant to Section 10.1.

“**Supply Agreement**” has the meaning set forth in Section 9.13(a).

“**Tax**” or “**Taxes**” means any federal, state, local or foreign income, gross receipts, franchise, estimated, alternative minimum, add-on minimum, sales, use, transfer, registration, value added, excise, natural resources, severance, stamp, occupation, premium, windfall profit, environmental, customs, duties, real property, personal property, capital stock, social security, unemployment, disability, payroll, license, employee or other withholding, or other tax, of any kind whatsoever, including any transferee liability and any interest, penalties or additions to tax or additional amounts in respect of the foregoing.

“**Tax Distribution**” has the meaning set forth in Section 4.1(a).

“**Tax Matters Partner**” has the meaning set forth in Section 6231 of the Code.

“**Taxable Year**” means the Company's accounting period for federal income tax purposes determined pursuant to Section 8.2.

“**Transfer**” means any sale, transfer, assignment, pledge, mortgage, exchange, hypothecation, grant of a security interest or other direct or indirect disposition or encumbrance of an interest (whether with or without consideration, whether voluntarily or involuntarily or by operation of law) or the acts thereof, but excluding conversions and redemptions or repurchases of Units or stock by the Company made in accordance with this Agreement. The terms “**Transferee**,” “**Transferor**,” “**Transferred**,” and other forms of the word “**Transfer**” shall have the correlative meanings.

“**Transferring Unitholder**” has the meaning set forth in Section 9.2(a).

“**Treasury Regulations**” means the income tax regulations promulgated under the Code, as amended from time to time.

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“**Unit**” means a Unit owned by a Member or an Assignee in the Company representing a fractional part of the interests in Profits, Losses and Distributions of the Company held by all Members and Assignees and shall include, without limitation, Class A Units and Class B Units; provided that any class, group or series of Units issued shall have the relative rights, powers and obligations set forth in this Agreement.

“**Unitholder**” means a holder of one or more Units, as reflected on the Company's books and records.

“**Unreturned Capital**” means, with respect to any Unit, an amount equal to the excess, if any, of (i) the aggregate amount of Capital Contributions made with respect to such Unit, minus (ii) the aggregate amount of prior Distributions made by the Company with respect to such Unit pursuant to Section 4.1(c)(i) (including pursuant to Section 12.2(c)).

“**Vested Units**” means, with respect to any Units that are subject to vesting pursuant to any Equity Agreement or Management Incentive Unit Agreement, Units that have vested in accordance with the terms of any such Equity Agreement, and with respect to all other Units, all such Units. For the avoidance of doubt, all Class A Units are Vested Units.

## ARTICLE II

### ORGANIZATIONAL MATTERS

2.1 Formation of the Company. The Company was formed on July 1, 2015 pursuant to the provisions of the Delaware Act. The Members hereby ratify the acts of the authorized representative in connection with the formation thereof.

2.2 Limited Liability Company Agreement. The Members and the Company hereby execute this Agreement for the purpose of establishing the governance of the affairs of the Company and the conduct of its business in accordance with the provisions of the Delaware Act. The Members hereby agree that during the term of the Company set forth in Section 2.6 the rights, powers and obligations of the Unitholders with respect to the Company will be determined in accordance with the terms and conditions of this Agreement and (except where the Delaware Act provides that such rights, powers and obligations specified in the Delaware Act shall apply “unless otherwise provided in a limited liability company agreement” or words of similar effect and such rights, powers and obligations are set forth in this Agreement) the Delaware Act; provided that, notwithstanding the foregoing, Section 18-210 of the Delaware Act (captioned “Contractual Appraisal Rights”) and Section 18-305(a) of the Delaware Act (captioned “Access to and Confidentiality of Information; Records”) shall not apply or be incorporated into this Agreement (but with it being understood that this proviso shall not affect the obligations of the Company under Section 7.2 and Section 7.4).

2.3 Name. The name of the Company shall be “Healthspan Research LLC.” The Board may change the name of the Company at any time and from time to time. Notification of any such change shall be given to all Unitholders. The Company's business may be conducted under its name and/or any other name or names deemed advisable by the Board.



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2.4 Purpose. The purpose and business of the Company shall be to (a) sell dietary supplement products containing Nicotinamide Riboside and other ingredients, and (b) engage in any other lawful acts or activities for which limited liability companies may be organized under the Delaware Act.

2.5 Principal Office; Registered Office. The principal office of the Company shall be located at 3130 Wilshire Blvd., 4th Floor, Santa Monica, California 90403, or at such other place as the Board may from time to time designate, and all business and activities of the Company shall be deemed to have occurred at its principal office. The Company may maintain offices at such other place or places as the Board deems advisable. Notification of any such change shall be given to all Unitholders. The address of the registered office of the Company in the State of Delaware shall be the office of the initial registered agent named in the Certificate or such other office (which need not be a place of business of the Company) as the Board may designate from time to time in the manner provided by applicable law, and the registered agent for service of process on the Company in the State of Delaware at such registered office shall be the registered agent named in the Certificate or such Person or Persons as the Board may designate from time to time in the manner provided by applicable law.

2.6 Term. The term of the Company commenced on July 1, 2015 and shall continue in existence until termination and dissolution thereof in accordance with the provisions of Article XII.

2.7 No State-Law Partnership. The Unitholders intend that the Company not be a partnership (including, without limitation, a limited partnership) or joint venture, and that no Unitholder be a partner or joint venturer of any other Unitholder by virtue of this Agreement, for any purposes other than as set forth in the last sentence of this Section 2.7, and neither this Agreement nor any other document entered into by the Company or any Unitholder relating to the subject matter hereof shall be construed to suggest otherwise. The Unitholders intend that the Company shall be treated as a partnership for federal and, as applicable, state or local income tax purposes, and that each Unitholder and the Company shall file all tax returns and shall otherwise take all tax and financial reporting positions in a manner consistent with such treatment.

ARTICLE III

CAPITAL CONTRIBUTIONS

3.1 Unitholders.

(a) Capital Contributions; Schedule of Unitholders. Each Unitholder named on the Schedule of Unitholders attached hereto has made a Capital Contribution to the Company in the amount and on the date specified thereon in exchange for the Units specified thereon. Any reference in this Agreement to the Schedule of Unitholders shall be deemed a reference to the Schedule of Unitholders as amended and in effect from time to time. The Company may (but need not) issue certificates representing the Units (“Certificated Units”). The Company may issue fractional Units. The ownership by a Member of Units shall entitle such Unitholder to allocations of Profits and Losses and other items and Distributions of cash and other property as set forth in Article IV for the particular class, group or series of which such Unit is a part.

(b) Issuance of Additional Units and Interests. Subject to compliance with Sections 3.1(c) and (d) (only to the extent applicable), the Board shall have the right at any time and from time to time to authorize and cause the Company to create and/or issue Equity Securities of the Company to any Person, in which event, (i) all Units of a class, group or series shall be diluted in an equal manner as to the other Units of such class, group or series, with respect to such issuance, subject to differences in rights and preferences of different classes, groups and series of Equity Securities, and (ii) the Board shall have the power to amend this Agreement and/or the Schedule of Unitholders to reflect such additional issuances and dilution and to make any such other amendments as it deems necessary or desirable to reflect such additional issuances (including, without limitation, amending this Agreement to increase the number of Equity Securities of any class, group or series, to create and authorize a new class, group or series of Equity Securities and to add the terms of such new class, group or series including economic and governance rights which may be different from, senior to or more favorable than the other existing Equity Securities), in each case without the approval or consent of any other Person. Any Person who acquires Equity Securities may be admitted to the Company as a Member in accordance with Section 10.2. In connection with any issuance of Units, the Person who acquires such Units shall execute a counterpart to this Agreement, accepting and agreeing to be bound by all terms and conditions hereof, and shall enter into such other documents, instruments and agreements to effect such purchase and evidence the terms and conditions thereof (including Transfer restrictions, vesting and forfeiture or buyback provisions) as are required by the Board (each, an “Equity Agreement”). Each Person who acquires Units shall in exchange for such Units make a Capital Contribution to the Company in accordance with such Person’s Equity Agreement or, if none, in an amount to be determined by the Board in its sole discretion (which may be zero).

(c) Preemptive Rights.

(i) Except for Excluded Issuances, if the Company sells or offers to sell any Equity Securities (including Units) to any Person, the Company shall offer to sell to each Unitholder (other than Excluded Unitholders (as defined below)) the number of Equity Securities equal to the quotient obtained by dividing (A) the aggregate Capital Contributions made to the Company by such Unitholder, by (B) the aggregate Capital Contributions made to the Company by all Unitholders (such Unitholder's "**Proportional Share**"); provided that no Unitholder who is not an "accredited investor" as such term is defined under the Securities Act and the rules and regulations promulgated thereunder (any such Unitholder, an "**Excluded Unitholder**") shall have any rights under this Section 3.1(c). Each such Unitholder (other than Excluded Unitholders) shall be entitled to purchase such Equity Securities at the most favorable price and on the most favorable terms as such Equity Securities are to be offered; provided that if all Persons entitled to purchase or receive such Equity Securities are required to also purchase other securities of the Company, the Unitholders exercising their rights pursuant to this Section 3.1(c) shall also be required to purchase the same strip of securities (on the same terms and conditions) that such other Persons are required to purchase. The purchase price for all securities offered to such Unitholders hereunder shall be payable in the same form as shall be paid by any proposed purchaser.

(ii) In order to exercise its purchase rights pursuant to Section 3.1(c)(i), a Unitholder must within ten (10) calendar days after delivery by the Company of written notice describing in reasonable detail the securities being offered (the "**Exercise Period**"), the purchase price thereof, the payment terms and such Unitholder's Proportional Share, deliver a written notice to the Company describing such Unitholder's election hereunder.

(iii) No later than ten (10) calendar days following the expiration of the Exercise Period, the Company shall notify each exercising Unitholder in writing of the aggregate number of Units that the Unitholders have agreed to purchase pursuant to Section 3.1(c)(ii) (the "**Over-allotment Notice**"). Each exercising Unitholder exercising its rights to purchase its Proportional Share in full shall have a right of over-allotment such that if any other Unitholder fails to exercise its right under this Section 3.1(c) to purchase its Proportional Share of the offered Units (each, a "**Non-Exercising Unitholder**"), such exercising Unitholder may purchase its Proportional Share of such Non-Exercising Unitholder's allotment by giving written notice to the Company within ten (10) calendar days of receipt of the Over-allotment Notice (the "**Over-allotment Exercise Period**").

(iv) Upon the expiration of the Over-Allotment Exercise Period described above, the Company shall be entitled to sell such securities which such Unitholders have not elected to purchase during the ninety (90) calendar days following such expiration at a price not less than, and on other terms and conditions no more favorable to the purchasers thereof than, that offered to such Unitholders. Any securities offered or sold by the Company after such ninety (90) day period (other than Excluded Issuances) must be reoffered to such Unitholders pursuant to the terms of this Section 3.1(c).

(v) The rights of the Unitholders under this Section 3.1(c) shall terminate upon the consummation of a Public Offering.

(d) Anti-Dilution.

(i) Except as set forth in Section 3.1(d)(ii) below and Excluded Issuances, to the extent that that Company issues any additional Units (“Additional Units”), and the purchase price per Unit is based on a valuation of the Company of less than \$10,000,000 (as determined without regard to the operation of this Agreement and the issuance of Adjusting Units (as defined below)) (a “Dilutive Transaction”), contemporaneously with the Dilutive Transaction the Company will issue Chromadex additional Class A Units in an amount that provides Chromadex with the number of Units that they would have held in the Company had they purchased their existing Class A Units for the price per Unit paid by the investors in the Dilutive Transaction (the “Adjusting Units”). As a result of the adjustment, the new investor(s) under the Dilutive Transaction will also receive Adjusting Units in an amount necessary to provide the new investor(s) with the percentage interest in the Company contemplated by the Dilutive Transaction.

(ii) Notwithstanding Sections 3.1(b) and 3.1(d)(i) above, to the extent that the Company issues any Class A Units to the Founder Investors (other than Rob Fried) for a nominal capital contribution or a capital contribution determined by the Manager, in its reasonable discretion, to be less than Fair Market Value (the “Initial Founder Issuances”), no Unitholder other than Rob Fried shall be diluted as to Initial Founder Issuances and such transactions will not be considered Dilutive Transactions.

(e) Certain Representations and Warranties. By executing this Agreement (or, after the date hereof, any counterpart or joinder to this Agreement) and in connection with the issuance of Equity Securities to such Unitholder, each Unitholder represents and warrants to the Company as follows:

(i) The Equity Securities being acquired by such Unitholder pursuant to this Agreement or otherwise will be acquired for such Unitholder's own account and not with a view to, or intention of, distribution thereof in violation of the Securities Act or any applicable state securities laws, and the Equity Securities will not be disposed of in contravention of the Securities Act or any applicable state securities laws.

(ii) Such Unitholder is sophisticated in financial matters and is able to evaluate the risks and benefits of decisions respecting the investment in the Equity Securities and is either (A) an executive officer of the Company or a Subsidiary or Affiliate thereof or is a service provider knowledgeable about the Company and its Subsidiaries, if any, or (B) an “accredited investor” as such term is defined under the Securities Act and the rules and regulations promulgated thereunder.

(iii) Such Unitholder is able to bear the economic risk of his, her or its investment in the Equity Securities for an indefinite period of time because the Equity Securities have not been registered under the Securities Act or applicable state securities laws and are subject to substantial restrictions on Transfer set forth herein and, therefore, cannot be sold unless subsequently registered under the Securities Act and applicable state securities laws or an exemption from such registration is available and in compliance with such restrictions on Transfer set forth herein.

(iv) Such Unitholder has had an opportunity to ask questions and receive answers concerning the terms and conditions of the offering of the Equity Securities and has had full access to such other information concerning the Company and its Subsidiaries, if any, and Affiliates as he, she or it has requested.

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(v) Such Unitholder has received and carefully read a copy of this Agreement. This Agreement and each of the other agreements contemplated hereby to be executed by such Unitholder (including any Equity Agreement) constitute the legal, valid and binding obligation of such Unitholder, enforceable in accordance with their terms, and the execution, delivery and performance of this Agreement and such other agreements do not and will not conflict with, violate or cause a breach of any agreement, contract or instrument to which such Unitholder is a party or any judgment, order or decree to which such Unitholder is subject or create any conflict of interest with the Company or any of its Subsidiaries or Affiliates, or any of their present or former customers.

(vi) Such Unitholder is a resident of the state, or has its principal place of business in the state, set forth under his or her name on the Schedule of Unitholders attached hereto.

(vii) Such Unitholder is not guaranteed to receive any Distributions (including Tax Distributions) and such Distributions will be made only when and if determined by the Board.

(viii) Such Unitholder has been given the opportunity to consult with independent legal counsel regarding his, her or its rights and obligations under this Agreement and has consulted with such independent legal counsel regarding the foregoing (or, after carefully reviewing this Agreement, has freely decided not to consult with independent legal counsel), fully understands the terms and conditions contained herein and therein and intends for such terms to be binding upon and enforceable against him, her or it.

### 3.2 Capital Accounts.

(a) Maintenance of Capital Accounts. The Company shall maintain a separate Capital Account for each Unitholder according to the rules of Treasury Regulations Section 1.704-1(b)(2)(iv). For this purpose, the Company may, upon the occurrence of the events specified in Treasury Regulations Section 1.704-1(b)(2)(iv)(f), increase or decrease the Capital Accounts in accordance with the rules of such regulation and Treasury Regulation Section 1.704-1(b)(2)(iv)(g) to reflect a revaluation of the Company property.

(b) Computation of Income, Gain, Loss and Deduction Items. For purposes of computing the amount of any item of the Company income, gain, loss or deduction to be allocated pursuant to Article IV and to be reflected in the Capital Accounts, the determination, recognition and classification of any such item shall be the same as its determination, recognition and classification for federal income tax purposes (including any method of depreciation, cost recovery or amortization used for this purpose); provided that:

(i) The computation of all items of income, gain, loss and deduction shall include those items described in Code Section 705(a)(1)(B) or Code Section 705(a)(2)(B) and Treasury Regulations Section 1.704-1(b)(2)(iv)(i), without regard to the fact that such items are not includable in gross income or are not deductible for federal income tax purposes.

(ii) If the Book Value of any Company property is adjusted pursuant to Treasury Regulations Section 1.704-1(b)(2)(iv)(e) or (f), the amount of such adjustment shall be taken into account as gain or loss from the disposition of such property.

(iii) Items of income, gain, loss or deduction attributable to the disposition of the Company property having a Book Value that differs from its adjusted basis for tax purposes shall be computed by reference to the Book Value of such property.

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(iv) Items of depreciation, amortization and other cost recovery deductions with respect to the Company property having a Book Value that differs from its adjusted basis for tax purposes shall be computed by reference to the property's Book Value in accordance with Treasury Regulation Section 1.704-1(b)(2)(iv)(g).

(v) To the extent an adjustment to the adjusted tax basis of any Company asset pursuant to Code Sections 732(d), 734(b) or 743(b) is required, pursuant to Treasury Regulation Section 1.704-1(b)(2)(iv)(m), to be taken into account in determining Capital Accounts, the amount of such adjustment to the Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis).

3.3 Negative Capital Accounts. No Unitholder shall be required to pay to any other Unitholder or the Company any deficit or negative balance which may exist from time to time in such Unitholder's Capital Account (including upon and after dissolution of the Company).

3.4 No Withdrawal. No Person shall be entitled to withdraw any part of such Person's Capital Contributions or Capital Account or to receive any Distribution from the Company, except as expressly provided herein.

3.5 Loans From Unitholders. Loans by Unitholders to the Company shall not be considered Capital Contributions. If any Unitholder shall loan funds to the Company in excess of the amounts required hereunder to be contributed by such Unitholder to the capital of the Company, the making of such loans shall not result in any increase in the amount of the Capital Account of such Unitholder. The amount of any such loans shall be a debt of the Company to such Unitholder and shall be payable or collectible in accordance with the terms and conditions upon which such loans are made.

3.6 Distributions In-Kind. To the extent that the Company distributes property in-kind to the Unitholders, the Company shall be treated as making a distribution equal to the Fair Market Value of such property for purposes of [Section 4.1](#) and such property shall be treated as if it were sold for an amount equal to its Fair Market Value and any resulting gain or loss shall be treated as an item of Profits or Losses and allocated to the Unitholders' Capital Accounts in accordance with [Sections 4.2](#) through [4.4](#).

3.7 Transfer of Capital Accounts. The original Capital Account established for each Substituted Member shall be in the same amount as the Capital Account of the Unitholder (or portion thereof) to which such Substituted Member succeeds, at the time such Substituted Member is admitted to the Company. The Capital Account of any Unitholder shall be increased or decreased by means of the transfer to it of all or part of the Units of another Unitholder. Any reference in this Agreement to a Capital Contribution of or Distribution to a Unitholder that has succeeded any other Unitholder shall include any Capital Contributions or Distributions previously made by or to the former Unitholder on account of the Units of such former Unitholder transferred to such successor Unitholder.

### 3.8 Management Incentive Units.

(a) From time to time after the date hereof, the Board shall have the power and discretion to approve the issuance to any employee, officer, Manager, director, consultant or advisor of the Company or any of its Subsidiaries (each an “***Eligible Service Provider***”) of authorized but unissued Units representing a fractional part of the interests in Profits, Losses and Distributions of the Members and having the rights and obligations specified with respect to Class B Units or such other class of Units as the Board may establish from time to time in this Agreement (“***Management Incentive Units***”). The Board shall have the power and discretion to establish a Management Incentive Plan setting forth such terms and conditions as the Board shall deem appropriate to facilitate the issuance of Management Incentive Units. The Board shall have the power and discretion to approve which Eligible Service Providers shall be offered and issued such Management Incentive Units, the number of Management Incentive Units to be offered and issued to each such Eligible Service Provider, the vesting, forfeiture and other restrictions, if any, governing such Management Incentive Units, the purchase price thereof, if any, and the any such other terms and conditions as it shall deem appropriate. In connection with any approved issuance to any Eligible Service Provider of Management Incentive Units hereunder, such Eligible Service Provider shall execute a counterpart to this Agreement, or otherwise be deemed to have become a party to this Agreement by executing a Management Incentive Unit Agreement, accepting and agreeing to be bound by all terms and conditions hereof, and shall enter into such other documents and instruments to effect such purchase (including, without limitation, a Management Incentive Unit Agreement) as are required by the Board. This Section 3.8, together with any Management Incentive Plan and the Management Incentive Unit Agreements pursuant to which the Management Incentive Units are issued, are intended to qualify as a compensatory benefit plan within the meaning of Rule 701 of the Securities Act and the issuance of Management Incentive Units pursuant hereto is intended to qualify for the exemption from registration under the Securities Act provided by Rule 701; provided that the foregoing shall not restrict or limit the Company's ability to issue any Management Incentive Units pursuant to any other exemption from registration under the Securities Act available to the Company.

(b) As of the date of each grant of Management Incentive Units to an Eligible Service Provider, the Board shall establish an initial “***Participation Threshold***” amount with respect to each such Management Incentive Unit granted on such date. Unless otherwise determined by the Board or provided in the applicable Management Incentive Unit Agreement, the Participation Threshold with respect to a Management Incentive Unit shall be equal to or greater than the result of (i) the amount that would be distributed with respect to all Units pursuant to Section 4.1(c)(ii) in a hypothetical transaction in which the Company sold all of its assets for Fair Market Value and distributed the proceeds therefrom in liquidation of the Company pursuant to Section 12.2 (as determined immediately prior to the issuance of such Management Incentive Unit, but taking into account all Capital Contributions, if any, with respect to all Units issued as part of the issuance of such Management Incentive Unit) minus (ii) the total Capital Contributions (if any) made by the Eligible Service Provider receiving such Management Incentive Unit with respect to all Management Incentive Units received by such Eligible Service Provider as part of the same issuance; provided that, for the avoidance of doubt, no Capital Contributions shall be made by the Eligible Service Provider if and to the extent such Management Incentive Units are intended for U.S. federal income tax purposes to be “profits interests” within the meaning of Internal Revenue Service Revenue Procedures 93-27 and 2001-43. The Board may designate a series number for Management Incentive Units that have the same Participation Threshold, which Participation Threshold may differ from the Participation Thresholds of other series of Management Incentive Units not included in such subset.

(c) Each Management Incentive Unit's Participation Threshold may be adjusted (in the sole discretion and as determined by the Board) after the grant of such Management Incentive Unit in the following manner:



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(i) in the event of any Distribution with respect to the Units pursuant to Section 4.1(c)(ii) or any redemption or repurchase of Units by the Company, the Participation Threshold of each Management Incentive Unit outstanding at the time of such Distribution, redemption, or repurchase shall be reduced (but not below zero) by the amount of such Distribution per Unit or the amount paid by the Company per Unit to redeem or repurchase such Units;

(ii) in the event of any Capital Contribution with respect to Units issued after such Management Incentive Unit is issued, the Participation Threshold of such Management Incentive Unit may be increased by the amount of such Capital Contribution; and

(iii) in the event of any change in the Company's capital structure not addressed in Section 3.8(c)(i) or Section 3.8(c)(ii) above, the Board may (but shall not be obligated to) equitably adjust the Participation Thresholds of the outstanding Management Incentive Units to the extent necessary (in the Board's good faith judgment) to prevent such capital structure change from changing the economic rights represented by the Management Incentive Units in a manner that is disproportionately favorable or unfavorable in relation to the economic rights of other classes of outstanding Units; provided, however, that, no such adjustment shall be made if and to the extent that such Management Incentive Units are intended for U.S. federal income tax purposes to be "profits interests" within the meaning of Internal Revenue Service Revenue Procedures 93-27 and 2001-43 and the adjustment would cause the Management Incentive Units to cease to be treated as profits interests.

(d) The grant of Management Incentive Units and the Participation Thresholds of each holder's Management Incentive Units shall be set forth on the Schedule of Unitholders, and the Schedule of Unitholders may be amended by the Board (without the requirement of an approval from any Member) from time to time by the Company as necessary to reflect the grant of Management Incentive Units and any adjustments to the Participation Thresholds of outstanding Management Incentive Units required pursuant to this Section 3.8.

(e) The Management Incentive Units issued to any Eligible Service Provider shall become vested in accordance with the vesting schedule set forth by the Board in connection with the issuance of such Management Incentive Units (and, if applicable, reflected in the relevant Management Incentive Unit Agreement).

(f) The Management Incentive Units to be issued under this Agreement are intended for U.S. federal income tax purposes to be "profits interests" within the meaning of Internal Revenue Service Revenue Procedures 93-27 and 2001-43. FURTHER, EACH ELIGIBLE SERVICE PROVIDER THAT IS ISSUED MANAGEMENT INCENTIVE UNITS SHALL MAKE AND FILE WITH THE INTERNAL REVENUE SERVICE A "SECTION 83(B) ELECTION" IN SUCH FORM AS REQUIRED BY APPLICABLE TREASURY REGULATIONS. ANY SECTION 83(B) ELECTION SHALL BE FILED WITHIN THIRTY (30) DAYS OF THE GRANT DATE OF A MANAGEMENT INCENTIVE UNIT TO AN ELIGIBLE SERVICE PROVIDER AND SUCH ELIGIBLE SERVICE PROVIDER SHALL DELIVER A DULY FILED COPY THEREOF TO THE COMPANY WITHIN TEN (10) DAYS AFTER FILING.



ARTICLE IV

DISTRIBUTIONS AND ALLOCATIONS;

REDEMPTION

4.1 Distributions.

(a) Tax Distributions. To the extent funds of the Company may be available for distribution by the Company (as determined by the Board in its sole discretion) and a Distribution thereof is permitted by applicable law and any financing agreements to which the Company or its Subsidiaries, if any, is a party, the Board shall cause the Company to distribute to the Unitholders with respect to each Fiscal Quarter an amount of cash (a "Tax Distribution") which in the judgment of the Board equals (i) the amount of taxable income allocable to the Unitholders in respect of such Fiscal Quarter (net of taxable Losses allocated to the Unitholder in respect of prior Fiscal Quarters and not previously taken into account under this clause), multiplied by (ii) the Applicable Tax Rate, with such Tax Distribution to be made to the Unitholders in the same proportions that taxable income was allocated to the Unitholders during such Fiscal Quarter (net of taxable Losses allocated to the Unitholder in respect of prior Fiscal Quarters and not previously taken into account under this clause). To the extent any Unitholder receives Tax Distributions that are attributable to items of income or gain allocated in accordance with, or in the same manner as, Code Section 704(c), such Tax Distributions shall be treated as advance Distributions to such Unitholder in the order of priority set forth in Section 4.1(b) and 4.1(c).

(b) Other Distributions. Except as otherwise set forth in Section 4.1(a) or Section 4.1(c), the Board may (but shall not be obligated to) make Distributions at any time or from time to time, but each such Distribution shall be made to all holders of Vested Units ratably among such holders based upon the number of Vested Units held by each such holder immediately prior to such Distribution; provided that no Management Incentive Unit shall be entitled to receive any Distributions pursuant to this Section 4.1(b) unless the aggregate Distributions (other than Tax Distributions) to all Unitholders prior to and including such Distribution equals or exceeds the Participation Threshold for such Management Incentive Unit.

(c) Distributions upon a Sale of the Company. In the event of a Sale of the Company, each Unitholder shall receive in exchange for the Units held by such Unitholder, Distributions in the following order of priority (and with it being understood that determinations regarding the timing and amount of Distributions in connection with a Sale of the Company shall be made by the Board):

(i) first, to the holders of Class A Units ratably among such holders based upon the aggregate Unreturned Capital with respect to all outstanding Class A Units held by each such holder immediately prior to such Distribution, until the aggregate Unreturned Capital with respect to each such holder's Class A Units has been reduced to zero;

(ii) second, to all holders of Vested Units ratably among such holders based upon the number of Vested Units held by each such holder immediately prior to such Distribution; provided that no Management Incentive Unit shall be entitled to receive any Distributions pursuant to this Section 4.1(c)(ii) unless the aggregate Distributions (other than Tax Distributions) to all Unitholders prior to and including such Distribution equals or exceeds the Participation Threshold for such Management Incentive Unit.

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provided, however, that if such consideration includes any securities and due receipt thereof by any Unitholder would require under applicable law (A) the registration or qualification of such securities or of any Person as a broker or dealer or agent with respect to such securities or (B) the provision to any Unitholder of any information other than such information as a prudent issuer would generally furnish in an offering made solely to “accredited investors” as defined in Regulation D promulgated under the Securities Act, the Company may, in its sole discretion, cause to be paid to any such Unitholder in lieu thereof, against surrender of the Units which would have otherwise been sold by such Unitholder, an amount in cash equal to the Fair Market Value of the securities which such Unitholder would otherwise receive as of the date of the issuance of such securities in exchange for the Units. Each Unitholder shall take all necessary or desirable actions (including executing documents) in connection with the Distribution of the aggregate consideration from any such transaction as requested by the Board.

4.2 Allocations. Except as otherwise provided in Section 4.3, Profits and Losses for any Fiscal Year shall be allocated among the Unitholders in such a manner as to reduce or eliminate, to the extent possible, any difference, as of the end of such Fiscal Year, between (a) the sum of (i) the Capital Account of each Unitholder, (ii) such Unitholder's share of Minimum Gain, and (iii) such Unitholder's partner nonrecourse debt minimum gain (as defined in Treasury Regulation Section 1.704-2(i)(3)) and (b) the respective net amounts, positive or negative, which would be distributed to them or for which they would be liable to the Company under the Delaware Act, determined as if the Company were to (i) liquidate the assets of the Company for an amount equal to their Book Value and (ii) distribute the proceeds of liquidation pursuant to Section 12.2. For the avoidance of doubt, solely for purposes of making such allocation all of the Units shall be treated as Vested Units. The Unitholders acknowledge that allocations like those described in Proposed Treasury Regulation Section 1.704-1(b)(4)(xii)(c) (“Forfeiture Allocations”) may result from the allocations of Profits and Losses provided for in this Agreement. For the avoidance of doubt, the Company is entitled to make Forfeiture Allocations and, once required by applicable final or temporary guidance, allocation of Profits and Losses will be made in accordance with Proposed Treasury Regulation Section 1.704-1(b)(4)(xii)(c) or any successor provision or guidance.

#### 4.3 Special Allocations.

(a) Partner Nonrecourse Deductions and Minimum Gain Chargeback. Losses attributable to partner nonrecourse debt (as defined in Treasury Regulations Section 1.704-2(b)(4)) shall be allocated in the manner required by Treasury Regulations Section 1.704-2(i). If there is a net decrease during a Taxable Year in partner nonrecourse debt minimum gain (as determined pursuant to Treasury Regulations Section 1.704-2(i)(3)), Profits for such Taxable Year (and, if necessary, for subsequent Taxable Years) shall be allocated to the Unitholders in the amounts and of such character as determined according to Treasury Regulations Section 1.704-2(i)(4) and 1.704-2(j)(2).

(b) Nonrecourse Deductions and Minimum Gain Chargeback. Nonrecourse deductions (as determined according to Treasury Regulations Section 1.704-2(b)(1)) for any Taxable Year shall be allocated to each Unitholder ratably among such Unitholders based upon the manner in which Profits are allocated among the Unitholders for such Taxable Year. Except as otherwise provided in Section 4.3(a), if there is a net decrease in the Minimum Gain during any Taxable Year, each Unitholder shall be allocated Profits for such Taxable Year (and, if necessary, for subsequent Taxable Years) in the amounts and of such character as determined according to Treasury Regulations Section 1.704-2(f). This Section 4.3(b) is intended to be a Minimum Gain chargeback provision that complies with the requirements of Treasury Regulations Section 1.704-2(f), and shall be interpreted in a manner consistent therewith.

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(c) Qualified Income Offset. If any Unitholder that unexpectedly receives an adjustment, allocation or distribution described in Treasury Regulations Section 1.704-1(b)(2)(ii)(d)(4), (5) or (6) has an Adjusted Capital Account Deficit as of the end of any Taxable Year, computed after the application of Sections 4.3(a) and 4.3(b) but before the application of any other provision of this Article IV, then Profits for such Taxable Year shall be allocated to such Unitholder in proportion to, and to the extent of, such Adjusted Capital Account Deficit. This Section 4.3(c) is intended to be a qualified income offset provision as described in Treasury Regulation Section 1.704-1(b)(2)(ii)(d) and shall be interpreted in a manner consistent therewith.

(d) Allocation of Certain Profits and Losses. Profits and Losses described in Section 3.2(b)(v) shall be allocated in a manner consistent with the manner that the adjustments to the Capital Accounts are required to be made pursuant to Treasury Regulation Section 1.704-1(b)(2)(iv)(m).

(e) Regulatory Allocations. The allocations set forth in Sections 4.3(a)-(d) (the “Regulatory Allocations”) are intended to comply with certain requirements of Sections 1.704-1(b) and 1.704-2 of the Treasury Regulations. The Regulatory Allocations may not be consistent with the manner in which the Unitholders intend to allocate Profit and Loss of the Company or make Distributions. Accordingly, notwithstanding the other provisions of this Article IV, but subject to the Regulatory Allocations, Profits and Losses shall be reallocated among the Unitholders so as to eliminate the effect of the Regulatory Allocations and thereby cause the respective Capital Accounts of the Unitholders to be in the amounts (or as close thereto as possible) they would have been if Profit and Loss (and such other items of income, gain, deduction and loss) had been allocated without reference to the Regulatory Allocations. In general, the Unitholders anticipate that this will be accomplished by specially allocating other Profit and Loss (and such other items of income, gain, deduction and loss) among the Unitholders so that the net amount of the Regulatory Allocations and such special allocations to each such Unitholder is zero. In addition, if in any Fiscal Year or Fiscal Period there is a decrease in Minimum Gain, or in partner nonrecourse debt minimum gain, and application of the minimum gain chargeback requirements set forth in Section 4.3(a) or Section 4.3(b) would cause a distortion in the economic arrangement among the Unitholders, the Unitholders may, if they do not expect that the Company will have sufficient other income to correct such distortion, request the Internal Revenue Service to waive either or both of such minimum gain chargeback requirements. If such request is granted, this Agreement shall be applied in such instance as if it did not contain such minimum gain chargeback requirement.

4.4 Offsetting Allocations. If, and to the extent that, any Unitholder is deemed to recognize any item of income, gain, deduction or loss as a result of any transaction between such Unitholder and the Company pursuant to Sections 83, 482, or 7872 of the Code or any similar provision now or hereafter in effect, the Board may, if permitted by applicable law, allocate any corresponding Profit or Loss to the Unitholder who recognizes such item in order to reflect the Unitholders' economic interest in the Company.

#### 4.5 Tax Allocations.

(a) Allocations Generally. The income, gains, losses and deductions of the Company will be allocated for federal, state and local income tax purposes among the Unitholders in accordance with the allocation of such income, gains, losses and deductions among the Unitholders for computing their Capital Accounts; except that if any such allocation is not permitted by the Code or other applicable law, the Company's subsequent income, gains, losses, deductions and credits will be allocated among the Unitholders so as to reflect as nearly as possible the allocation set forth herein in computing their Capital Accounts.

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(b) Code Section 704(c) Allocations. Items of the Company taxable income, gain, loss and deduction with respect to any property contributed to the capital of the Company shall be allocated among the Unitholders in accordance with Code Section 704(c) so as to take account of any variation between the adjusted basis of such property to the Company for federal income tax purposes and its Book Value. In addition, if the Book Value of any the Company asset is adjusted pursuant to the requirements of Treasury Regulation Section 1.704-1(b)(2)(iv)(e) or (f), then subsequent allocations of items of taxable income, gain, loss and deduction with respect to such asset shall take account of any variation between the adjusted basis of such asset for federal income tax purposes and its Book Value in the same manner as under Code Section 704(c). The Board shall determine all allocations pursuant to this Section 4.5(b) using a method that is reasonable under Treasury Regulation Section 1.704-3.

(c) Allocation of Tax Credits, Tax Credit Recapture, Etc. Allocations of tax credits, tax credit recapture, and any items related thereto shall be allocated to the Unitholders according to their interests in such items as determined by the Board taking into account the principles of Treasury Regulations Sections 1.704-1(b)(4)(ii), 1.704-1(b)(4)(xi) and 1.704-1T(b)(4)(xi).

(d) Effect of Allocations. Allocations pursuant to this Section 4.5 are solely for purposes of federal, state and local taxes and shall not affect, or in any way be taken into account in computing, any Unitholder's Capital Account or share of Profits, Losses, Distributions (other than Distributions pursuant to Section 4.1(a)) or other Company items pursuant to any provision of this Agreement.

4.6 Indemnification and Reimbursement for Payments on Behalf of a Unitholder. If the Company is required by law to make any payment to a Governmental Entity that is specifically attributable to a Unitholder or a Unitholder's status as such (including, without limitation, federal withholding taxes, state personal property taxes, and state unincorporated business taxes), then such Unitholder shall indemnify and hold harmless and contribute to the Company in full for the entire amount paid (including interest, penalties and related expenses). The Board may offset Distributions to which a Person is otherwise entitled under this Agreement against such Person's obligation to indemnify the Company under this Section 4.6. A Unitholder's obligation to indemnify and make contributions to the Company under this Section 4.6 shall survive the termination, dissolution, liquidation and winding up of the Company, and for purposes of this Section 4.6, the Company shall be treated as continuing in existence. The Company may pursue and enforce all rights and remedies it may have against each Unitholder under this Section 4.6, including instituting a lawsuit to collect such indemnification and contribution, with interest calculated at a rate equal to the Prime Rate plus three percentage points per annum (but not in excess of the highest rate per annum permitted by law), compounded on the last day of each Fiscal Quarter.

## ARTICLE V

### MANAGEMENT

#### 5.1 Authority of Board.

(a) Sole Authority. Except for situations in which the approval of one or more of the Members is expressly and specifically required by the express terms of this Agreement, and subject to the provisions of this Section 5.1, (i) the Board shall conduct, direct and exercise full control over all activities of the Company (including, subject to Section 3.1(c)), all decisions relating to the issuance of additional Equity Securities and the voting and sale of, and the exercise of other rights with respect to, the equity securities of its Subsidiaries), (ii) all management powers over the business and affairs of the Company shall be exclusively vested in the Board, and (iii) the Board shall have the sole power to bind or take any action on behalf of the Company, or to exercise any rights and powers (including, without limitation, the rights and powers to take certain actions, give or withhold certain consents or approvals, or make certain determinations, opinions, judgments, or other decisions) granted to the Company under this Agreement or any other agreement, instrument, or other document to which the Company is a party.

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(b) Certain Actions. Without limiting the generality of the foregoing:

(i) the Board shall have the right to exercise all rights and powers of the Company (whether such rights and powers are expressly and specifically granted to the Company under the terms of an agreement to which the Company is a party, or arise as a result of the Company's ownership of securities or otherwise) to amend or consent to an amendment, modification, or waiver of the Equity Agreements and to take actions, give or withhold consents or approvals, waive or require the satisfaction of conditions, or make determinations, opinions, judgments, or other decisions which are granted to the Company under the Equity Agreements;

(ii) subject only to the provisions of Section 9.3, the Board shall have sole discretion and right to enter into any agreement regarding, and have sole authority to approve on behalf of the Company and all of the Members, a Sale of the Company, or any merger, consolidation or other transaction involving the Company;

(iii) the Board shall have the right to determine the timing and amount of any equity investment in the Company and to effect amendments to this Agreement in order to effectuate such equity investments; and

(iv) the Board shall have the right to hire or terminate the employment of any officer or employee of the Company and determine the terms and conditions thereof.

## 5.2 Composition of the Board.

(a) Number and Appointment. The Board shall initially consist of one (1) Manager. Thereafter, the number of Managers on the Board shall be established from time to time by the Board. Rob Fried shall be the initial member of the Board (each a, "Manager" and together, the "Managers");

(b) Term. Each Manager appointed shall serve until a successor is appointed in accordance with the terms hereof or his or her earlier resignation, death or removal or such time as he is no longer eligible to serve on the Board pursuant to the terms hereof. Each Manager may be removed from the Board only by the holders of Class A Units holding a majority of the Class A Units. A Manager may resign at any time upon written notice to the Company. Such resignation shall be effective upon receipt unless it is specified to be effective at some other time or upon the happening of some other event.

(c) Vacancies. A vacancy in the Board because of resignation, death or removal of a Manager will be filled by a majority of the Board. If the Board fails to appoint a Manager pursuant to the terms of this Section 5.2, such position in the Board shall remain vacant until the Board exercises its right to appoint a Manager as provided hereunder. Newly created managerships resulting from any increase in the authorized number of Managers may be filled by a majority of the Board.

## 5.3 Board Actions; Meetings.

(a) At any and all meetings of, and with respect to any written consents of, the Board or any committee of any of the Board, each Manager shall be entitled to one (1) vote at such meeting or in connection with any written consent. Unless another percentage is set forth herein or required by applicable law, any determination or action required or permitted to be taken by the Board shall be taken by a majority of the votes entitled to be cast by the Managers then in office (through meetings of the Board or written consents pursuant to this Section 5.3). A majority of the Managers shall constitute a quorum sufficient for conducting meetings and making decisions. The votes constituting a majority of all votes entitled to be cast at a meeting at which a quorum is present shall be an act of the Board.

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(b) Regular meetings of the Board may be held on such date and at such time and at such place as shall from time to time be determined by the Board. Special meetings of the Board may be called from time to time by any Manager. Notice of each special meeting of the Board stating the date, place and time of such meeting shall be given to each Manager by hand, telephone, teletype, electronic mail, overnight courier or the U.S. mail at least twenty-four (24) hours prior to any meeting of the Board. Notice may be waived before or after a meeting or by attendance without protest at such meeting. Any action to be taken by the Board may be taken at a meeting of the Board or by a written consent executed by the Managers having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting. Prompt notice of the taking of any action by the Board without a meeting by less than unanimous written consent shall be given to those Managers who did not consent in writing to the action. Managers may participate in a meeting of the Board by means of telephone conference or similar communications equipment by which all Persons participating in the meeting can communicate with each other and such participation in a meeting shall constitute presence in person at the meeting. Any Manager unable to attend a meeting of the Board may designate another Manager as his or her proxy. The Board may adopt such other procedures governing meetings and the conduct of business at such meetings as it shall deem appropriate.

5.4 Delegation of Authority. The Board may, from time to time, delegate to one or more Persons (including any Member and including through the creation and establishment of one or more other committees) such authority and duties as the Board may deem advisable. Any delegation pursuant to this Section 5.4 may be revoked at any time by the Board and no such delegation shall deprive the Board of any power or authority to take the same actions so delegated.

5.5 Purchase of Units. The Board may cause the Company to purchase or otherwise acquire Units; *provided that* this provision shall not in and of itself obligate any Unitholder to sell any Units to the Company. So long as any such Units are owned by the Company, such Units will not be considered outstanding for any purpose.

5.6 Limitation of Liability.

(a) Waiver of Liability. Except as otherwise provided herein or in any agreement entered into by such Person and the Company and to the maximum extent permitted by the Delaware Act, no present or former Manager nor any such Manager's Affiliates, employees, agents or representatives shall be liable to the Company or to any Member for any act or omission performed or omitted by such Person in its capacity as Manager; *provided that*, except as otherwise provided herein, such limitation of liability shall not apply to the extent the act or omission was attributable to fraud or such Person's gross negligence, willful misconduct or knowing violation of law as determined by a final judgment, order or decree of an arbitrator or a court of competent jurisdiction (which is not appealable or with respect to which the time for appeal therefrom has expired and no appeal has been perfected). Each Manager shall be entitled to rely upon the advice of legal counsel, independent public accountants and other experts, including financial advisors, and any act of or failure to act by such Manager in good faith reliance on such advice shall in no event subject such Manager or any of such Manager's Affiliates, employees, agents or representatives to liability to the Company or any Member.



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(b) Fiduciary Duty. Except as expressly set forth herein or required by law, no activity by any Manager shall constitute a breach of any fiduciary duty, if any such duty is owed, to the Company or any Member of the Company. Any fiduciary duties (including any duties of care, disclosure or loyalty) that a Manager might otherwise have to the Company or the Members of the Company are hereby eliminated, except to the extent otherwise required by law. Nothing in this Section 5.6(b) shall be construed as (i) eliminating any duty or obligation that a paid employee of the Company or any Subsidiary of the Company may have to the Company or such Subsidiary, whether by contract, at law, in equity, or otherwise, or (ii) limiting or otherwise affecting any Person's obligations or rights under any contract or agreement to which they are a party, including where the Company or any of its Subsidiaries is a counter-party.

(c) Board Discretion. Whenever in this Agreement or any other agreement contemplated herein the Board is permitted or required to take any action or to make a decision or determination, the Board shall or may, as the case may be, take such action or make such decision or determination in its sole discretion, unless another standard is expressly set forth herein or therein. Except as otherwise set forth herein, whenever in this Agreement or any other agreement contemplated herein the Board is permitted or required to take any action or to make a decision or determination in its "sole discretion" or "discretion," with "complete discretion" or under a grant of similar authority or latitude, each Manager shall be entitled to consider such interests and factors as such Manager desires, including the interests of the Members appointing such Manager and such Manager may give preference to the interests of the Members appointing him over the interests of any other Member or stakeholder of the Company.

(d) Good Faith and Other Standards. Whenever in this Agreement or any other agreement contemplated herein the Board is permitted or required to take any action or to make a decision or determination in its "good faith" or under another express standard, each Manager shall act under such express standard and, to the extent permitted by applicable law, shall not be subject to any other or different standards imposed by this Agreement or any other agreement contemplated herein, and, so long as such Manager acts in good faith (as contemplated herein), the resolution, action or determinations so made, taken or provided by the Board shall not constitute a breach of this Agreement or any other agreement contemplated herein or impose liability upon such Manager or any of such Manager's Affiliates, employees, agents or representatives.

(e) Effect on Other Agreements, Liabilities and Obligations. This Section 5.6 shall not in any way affect, limit or modify (i) any Person's liabilities or obligations under any employment agreement, consulting agreement, management services agreement, confidentiality agreement, noncompetition agreement, nonsolicitation agreement or any similar agreement with the Company or any of its Subsidiaries, if any, or (ii) any fiduciary duties owed by Rob Fried to Chromadex arising in connection with his service as a director on Chromadex's or any of its subsidiaries' boards of directors or boards of managers.

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5.7 Officers. The Board by vote or resolution shall have the power to appoint officers and agents to act for the Company with such titles, if any, as the Board deems appropriate and to delegate to such officers or agents such of the powers as are granted to the Board hereunder, including the power to execute documents on behalf of the Company, as the Board may in its sole discretion determine; provided, however, that no such delegation by the Board shall cause the Persons constituting the Board to cease to be the “managers” of the Company within the meaning of the Act. The officers so appointed may include persons holding titles such as Chief Executive Officer, President, Vice President, Secretary, Assistant Secretary, Treasurer, or Assistant Treasurer or any other titled determined by the Board. Unless the authority of the officer in question is limited in the document appointing such officer or is otherwise specified by the Board, any officer so appointed shall have the same authority to act for the Company as a corresponding officer of a Delaware corporation would have to act for a Delaware corporation in the absence of a specific delegation of authority; provided, however, that, for purposes of clarity, unless such power is specifically delegated to the officer in question either for a specific transaction or generally, no such officer shall have the power to, on behalf of the Company or any of its Subsidiaries (a) lease or acquire real property, (b) borrow money or issue notes, debentures, securities, equity or other interests, (c) make investments in (other than the investment of surplus cash in the ordinary course of business) or acquire securities of any Person, (d) give guarantees or give indemnities except in the ordinary course of business consistent with past practices in commercial contracts, (e) merge, liquidate or dissolve the Company or any of its Subsidiaries, (f) sell or lease all or any substantial portion of the assets of the Company or any of its Subsidiaries, or (g) take any action which requires the consent of any one or more Members or is prohibited hereunder, in each case, other than immaterial transactions or agreements in the ordinary course of business consistent with past practice, and compensation payments to employees in the ordinary course of business consistent with past practice.

5.8 Information Rights. In addition to the information required to be provided pursuant to Article VII, the Manager shall keep the Members reasonably informed of any material fact that would be reasonably expected to have a material impact on the financial position of the Company.

## ARTICLE VI

### RIGHTS AND OBLIGATIONS OF UNITHOLDERS AND MEMBERS

#### 6.1 Limitation of Liability.

Except as otherwise required by the Delaware Act, the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities of the Company, and no Unitholder, Member or Manager shall be obligated personally for any such debt, obligation or liability of the Company solely by reason of being a Unitholder or acting as a Member or Manager of the Company, other than such Unitholder's obligation to make Capital Contributions to the Company pursuant to the terms and conditions hereof, any Equity Agreement or any other agreement respecting the issuance and sale or grant of Equity Securities; provided that a Unitholder shall be required to return to the Company any Distribution made to it in clear and manifest accounting or similar error. The immediately preceding sentence shall constitute a compromise to which all Unitholders have consented within the meaning of the Delaware Act. Notwithstanding anything contained herein to the contrary, the failure of the Company to observe any formalities or requirements relating to the exercise of its powers or management of its business and affairs under this Agreement or the Delaware Act shall not be grounds for imposing personal liability on the Unitholders, Members or Managers for liabilities of the Company, except to the extent constituting fraud or willful misconduct by such Unitholders, Members or Managers.



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6.2 Lack of Authority. No Unitholder or Member, in its capacity as such, has the authority or power to act for or on behalf of the Company in any manner or way, to bind the Company, or do any act that would be (or could be construed as) binding on the Company, in any manner or way, or to make any expenditures on behalf of the Company, unless such specific authority has been expressly granted to, and not revoked from, such Member by the Board, and the Unitholders and Members hereby consent to the exercise by the Board of the powers conferred on it by law and this Agreement.

6.3 No Right of Partition. No Unitholder or Member shall have the right to seek or obtain partition by court decree or operation of law of any the Company property, or the right to own or use particular or individual assets of the Company.

6.4 Indemnification.

(a) Generally. Subject to Section 4.6 and Section 5.6, the Company hereby agrees to indemnify and hold harmless any Person (each an "Indemnified Person") to the fullest extent permitted under the Delaware Act, as the same now exists or may hereafter be amended, substituted or replaced (but, in the case of any such amendment, substitution or replacement only to the extent that such amendment, substitution or replacement permits the Company to provide broader indemnification rights than the Company is providing immediately prior to such amendment), against all expenses, liabilities and losses (including attorney fees, judgments, fines, excise taxes or penalties) reasonably incurred or suffered by such Person (or one or more of such Person's Affiliates) by reason of the fact that such Person is or was a Unitholder or Member or is or was serving as a Manager, officer, director, principal or member of the Company or is or was serving at the request of the Company as a managing member, manager, officer, director, principal or member of another corporation, partnership, joint venture, limited liability company, trust or other enterprise, including a Subsidiary of the Company; provided that no Indemnified Person shall be indemnified for any expenses, liabilities and losses suffered that are attributable to such Indemnified Person's or its Affiliates' (excluding, for purposes hereof, the Company's and its Subsidiaries') willful misconduct or knowing violation of law as determined by a final judgment, order or decree of an arbitrator or a court of competent jurisdiction (which is not appealable or with respect to which the time for appeal therefrom has expired and no appeal has been perfected) or for any present or future breaches of any representations, warranties or covenants by such Indemnified Person or its Affiliates' (excluding, for purposes hereof, the Company's and its Subsidiaries'), employees, agents or representatives contained herein or in any other agreement with the Company or its Subsidiaries. Expenses, including attorneys' fees and expenses, incurred by any such Indemnified Person in defending a proceeding shall be paid by the Company in advance of the final disposition of such proceeding, including any appeal therefrom, upon receipt of an undertaking by or on behalf of such Indemnified Person to repay such amount if it shall ultimately be determined that such Indemnified Person is not entitled to be indemnified by the Company.

(b) Nonexclusivity of Rights. The right to indemnification and the advancement of expenses conferred in this Section 6.4 shall not be exclusive of any other right which any Person may have or hereafter acquire under any statute, agreement, law, vote of the Board or otherwise. The Board may grant any rights comparable to those set forth in this Section 6.4 to any employee, agent or representative of the Company or such other Persons as it may determine.

(c) Insurance. The Company may maintain insurance, at its expense, to protect any Indemnified Person against any expense, liability or loss described in Section 6.4(a) whether or not the Company would have the power to indemnify such Indemnified Person against such expense, liability or loss under the provisions of this Section 6.4.

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(d) Limitation. Notwithstanding anything contained herein to the contrary (including in this Section 6.4), any indemnity by the Company relating to the matters covered in this Section 6.4 shall be provided out of and to the extent of the Company's assets only, and no Unitholder (unless such Unitholder otherwise agrees in writing or is found in a final decision by a court of competent jurisdiction to have personal liability on account thereof) shall have personal liability on account thereof or shall be required to make additional Capital Contributions to help satisfy such indemnity of the Company (except as expressly provided herein).

(e) Savings Clause. If this Section 6.4 or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the Company shall nevertheless indemnify and hold harmless each Indemnified Person pursuant to this Section 6.4 to the fullest extent permitted by any applicable portion of this Section 6.4 that shall not have been invalidated and to the fullest extent permitted by applicable law.

#### 6.5 Members Right to Act

(a) For situations for which the approval of the Members generally (rather than the approval of the Board or a particular group of Members) is specifically and expressly required by this Agreement or by non-voting provisions of applicable law, the Members shall act through meetings and written consents as described in this Section 6.5. Except as otherwise expressly provided herein and as otherwise required by applicable law, (i) Class B Units shall have no voting rights under this Agreement or the Delaware Act and (ii) the Members holding Class A Units shall be entitled to one vote per Class A Unit on all matters to be voted on by the Members. The actions by the Members permitted hereunder may be taken at a meeting called by the Board or by Members holding at least a majority of the Units entitled to vote or consent on the matter on at least forty-eight (48) hours' prior written notice to the other Members entitled to vote or consent thereon, which notice shall state the purpose or purposes for which such meeting is being called. The actions taken by the Members entitled to vote or consent at any meeting (as opposed to by written consent), however called and noticed, shall be as valid as though taken at a meeting duly held after regular call and notice if (but not until), either before, at or after the meeting, the Members entitled to vote or consent as to whom it was improperly held signs a written waiver of notice or a consent to the holding of such meeting or an approval of the minutes thereof. The actions by the Members entitled to vote or consent may be taken by Members by written consent (without a meeting and without a vote) so long as such consent is signed by the Members having not less than the minimum number of Units that would be necessary to authorize or take such action at a meeting at which all Members entitled to vote thereon were present and voted. Prompt notice of the action so taken without a meeting shall be given to those Members entitled to vote or consent who have not consented in writing. Any action taken pursuant to such written consent of the Members shall have the same force and effect as if taken by the Members at a meeting thereof.

(b) To the fullest extent permitted by law, the holders of the Class B Units hereby waive any rights to vote in respect of such Class B Units on any matters as a separate class and agree that the holders of the Class B Units shall not vote separately on any matters submitted to the Unitholders, but instead any matters requiring a vote of the holders of the Class B Units as a separate class shall be determined by the holders of all Units voting as a single class. To the fullest extent permitted by law, the holders of the Class B Units hereby agree to vote their Class B Units as directed by the Majority of the holders of Class A Units with respect to any matters on which the Class B Units shall be entitled to vote as a class separate from the holders of the Class A Units.

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6.6 Investment Opportunities and Conflicts of Interest. The Unitholders expressly acknowledge and agree that, subject to the terms of any other agreement to which they may be bound, (a) the Managers and the Founder Investors are permitted to have, and may presently or in the future have, investments or other business relationships with Persons engaged in the Business other than through the Company or any of its Subsidiaries (an “***Other Business***”), (b) the Managers and the Founder Investors have and may develop a strategic relationship with businesses that are and may be competitive or complementary with the Company or its Subsidiaries, if any, (c) none of the Managers or the Founder Investors will be prohibited by virtue of their respective investments in the Company or its Subsidiaries, if any, or their service as Manager or service on the Company’s or their respective Subsidiaries’ board of managers or directors or as officers from pursuing and engaging in any such activities, (d) none of the Managers or Founder Investors will be obligated to inform or present the Company or its Subsidiaries, if any, or the Board of any such opportunity, relationship or investment, (e) the other Unitholders will not acquire or be entitled to any interest or participation in any Other Business as a result of the participation therein of any of the Managers or the Founder Investors, (f) the involvement of the Managers or the Founder Investors in any Other Business will not constitute a conflict of interest by such Persons with respect to the Company or its Unitholders or any of the Company’s Subsidiaries (if any), and (g) the Managers or the Founder Investors, and/or their respective Affiliates will not be prohibited from entering into agreements, transactions or relationships with the Company and/or its Subsidiaries, provided such agreements, transactions, or relationships are approved by the Board.

## ARTICLE VII

### BOOKS, RECORDS, ACCOUNTING AND REPORTS; INSPECTION

7.1 Records and Accounting. The Company shall keep, or cause to be kept, appropriate books and records with respect to the Company’s business, including all books and records necessary to provide any information, lists and copies of documents required to be provided pursuant to Section 7.2 or pursuant to applicable laws. All matters concerning (a) the determination of the relative amount of allocations and Distributions among the Unitholders pursuant to Articles III and IV, and (b) accounting procedures and determinations, and other determinations not specifically and expressly provided for by the terms of this Agreement, shall be determined by the Board.

7.2 Tax Reports. The Company shall use reasonable efforts to deliver or cause to be delivered, within ninety (90) days after the end of each Fiscal Year, to each Person who was a Unitholder at any time during such Fiscal Year all information necessary for the preparation of such Person’s United States federal and state income tax returns.

7.3 Transmission of Communications. Each Person that owns or controls Units on behalf of, or for the benefit of, another Person or Persons shall be responsible for conveying any report, notice or other communication received from the Company to such other Person or Persons.

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7.4 Financial Statements. Each Member, shall have the right to receive all of the following information from the Company (a) within one hundred twenty (120) days after the end of each Fiscal Year, in reasonable detail, prepared in accordance with GAAP and certified by the Manager or principal financial or accounting officer of the Company, (i) consolidated statements of income and cash flows of the Company and its Subsidiaries, if any, for such Fiscal Year, and (ii) consolidated balance sheets of the Company and its Subsidiaries, if any, as of the end of such Fiscal Year; and (b) if required by any Member's auditors to render an opinion in connection with such Member's financial position, within forty-five (45) days after the end of each Fiscal Quarter, in reasonable detail, prepared in accordance with GAAP, except as noted thereon and subject to normal and recurring year-end adjustments and the absence of notes, certified by the Manager or principal financial or accounting officer of the Company, (i) consolidated statements of income and cash flows of the Company and its Subsidiaries, if any, for such Fiscal Quarter, and (ii) consolidated balance sheets of the Company and its Subsidiaries, if any, as of the end of such Fiscal Quarter. Notwithstanding the foregoing requirements to deliver certain financial statements, the delivery of any such financial statements by the Company or any of its Subsidiaries, if any, to any Member or any of its Affiliates pursuant to any other agreement or arrangement between the Company or any of its Subsidiaries, if any, and such Member or any of its Affiliates shall be deemed to satisfy the Company's obligations to such Member hereunder.

7.5 Confidentiality; Non-Solicit; Non-Disparagement.

(a) Each Member acknowledges that the Confidential Information (as defined below) is a valuable, special, sensitive, proprietary and a unique asset of the Company or its Subsidiaries, if any, the continued confidentiality of which is essential to the continuation of their business, and the improper disclosure or use of which could severely and irreparably damage the Company and its Subsidiaries, if any. Each Member agrees, for and on behalf of itself, its legal representatives, and its transferees, successors and assigns, that all Confidential Information is the property of the Company and its Subsidiaries (and not of such Member). Each Member further agrees that such Member (i) at all times will continue to keep all Confidential Information strictly confidential and (ii) will not at any time in the future, without the express prior written approval of the Board, directly or indirectly, disclose, communicate or divulge to any Person, or use or cause or authorize any person or entity to use any Confidential Information, in each case, other than while such Member is employed by the Company or its Subsidiaries, if any, and for the sole benefit of the Company and its Subsidiaries, if any, in the ordinary course of such Member's duties as an employee of the Company or its Subsidiaries, if any.

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(b) Each Member also agrees that all work product of such Member while he is employed or contracted by the Company or its Subsidiaries, if any, is work made for hire and/or if not work made for hire, is automatically, immediately and irrevocably assigned to and will become the sole property of the Company and its Subsidiaries, if any, including all right, title and interest and goodwill relating thereto of whatever kind or nature, without any further remuneration or compensation to such Member. Each Member that is employed or contracted by the Company or its Subsidiaries, if any, agrees and does hereby irrevocably and automatically assign to the Company as the Company's exclusive property, the Member's entire right, title and interest in and to all work product and all goodwill associated therewith or related thereto. "**Confidential Information**" means all information, data and items relating to the Company or its Subsidiaries (or any of their customers) which is valuable, confidential or proprietary, including, without limitation, information relating to the Company's or its Subsidiaries formulas, accounts, receivables, customers and customer lists and data, prospective customers and prospective customer lists and data, vendors and vendor lists and data, business methods and procedures, pricing techniques, business leads, budgets, memoranda, correspondence, designs, plans, schematics, patents, copyrights, trademarks, equipment, tools, works of authorship, reports, records, processes, pricing, costs, products, services, margins, systems, software, service data, inventions, analyses, plans, intellectual property, proprietary information, writings, trade secrets, manuals, training materials and methods, sales and marketing materials and compilations of and other items derived (in whole or in part) from the foregoing. Confidential Information may be in either human, electronic or computer readable form, including, but not limited to, software, source code, or any other form. Each Member agrees not to reproduce any Confidential Information (or materials containing or derived from Confidential Information) without the prior written consent of the Board. The restrictions in this Section 7.5 will not apply to any Member to the extent of any Confidential Information: (A) that becomes publicly known without breach of such Member's obligations under this Section 7.5, (B) that is required to be disclosed by law or by court order or government order, provided that the Member seeks an appropriate protective order for the information (or other appropriate protections), or (C) if such Member is also an officer or employee of the Company or its Subsidiaries, if any, in the performance of his duties solely for a proper purpose and for the benefit of the Company or its Subsidiaries, if any.

(c) If a final judicial determination is made that any of the provisions of this Section 7.5 constitutes an unreasonable or otherwise unenforceable restriction against a Member, then the Members and the Company hereby agree that such provisions shall be rendered void only to the extent that such judicial determination finds such provision to be unreasonable or otherwise unenforceable. A court of competent jurisdiction shall have the power to reform any provision of this Section 7.5 to the extent necessary to render such provisions enforceable.

## ARTICLE VIII

### TAX MATTERS

8.1 Tax Elections. The Taxable Year shall be the Fiscal Year unless the Board shall determine otherwise in accordance with applicable law. The Board shall determine whether to make or revoke any available election pursuant to the Code. Each Unitholder will upon request supply any information necessary to give proper effect to such election.

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8.2 Tax Controversies. A Member selected by the Board shall be the Tax Matters Partner and, as such, shall be authorized to represent the Company (at the Company's expense) in connection with all examinations of the Company's affairs by tax authorities, including resulting administrative and judicial proceedings, and to expend the Company funds for professional services and incurred in connection therewith and to be reimbursed by the Company for any reasonable out-of-pocket expenses in connection with acting as the Tax Matters Partner. Each Unitholder agrees to cooperate with the Tax Matters Partner and the Company and to do or refrain from doing any or all things reasonably requested by the Tax Matters Partner or the Company with respect to the conduct of such proceedings.

8.3 Code Section 83 Safe Harbor Election.

(a) By executing the Agreement, each Unitholder authorizes and directs the Company to elect to have the "Safe Harbor" described in the proposed Revenue Procedure set forth in the Internal Revenue Service Notice 2005-43 (the "**IRS Notice**"), or any successor guidance or provision, apply to any interest in the Company transferred to a service provider by the Company in connection with services provided to the Company on or after the effective date of such Revenue Procedure. For purposes of making such Safe Harbor election, the Tax Matters Partner is hereby designated as the "partner who has responsibility for federal income tax reporting" by the Company and, accordingly, execution of such Safe Harbor election by the Tax Matters Partner constitutes execution of a "Safe Harbor Election" in accordance with Section 3.03(1) of the IRS Notice. The Company and each Unitholder hereby agrees to comply with all requirements of the Safe Harbor described in the IRS Notice, including, without limitation, the requirement that each Unitholder shall prepare and file all federal income tax returns reporting the income tax effects of each Unit issued by the Company that qualifies for the Safe Harbor in a manner consistent with the requirements of the IRS Notice. A Unitholder's obligations to comply with the requirements of this Section 8.3 shall survive such Unitholder's ceasing to be a Unitholder of the Company and/or the termination, dissolution, liquidation and winding up of the Company, and, for purposes of this Section 8.3, the Company shall be treated as continuing in existence.

(b) Each Unitholder authorizes the Tax Matters Partner to amend this Section 8.3 to the extent necessary to achieve substantially the same or similar tax treatment with respect to any interest in the Company transferred to a service provider by the Company in connection with services provided to the Company as set for in Section 4 of the IRS Notice (e.g., to reflect changes from the rules set for in the IRS Notice in subsequent Internal Revenue Service guidance); provided that such amendment does not result in disproportionately adverse treatment of any other Unitholder as compared to the treatment of a Unitholder holding similar Units.

ARTICLE IX

TRANSFER OF UNITS; REPURCHASE OF UNITS

9.1 Transfer Restrictions. No Unitholder shall Transfer any Units or any interest in any Units except as follows: (a) pursuant to Sections 9.2 (but (other than the holders of Founder Equity) not as a Transferring Unitholder) or 9.3; (b) pursuant to the forfeiture and repurchase provisions set forth in any applicable Equity Agreement hereof; (c) to their respective Permitted Transferees; or (d) in the case of holders of Founder Equity, to any Person, including in connection with an Approved Sale; provided that if the Founder Investors have not elected to exercise their rights pursuant to Section 9.3 in connection with an Approved Sale, such holders of Founder Equity comply with Section 9.2 (collectively, the “Exempt Transfers”). Notwithstanding the foregoing, the Founder Investors may, in their sole discretion, approve in writing a Transfer of Units by one or more Other Unitholders. The restrictions contained in this Section 9.1 and Sections 9.2, and 9.3 will terminate when the Company (or its corporate successor) has sold its common securities pursuant to a Public Offering or upon the consummation of a Sale of the Company. If any Person acquires Units pursuant to clause (c) above as a Permitted Transferee by virtue of (x) such Person's qualification as a member of a transferor's “Family Group” under clauses (ii) or (iii) of the definition of “Family Group” or (y) such Person's qualification as an affiliated investment fund of a transferor, and such Person shall, at any time, cease to be either a member of such transferor's Family Group or an affiliated investment fund of such transferor (as applicable), then such Person shall transfer such Person's Units to a Person that does qualify at the time of such required transfer as either a member of the original transferor's Family Group or as an affiliated investment fund of the original transferor. Additionally, the Board may prohibit any Transfer by a Management Member or the Transfer of any Management Equity to any Person the Board deems to be engaged in any business activity that is competitive with the business of the Company and/or its Subsidiaries.

9.2 Tag Along Rights.

(a) Participation Right. Except for Transfers that are Exempt Transfers (other than pursuant to Section 9.1(d)), at least fifteen (15) days prior to any Transfer by any holder of Founder Equity of any Units in connection with (i) a Sale of the Company or (i) a sale of Units constituting more than fifteen percent (15%) of such holder's Units, each such Person making such Transfer (the “Transferring Unitholder”), shall deliver a written notice (the “Sale Notice”) to the Company and to the other Members (other than the Management Members with respect to Management Incentive Units) (the “Other Members”), specifying in reasonable detail the identity of the prospective Transferee(s), the number and class of Units to be Transferred and the terms and conditions of the Transfer. The Other Members which hold the same class of Units may elect to participate in the contemplated Transfer with Units of the same class by delivering written notice to the Transferring Unitholder within ten (10) days after delivery of the Sale Notice. Such participation shall be based upon the Pro Rata Share represented by the Units requested to be included by each Unitholder relative to the Pro Rata Share of all Units held by the Unitholders participating in such Transfer (including the Transferring Unitholder); provided that no Other Member shall be entitled to Transfer Unvested Units pursuant to this Section 9.2. If the Other Members have not elected to participate in the contemplated Transfer (through notice to such effect or expiration of the ten (10) day period after delivery of the Sale Notice), then the Transferring Unitholder may Transfer the Units specified in the Sale Notice at a price and on terms no more favorable to the Transferee(s) thereof than specified in the Sale Notice during the one hundred eighty (180) day period immediately following the date of the delivery of the Sale Notice. Any Transferring Unitholder's Units not Transferred within such one hundred eighty (180) day period shall be subject to the provisions of this Section 9.2 upon subsequent Transfer.



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(b) Participation Procedure; Conditions. With respect to any Transfer subject to Section 9.2(a), each Transferring Unitholder shall use its commercially reasonable efforts to obtain the agreement of the prospective Transferee(s) to the participation of the Other Members who have elected to participate in any contemplated Transfer, and no Transferring Unitholder shall Transfer any of its Units to any prospective Transferee if such prospective Transferee(s) declines to allow the participation of the Other Members who have timely elected to participate, unless in connection with such Transfer, one or more of the Transferring Unitholders or their Affiliates purchase (on the same terms and conditions on which such Units were sold to the Transferee(s)) the number and class of Units from each Other Member which such Other Member would have been entitled to sell pursuant to Section 9.2(a). Each Unitholder Transferring Units pursuant to this Section 9.2 shall pay its pro rata share (based on each such holder's share of the aggregate proceeds payable with respect to its Units) of the expenses incurred by the Transferring Unitholder in connection with such Transfer and shall be obligated to join based on its pro rata share (based on each such holder's share of the aggregate proceeds paid with respect to its Units) in any indemnification or other obligations that the Transferring Unitholder agrees to provide in connection with such Transfer (other than any such obligations that relate specifically to a particular Unitholder, such as indemnification with respect to representations and warranties given by a Unitholder regarding such Unitholder's title to and ownership of Units); provided that unless a prospective Transferee permits a Unitholder to give a guarantee, letter of credit or other mechanism (which shall be dealt with on an individual basis), any escrow or holdback of proceeds of any such transaction shall be withheld on a pro rata basis among all Unitholders (based on each such holder's share of the aggregate proceeds payable with respect to its Units); provided further that, in no event shall any Unitholder's aggregate liability for any indemnification obligations exceed the net proceeds actually received by such Unitholder. In the event of an Approved Sale, this Section 9.2 shall not apply if the Founder Investors have elected to apply Section 9.3 to such Approved Sale.

### 9.3 Approved Sale; Drag Along Obligations.

#### (a) Approved Sale.

(i) If the Majority Founder Investors approve a Sale of the Company (an "Approved Sale"), each Member and each Unitholder (and each Person that retains voting control of any Units Transferred to a Permitted Transferee) shall vote for (whether at a meeting of Unitholders or by written consent), consent to and raise no objections against, and not otherwise impede or delay, such Approved Sale. In furtherance of the foregoing, if the Approved Sale is structured as a (x) merger or consolidation, each Member and Unitholder shall waive any dissenters rights, appraisal rights or similar rights in connection with such merger or consolidation or (y) sale of Units, each Member and Unitholder shall agree to sell, and shall sell, all of his, her or its Units and rights to acquire Units (or, if less than all, than the same percentage or his, her or its Units or rights as the Majority Founder Investors are selling) on the terms and conditions approved by the Majority Founder Investors.

(ii) Each Member and Unitholder shall take all necessary or desirable actions in connection with the consummation of the Approved Sale as requested by the Majority Founder Investors (including, without limitation, executing and delivering any and all agreements, instruments and other documents executed by any of the Majority Founder Investors, including any applicable purchase agreement, stockholders agreement and/or indemnification and/or contribution agreement and, only in the case of Unitholders and their Affiliates who are also employees of the Company or any of its Subsidiaries, executing and delivering non-competition and non-solicitation agreements and/or "rollover" agreements, in each case, whether or not executed by the Majority Founder Investors) and otherwise cooperating with the Majority Founder Investors, the prospective buyer and their respective representatives with such Approved Sale.



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(iii) In connection with any Approved Sale, each Member, Unitholder and the Company shall (and the Company shall cause each of its Subsidiaries and each of its and their respective officers, directors, employees, financial advisors, consultants, attorneys and other agents and representatives to) take all necessary or desirable actions in connection with the consummation of the Approved Sale and any related transactions (including any auction or competitive bid process in connection with or preceding such Approved Sale) as reasonably requested by the Majority Founder Investors, including (A) retaining investment bankers and other advisors approved by the Majority Founder Investors; (B) participating in management meetings and preparing pitchbooks and confidential information memorandums, (C) furnishing information and copies of documents, (D) preparing and making filings with Governmental Entities; (E) providing assistance with legal, accounting, tax, financial, benefits and other due diligence; and (F) otherwise cooperating with the Majority Founder Investors, the prospective buyer(s), any investment bankers, consultants or other professional advisors who have been retained in connection with such Approved Sale and their respective representatives.

(iv) In furtherance of the foregoing, and not in limitation, if the Majority Founder Investors, in connection with such Approved Sale, appoint a sellers representative (the “***Sellers’ Representative***”), including any Founder Investor, with respect to matters affecting the Members or Unitholders under the applicable definitive transaction agreements following consummation of such Approved Sale, then each Member and Unitholder agrees (A) to consent to (1) the appointment of such Sellers’ Representative, (2) the establishment of any applicable escrow, expense or similar fund in connection with any indemnification or similar obligations, and (3) the payment of such Member’s or Unitholders pro rata portion (from the applicable escrow or expense fund or otherwise) of any and all reasonable fees and expenses to such Sellers’ Representative in connection with such Sellers’ Representative’s services and duties in connection with such Approved Sale and its related service as the representative of the Members and Unitholders, and (B) not to assert any claim or commence any suit against the Sellers’ Representative or any other Members with respect to any action or inaction taken or failed to be taken by the Sellers’ Representative in connection with its service as the Sellers’ Representative, absent fraud or willful misconduct.

(b) Condition. The obligations of the Members and Unitholders with respect to the Approved Sale are subject to the satisfaction of the following conditions: (i) that each Unitholder shall receive in exchange for the Units held by such Unitholder the same portion of the aggregate consideration from such transaction that such Unitholder would have received if such aggregate consideration had been distributed by the Company in accordance with the provisions of Section 4.1(c) and (ii) such Approved Sale is to an Independent Third Party.

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(c) Indemnification: Expenses. The Unitholders shall be severally obligated to join on a pro rata basis (as if such indemnification obligations reduced the aggregate proceeds available for distribution or payment to the Unitholders in such Approved Sale) in any indemnification obligation the Majority Founder Investors, as the case may be, have agreed to in connection with such Approved Sale (other than any such obligations that relate specifically to a particular Unitholder, such as indemnification with respect to representations and warranties given by a Unitholder regarding such Unitholder's title to and ownership of Units); provided that unless a prospective Transferee in such Approved Sale permits a Unitholder to give a guarantee, letter of credit or other mechanism (which shall be dealt with on an individual basis), any escrow of proceeds of any such transaction shall be withheld on a pro rata basis among all Unitholders (as if such escrow reduced the aggregate proceeds available for distribution or payment to the Unitholders in such Approved Sale). Each Unitholder shall pay its pro rata share (as if such expenses reduced the aggregate proceeds available for distribution or payment to the Unitholders in such Approved Sale) of the expenses incurred by the Unitholders pursuant to an Approved Sale to the extent such expenses are incurred for the benefit of all Unitholders (as determined by the Board). Expenses incurred by any Unitholder on its own behalf (including the fees and disbursements of counsel, advisors and other Persons retained by such holder in connection with the Approved Sale as determined by the Board) will not be considered costs incurred for the benefit of all Unitholders and, to the extent not paid by the Company, will be the responsibility of such Unitholder. Each Unitholder shall enter into any other agreement that the Majority Founder Investors approve and (other than non-competition and non-solicitation agreements to be entered into by Unitholders who are also employees of the Company or any of its Subsidiaries) enter into on the same terms and conditions (other than as differences in such terms and conditions might result from holdings of different classes of Units). Without limiting the immediately prior sentence, each Unitholder shall enter into any indemnification, contribution (including contribution among the Members and the Company) or unitholder representative agreement requested by the Majority Founder Investors to ensure compliance with this Section 9.3(c). Notwithstanding anything to the contrary contained herein, in the event that any indemnification obligations are incurred in connection with the Approved Sale, each Unitholder's obligations for representations and warranties given pursuant thereto shall not exceed the net proceeds received or receivable by such Unitholder pursuant to such Approved Sale.

(d) Purchaser Representative. If the Company and/or the Majority Founder Investors enter into any negotiation or transaction for which Rule 506 (or any similar rule then in effect) promulgated by the Securities and Exchange Commission may be available with respect to such negotiation or transaction (including a merger, consolidation or other reorganization), the other Unitholders shall, at the request of the Company or the Majority Founder Investors, as the case may be, appoint a "purchaser representative" (as such term is defined in Rule 501 promulgated under the Securities Act) designated by the Company and reasonably acceptable to the Majority Founder Investors. If any Unitholder so appoints a purchaser representative, the Company shall pay the fees of such purchaser representative. However, if any Unitholder declines to appoint the purchaser representative designated by the Company, such Unitholder shall appoint another purchaser representative (reasonably acceptable to the Company and the Majority Founder Investors), and such Unitholder shall be responsible for the fees of the purchaser representative so appointed.

(e) No Grant of Dissenters Rights or Appraisal Rights. In no manner shall this Section 9.3 be construed to grant to any Member or Unitholder any dissenters rights or appraisal rights or give any Member or Unitholder any right to vote in any transaction structured as a merger or consolidation (it being understood that the Members hereby expressly waive rights under Section 18-210 of the Delaware Act (entitled "Contractual Appraisal Rights") in all circumstances and grant to the Board and the Majority Founder Investors the sole right to approve or consent to a merger or consolidation of the Company without approval or consent of the Members or the Unitholders).

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#### 9.4 Effect of Assignment.

(a) Termination of Rights. Any Member who shall assign any Units or other interest in the Company shall cease to be a Member with respect to such Units or other interest and shall no longer have any rights or privileges of a Member with respect to such Units or other interest, except as provided in Section 9.1.

(b) Deemed Agreement. Any Person who acquires in any manner whatsoever any Units or other interest in the Company, irrespective of whether such Person has accepted and adopted in writing the terms and provisions of this Agreement, shall be deemed by the acceptance of the benefits of the acquisition thereof to have agreed to be subject to and bound by all of the terms and conditions of this Agreement that any predecessor in such Units or other interest in the Company of such Person was subject to or by which such predecessor was bound.

#### 9.5 Additional Restrictions on Transfer.

(a) Execution of Counterpart. Except in connection with an Approved Sale, each Transferee of Units or other interests in the Company (including any Permitted Transferee) shall, as a condition prior to such Transfer, execute and deliver to the Company a counterpart to this Agreement pursuant to which such Transferee shall agree to be bound by the provisions of this Agreement.

(b) Notice. In connection with the Transfer of any Units, the holder of such Units will deliver written notice to the Company describing in reasonable detail the Transfer or proposed Transfer.

(c) Legal Opinion. No Transfer of Units or any other interest in the Company may be made unless in the opinion of counsel, satisfactory in form and substance to the Board (which opinion may be waived by the Board), such Transfer would not violate any federal securities laws or any state or provincial securities or “blue sky” laws (including any investor suitability standards) applicable to the Company or the interest to be Transferred, or cause the Company to be required to register as an “Investment Company” under the U.S. Investment Company Act of 1940, as amended. Such opinion of counsel shall be delivered in writing to the Company prior to the date of the Transfer.

(d) No Avoidance of Provisions. No Unitholder shall directly or indirectly (i) permit the Transfer of all or any portion of the direct or indirect equity or beneficial interest in such Unitholder or (ii) otherwise seek to avoid the provisions of this Agreement by issuing, or permitting the issuance of, any direct or indirect equity or beneficial interest in such Unitholder, in any such case in a manner which would fail to comply with this Article IX if such Unitholder had Transferred Units directly.

(e) Code Section 7704 Safe Harbor. In order to permit the Company to qualify for the benefit of a “safe harbor” under Code Section 7704, notwithstanding anything to the contrary in this Agreement, no Transfer of any Unit or economic interest shall be permitted or recognized by the Company or the Board (within the meaning of Treasury Regulation Section 1.7704-1(d)) if and to the extent that such Transfer would cause the Company to have more than 100 partners (within the meaning of Treasury Regulation Section 1.7704-1(h), including the look-through rule in Treasury Regulation Section 1.7704-1 (h)(3)).

(f) Involuntary Transfers. Upon any Involuntary Transfer of any Units by any Other Unitholder (for clarity, excluding the holders of Founder Equity), (i) such Other Unitholder shall be deemed to have assigned its Units to a voting trust (in form and substance reasonably acceptable to the Company); and (ii) the Company shall have an irrevocable right (which shall be assignable) to acquire the beneficial and legal interest in such Other Unitholder’s Units (and all other rights of such Other Unitholder with respect to such Units) for an amount equal to the net tangible book value of those Units as of the date of the Involuntary Transfer as determined by the Board (or, if higher, the lowest price deemed fair and reasonable and enforceable by the court involved in such Involuntary Transfer). Such voting trust shall have a perpetual term and the trustee shall be a designee of the Company. The Founder Investors may waive the application of this Section 9.5(f), either prospectively or retroactively, in their sole discretion.

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9.6 Legend. In the event that Certificated Units are issued, such Certificated Units will bear the following legend:

“THE UNITS REPRESENTED BY THIS CERTIFICATE WERE ORIGINALLY ISSUED ON \_\_\_\_\_, \_\_\_\_\_, HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “ACT”), OR APPLICABLE STATE SECURITIES LAWS (“STATE ACTS”) AND MAY NOT BE SOLD, ASSIGNED, PLEDGED, TRANSFERRED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT OR STATE ACTS OR AN EXEMPTION FROM REGISTRATION THEREUNDER. THE TRANSFER OF THE UNITS REPRESENTED BY THIS CERTIFICATE IS SUBJECT TO THE CONDITIONS SPECIFIED IN A LIMITED LIABILITY COMPANY AGREEMENT, DATED AS OF AUGUST 28, 2015 AS AMENDED AND MODIFIED FROM TIME TO TIME, GOVERNING THE ISSUER (THE “COMPANY”), AND BY AND AMONG CERTAIN INVESTORS (THE “LLC AGREEMENT”). THE UNITS REPRESENTED BY THIS CERTIFICATE MAY ALSO BE SUBJECT TO ADDITIONAL TRANSFER RESTRICTIONS, CERTAIN VESTING PROVISIONS, REPURCHASE OPTIONS, OFFSET RIGHTS AND FORFEITURE PROVISIONS SET FORTH IN THE LLC AGREEMENT AND/OR A SEPARATE AGREEMENT WITH THE INITIAL HOLDER. A COPY OF SUCH CONDITIONS, REPURCHASE OPTIONS AND FORFEITURE PROVISIONS SHALL BE FURNISHED BY THE COMPANY TO THE HOLDER HEREOF UPON WRITTEN REQUEST AND WITHOUT CHARGE.”

If a Member holding Certificated Units delivers to the Company an opinion of counsel, satisfactory in form and substance to the Board (which opinion may be waived by the Board), that no subsequent Transfer of such Units will require registration under the Securities Act, the Company will promptly upon such contemplated Transfer deliver new Certificated Units which do not bear the portion of the restrictive legend relating to the Securities Act set forth in this Section 9.6.

9.7 Transfer Fees and Expenses. Except as provided in Sections 9.2, and 9.3, the Transferor and Transferee of any Units or other interest in the Company shall be jointly and severally obligated to reimburse the Company for all reasonable expenses (including attorneys' fees and expenses) of any Transfer or proposed Transfer, whether or not consummated.

9.8 Void Transfers. Any Transfer by any Member or Unitholder of any Units or other interest in the Company in contravention of this Agreement (including, without limitation, the failure of the Transferee to execute a counterpart to this Agreement) or which would cause the Company to not be treated as a partnership for U.S. federal income tax purposes shall be void and ineffectual and shall not bind or be recognized by the Company or any other party. No purported assignee shall have any right to any Profits, Losses or Distributions of the Company.

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9.9 Holdback Agreement. No Unitholder shall effect any public sale or distribution of any Units or of any capital stock or equity securities of the Company or any corporate successor thereto, or any securities convertible into or exchangeable or exercisable for such Units, stock or securities, during the seven (7) days prior to and the ninety (90) day period (one hundred eighty (180) days in the case of an initial Public Offering) beginning on the effective date of any underwritten Public Offering, except as part of such underwritten Public Offering or unless otherwise permitted by the Company.

9.10 Forfeiture of Units. Notwithstanding anything to the contrary set forth herein, Units may be subject to vesting, forfeiture and/or repurchase as set forth in any applicable Equity Agreement. Unless otherwise set forth in a Management Incentive Unit Agreement or a Management Incentive Plan, all Management Incentive Units held by any holder thereof shall be immediately forfeited to the Company without any consideration therefor upon the termination of such Person's employment or engagement with the Company and/or its Subsidiaries. All Management Incentive Units that are not Vested Units shall automatically be forfeited and revert to the Company upon the earlier of (a) the time set forth in the applicable Management Incentive Unit Agreement or Management Incentive Plan, or (b) a Sale of the Company.

9.11 Conversion to Corporate Form Upon a Public Offering.

(a) Approval. If the Board and the Majority Founder Investors approve a Public Offering with respect to the Company or otherwise approves the conversion of the Company from a limited liability company to a corporation (whether or not in connection with a Public Offering), each Member and Unitholder (and each Person that retains voting control of any Units Transferred in accordance with Section 9.1) hereby consents to such Public Offering and shall vote for (to the extent it has any voting right) and raise no objections against such Public Offering or conversion, and each Member and Unitholder shall take all reasonable actions in connection with the consummation of such Public Offering or conversion as determined by the Board and the Majority Founder Investors.

(b) Required Actions. The Company shall, at the request of the underwriters in the case of a Public Offering or the Board or the Majority Founder Investors in the case of any other conversion, effect a conversion to corporate form and, in connection therewith, the Members and the Unitholders shall, at the request and under the direction of the Board and the Majority Founder Investors, take all actions necessary or desirable to effect such conversion (including, without limitation, whether by conversion to a subchapter C corporation, merger or consolidation into any entity, recapitalization or otherwise), giving effect to the same economic, voting and corporate governance provisions contained herein after taking into consideration the structure of the Company and its Subsidiaries, if any, and their respective securities (a "Corporate Conversion"). In connection with the Corporate Conversion, each holder of Units will be entitled to receive a percentage of the shares of common stock of the corporate successor outstanding immediately following the Corporate Conversion equal to the percentage that such holder of Units would have received of the total amount distributed to all Unitholders had the Company liquidated and distributed such common stock in accordance with Article XII on the day of the Corporate Conversion (after giving effect to any payments as a result of the redemption (if any) of any Units). Each Unitholder hereby consents to such Corporate Conversion and agrees that it will, in connection with such Corporate Conversion, consent to and raise no objections against the Corporate Conversion. In connection with such Corporate Conversion, each Unitholder hereby agrees to enter into (i) a securityholders agreement with the corporate successor and each other Unitholder on terms approved by the Founder Investors which contains restrictions on the Transfer of such capital stock and other provisions (including, without limitation, with respect to the governance and control of such corporate successor) in form and substance similar to the provisions and restrictions set forth herein (including, without limitation, in Article IX), (ii) an agreement with the corporate successor providing for the continued vesting of, and repurchase rights respecting, any capital stock issued in respect of Units that are not Vested Units in form and substance similar to the provisions and restrictions with respect to vesting and repurchase rights set forth herein, and (iii) a lock-up agreement with the Company, the underwriters or any other Person in connection with a Public Offering in form and substance approved by the Founder Investors.

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9.12 Termination of Transfer Restrictions upon a Corporate Conversion. At the election of the Board, immediately following the effectuation of a Corporate Conversion, the restrictions on Transfers set forth in this Article IX shall terminate and be of no further force and effect, unless the Majority Founder Investors (in their sole discretion) elect otherwise.

9.13 Redemption of Chromadex Units. Chromadex was issued certain Units (the "*Exclusivity Units*") for granting the Company exclusivity rights to sell certain products under that certain Exclusive Supply Agreement between Chromadex and the Company, dated as of the date hereof (the "*Supply Agreement*."). In the event that such exclusivity rights are terminated by Chromadex for any reason other than a material breach of the Supply Agreement by the Company which is not timely cured, then the Exclusivity Units shall be automatically redeemed for a purchase price of One Dollar effective upon the date of termination of the exclusivity rights.

## ARTICLE X

### ADMISSION OF MEMBERS

10.1 Substituted Members. In connection with the Transfer of Units of a Unitholder permitted under the terms of this Agreement, the Equity Agreements (if applicable), and the other agreements contemplated hereby and thereby, the Transferee shall become a Substituted Member on the later of (a) the effective date of such Transfer, and (b) the date on which the Board approves such Transferee as a Substituted Member, and such admission shall be shown on the books and records of the Company; provided, however, in connection with the Transfer of Units of a Unitholder to a Permitted Transferee permitted under the terms of this Agreement, the Equity Agreements (if applicable), and the other agreements contemplated hereby and thereby, the Transferee shall become a Substituted Member on the effective date of such Transfer, provided that such Transfer otherwise complies with the requirements of this Agreement.

10.2 Additional Members. A Person may be admitted to the Company as an Additional Member only as contemplated under Section 3.1 and only upon furnishing to the Company (a) a letter of acceptance, in form satisfactory to the Board, of all the terms and conditions of this Agreement, including the power of attorney granted in Section 14.1, and (b) such other documents or instruments as may be deemed necessary or appropriate by the Board to effect such Person's admission as a Member. Such admission shall become effective on the date on which the Board determines that such conditions have been satisfied and such admission is shown on the books and records of the Company.

ARTICLE XI

WITHDRAWAL AND RESIGNATION OF UNITHOLDERS

11.1 Withdrawal and Resignation of Unitholders. No Unitholder shall have the power or right to withdraw or otherwise resign from the Company prior to the dissolution and winding up of the Company pursuant to Article XII, without the prior written consent of the Board and the Majority Founder Investors (which consent may be withheld by the Board and the Majority Founder Investors in their sole discretion) except as otherwise expressly permitted by this Agreement or any of the other agreements contemplated hereby. Upon a Transfer of all of a Unitholder's Units in a Transfer permitted by this Agreement, and (if applicable) the Equity Agreements, subject to the provisions of Section 9.5, such Unitholder shall cease to be a Unitholder. Notwithstanding that payment on account of a withdrawal may be made after the effective time of such withdrawal, any completely withdrawing Unitholder will not be considered a Unitholder for any purpose after the effective time of such complete withdrawal, and, in the case of a partial withdrawal, such Unitholder's Capital Account (and corresponding voting and other rights) shall be reduced for all other purposes hereunder upon the effective time of such partial withdrawal.

ARTICLE XII

DISSOLUTION AND LIQUIDATION

12.1 Dissolution.

(a) The Company shall not be dissolved by the admission of Additional Members or Substituted Members. The Company shall dissolve, and its affairs shall be wound up only upon the first of the following to occur:

- (i) the Board's approval of dissolution; or
- (ii) the entry of a decree of judicial dissolution of the Company under Section 18-802 of the Delaware Act.

Except as otherwise set forth in this Article XII, the Company is intended to have perpetual existence. An Event of Withdrawal shall not cause a dissolution of the Company and the Company shall continue in existence subject to the terms and conditions of this Agreement.

12.2 Liquidation and Termination. On the dissolution of the Company, the Board shall act as liquidator or may appoint one or more representatives, Members, or other Persons as liquidator(s). The liquidators shall proceed diligently to wind up the affairs of the Company and make final Distributions as provided herein and in the Delaware Act. The costs of liquidation shall be borne as a Company expense. Until final distribution, the liquidators shall continue to operate the Company properties with all of the power and authority of the Board. The steps to be accomplished by the liquidators are as follows:

(a) The liquidators shall pay, satisfy or discharge from the Company funds all of the debts, liabilities and obligations of the Company (including, without limitation, all expenses incurred in liquidation) or otherwise make adequate provision for payment and discharge thereof (including, without limitation, the establishment of a cash fund for contingent liabilities in such amount and for such term as the liquidators may reasonably determine).



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(b) As promptly as practicable after dissolution, the liquidators shall (i) determine the Fair Market Value (the “Liquidation FMV”) of the Company's remaining assets (the “Liquidation Assets”) in accordance with Article XIII hereof, (ii) determine the amounts to be distributed to each Unitholder in accordance with Section 4.1(c), and (iii) deliver to each Unitholder a statement (the “Liquidation Statement”) setting forth the Liquidation FMV and the amounts and recipients of such Distributions.

(c) As soon as the Liquidation FMV and the proper amounts of Distributions have been determined in accordance with Section 12.2(b), the liquidators shall as soon as reasonably practicable distribute the Company's Liquidation Assets to the holders of Units in accordance with Section 4.1(c). In making such Distributions, unless otherwise determined by the Board, the liquidators allocate each type of Liquidation Assets among the Unitholders ratably based upon the aggregate amounts to be distributed with respect to the Units held by each such holder; provided that the liquidators may allocate each type of Liquidation Assets so as to give effect to and take into account the relative priorities of the different Units. Any non-cash Liquidation Assets will first be written up or down to their Fair Market Value, thus creating Profit or Loss (if any), which shall be allocated in accordance with Sections 4.2 and 4.3. After taking into account such allocations, it is anticipated that each Unitholder's Capital Account will be equal to the amount to be distributed to such Unitholder pursuant to this Section 12.2(c). If any Unitholder's Capital Account is not equal to the amount to be distributed to such Unitholder pursuant to this Section 12.2(c), Profits and Losses for the Fiscal Year in which the Company is dissolved shall be allocated among the Unitholders in such a manner as to cause, to the extent possible, each Unitholder's Capital Account to be equal to the amount to be distributed to such Unitholder pursuant to this Section 12.2(c).

The distribution of cash and/or property to a Unitholder in accordance with the provisions of this Section 12.2 constitutes a complete return to the Unitholder of its Capital Contributions and a complete distribution to the Unitholder of its interest in the Company and all Company property and constitutes a compromise to which all Unitholders have consented within the meaning of the Delaware Act. To the extent that a Unitholder returns funds to the Company, it has no claim against any other Unitholder for those funds.

12.3 Securityholders Agreement. To the extent that units or other equity securities of any Subsidiary are distributed to any Unitholders and unless otherwise agreed to by the Board, such Unitholders hereby agree to enter into a securityholders agreement with such Subsidiary and each other Unitholder which contains restrictions on the Transfer of such equity securities and other provisions (including, without limitation, with respect to the governance and control of such Subsidiary) in form and substance similar to the provisions and restrictions set forth herein (including, without limitation, in Article V and Article IX).

12.4 Cancellation of Certificate. On completion of the distribution of the Company assets as provided herein, the Company shall be terminated (and the Company shall not be terminated prior to such time), and the Board (or such other Person or Persons as the Delaware Act may require or permit) shall file a certificate of cancellation with the Secretary of State of Delaware, cancel any other filings made pursuant to this Agreement that are or should be canceled and take such other actions as may be necessary to terminate the Company. The Company shall be deemed to continue in existence for all purposes of this Agreement until it is terminated pursuant to this Section 12.4.



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12.5 Reasonable Time for Winding Up. A reasonable time shall be allowed for the orderly winding up of the business and affairs of the Company and the liquidation of its assets pursuant to Section 12.2 in order to minimize any losses otherwise attendant upon such winding up.

12.6 Return of Capital. The liquidators shall not be personally liable for the return of Capital Contributions or any portion thereof to the Unitholders (it being understood that any such return shall be made solely from the Company assets).

## ARTICLE XIII

### VALUATION

13.1 Valuation of the Company's Securities. The "Fair Market Value" of any equity securities of the Company shall mean the average of the closing prices of the sales of the securities on all securities exchanges on which the securities may at the time be listed, or, if there have been no sales on any such exchange on any day, the average of the highest bid and lowest asked prices on all such exchanges at the end of such day, or, if on any day such securities are not so listed, the average of the representative bid and asked prices quoted in the NASDAQ System as of 4:00 P.M., New York time, or, if on any day such securities are not quoted in the NASDAQ System, the average of the highest bid and lowest asked prices on such day in the domestic over-the-counter market as reported by the National Quotation Bureau Incorporated, or any similar successor organization, in each such case averaged over a period of twenty-one (21) days consisting of the day as of which the Fair Market Value is being determined and the twenty (20) consecutive business days prior to such day. If the dissolution and liquidation (or deemed dissolution and liquidation) of the Company occurs in connection with the Company's Public Offering, the Fair Market Value of each equity security of the Company shall equal the price at which such securities are initially offered to the public in connection with such Public Offering. If the dissolution and liquidation (or deemed dissolution and liquidation) of the Company occurs in connection with a Sale of the Company, the Fair Market Value of each equity security of the Company shall equal the value implied by such transaction. If at any time the equity securities of the Company are not listed on any securities exchange or quoted in the NASDAQ System or the over-the-counter market, and the dissolution and liquidation (or deemed dissolution and liquidation) of the Company does not occur in connection with a Public Offering of the Company or a Sale of the Company, the Fair Market Value of each such security shall be equal to the fair value thereof as of the date of valuation as determined by the Board in good faith on the basis of an orderly sale to a willing, unaffiliated buyer in an arm's length transaction, taking into account all relevant factors that the Board believes is determinative of value.

13.2 Valuation of Other Assets and Securities. The "Fair Market Value" of any Units or other Equity Securities or other securities issued by the Company, or any other non-cash assets or securities for which "Fair Market Value" is to be determined hereunder, shall mean the fair value for such assets or securities as between a willing buyer and a willing seller in an arm's-length transaction occurring on the date of valuation as determined by the Board in good faith, taking into account all relevant factors that the Board believes is determinative of value (and giving effect to any transfer taxes payable or discounts in connection with such sale).

ARTICLE XIV

GENERAL PROVISIONS

14.1 Power of Attorney. Each Other Unitholder hereby constitutes and appoints the Board and the liquidators, with full power of substitution, as his, her, or its true and lawful agent and attorney-in-fact, with full power and authority in his or its name, place and stead, to execute, swear to, acknowledge, deliver, file and record in the appropriate public offices (a) this Agreement, all certificates and other instruments and all amendments thereof in accordance with the terms hereof which the Board deems appropriate or necessary to form, qualify, or continue the qualification of, the Company as a limited liability company in the State of Delaware and in all other jurisdictions in which the Company may conduct business or own property; (b) all instruments which the Board deems appropriate or necessary to reflect any amendment, change, modification or restatement of this Agreement adopted in accordance with its terms; (c) all conveyances and other instruments or documents which the Board and/or the liquidators deems appropriate or necessary to reflect the dissolution and liquidation of the Company pursuant to the terms of this Agreement, including a certificate of cancellation; (d) all instruments relating to the admission, withdrawal or substitution of any Unitholder pursuant to Article X or XI; and (e) to effect any other action the Board has the authority to take hereunder. The foregoing power of attorney is irrevocable and coupled with an interest, and shall survive the death, disability, incapacity, dissolution, bankruptcy, insolvency or termination of any Unitholder and the Transfer of all or any portion of his, her, or its Units and shall extend to such Unitholder's heirs, successors, assigns and personal representatives. Each Other Unitholder also hereby grants to the Board an irrevocable proxy to vote all of such Other Unitholders Units as directed by the Board with respect to all matters permitted to be taken under the Act by the Members, to the extent not otherwise specifically and expressly set forth herein. Each Other Unitholder hereby revokes any and all previous proxies or powers of attorney with respect to the Units and shall not hereafter purport to grant any other proxy or power of attorney with respect to any of the Units, deposit any of the Units into a voting trust or enter into any agreement (other than this Agreement), arrangement or understanding with any Person, directly or indirectly, to vote, grant any proxy or give instructions with respect to the voting of any of the Units.

14.2 Amendments. Subject to the right of the Board to amend this Agreement as expressly provided herein (including, without limitation, pursuant to Section 3.1(b)), this Agreement may be amended, modified, or any provision herein waived with the written consent of the Founder Investors; provided that if any such amendment, modification, or waiver would adversely affect in any material respect any class and type of Units in a manner different than the Founder Investors holding equity of the same class and type of Units, such amendment, modification, or waiver shall also require the written consent of the holders of a majority of the class and type of Units so adversely affected. Notwithstanding the foregoing proviso, with the written consent of the Founder Investors nothing shall prohibit any amendments to any provision of this Agreement to the extent necessary to issue any equity or other securities (e.g., to amend this Agreement to authorize a different class of equity of the Company) and, only to the extent applicable, such issuance is done in compliance with Section 3.1(c). Any amendment, modification or waiver effected pursuant to this Section 14.2 shall be valid as to each Unitholder regardless of whether such Unitholder has executed such amendment, modification or waiver.

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14.3 Title to Company Assets. The Company assets shall be deemed to be owned by the Company as an entity, and no Unitholder, individually or collectively, shall have any ownership interest in such Company assets or any portion thereof. Legal title to any or all Company assets may be held in the name of the Company or one or more nominees, as the Board may determine.

14.4 Remedies. Each Unitholder and the Company shall have all rights and remedies set forth in this Agreement and all rights and remedies which such Person has been granted at any time under any other agreement or contract and all of the rights which such Person has under any law. Any Person having any rights under any provision of this Agreement or any other agreements contemplated hereby shall be entitled to enforce such rights specifically (without posting a bond or other security), to recover damages by reason of any breach of any provision of this Agreement and to exercise all other rights granted by law.

14.5 Successors and Assigns. Except as otherwise provided herein, all covenants and agreements contained in this Agreement shall bind and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors, legal representatives and permitted assigns, whether so expressed or not.

14.6 Severability. Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or the effectiveness or validity of any provision in any other jurisdiction, and this Agreement will be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

14.7 Counterparts; Binding Agreement. This Agreement may be executed simultaneously in two or more separate counterparts (including by means of facsimile, electronic mail, portable document format (.pdf) or comparable electronic transmission), any one of which need not contain the signatures of more than one party, but each of which will be an original and all of which together shall constitute one and the same agreement binding on all the parties hereto. This Agreement and all of the provisions hereof shall be binding upon and effective as to each Person who (a) executes this Agreement in the appropriate space provided in the signature pages hereto notwithstanding the fact that other Persons who have not executed this Agreement may be listed on the signature pages hereto and (b) may from time to time become a party to this Agreement by executing a counterpart of or joinder to this Agreement.

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14.8 Descriptive Headings: Interpretation. The descriptive headings of this Agreement are inserted for convenience only and do not constitute a substantive part of this Agreement. Whenever required by the context, any pronoun used in this Agreement shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns, pronouns and verbs shall include the plural and vice versa. The use of the word “including” in this Agreement shall be by way of example rather than by limitation. Reference to any agreement, document or instrument means such agreement, document or instrument as amended or otherwise modified from time to time in accordance with the terms thereof, and if applicable hereof. Whenever required by the context, references to a Fiscal Year shall refer to a portion thereof. The use of the words “or,” “either” and “any” shall not be exclusive. The parties hereto have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties hereto, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement. Wherever a conflict exists between this Agreement and any other agreement, this Agreement shall control but solely to the extent of such conflict.

14.9 Applicable Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, without giving effect to any choice of law or conflict of law rules or provisions (whether of the State of Delaware or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Delaware. Subject to Section 14.18, any dispute relating hereto shall be heard in the state or federal courts located in Delaware, and the parties agree to jurisdiction and venue therein.

14.10 Addresses and Notices. All notices, demands and other communications to be given or delivered under or by reason of the provisions of this Agreement shall be in writing and shall be deemed to have been given (a) when personally delivered, sent by facsimile (with hard copy to follow) or sent by reputable overnight express courier (charges prepaid), or (b) three (3) days following mailing by certified or registered mail, postage prepaid and return receipt requested. Such notices, demands and other communications shall be sent to the address for such recipient set forth in the Company's books and records, or to such other address or to the attention of such other person as the recipient party has specified by prior written notice to the sending party. Any notice to the Board or the Company shall be deemed given if received by a Manager at the following address: 3130 Wilshire Blvd., 4th Floor, Santa Monica, California 90403.

14.11 Creditors. None of the provisions of this Agreement shall be for the benefit of or enforceable by any creditors of the Company or any of its Affiliates in their capacity as creditors, and no creditor who makes a loan to the Company or any of its Affiliates may have or acquire (except pursuant to the terms of a separate agreement executed by the Company in favor of such creditor) at any time as a result of making the loan any direct or indirect interest in the Company's Profits, Losses, Distributions, capital or property other than as a secured creditor (to the extent provided in the applicable agreements and instruments).

14.12 Waiver. No failure by any party to insist upon the strict performance of any covenant, duty, agreement or condition of this Agreement or to exercise any right or remedy consequent upon a breach thereof shall constitute a waiver of any such breach or any other covenant, duty, agreement or condition.

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14.13 Further Action. The parties agree to execute and deliver all documents, provide all information and take or refrain from taking such actions as may be necessary or appropriate to achieve the purposes of this Agreement.

14.14 Offset. Whenever the Company is to pay any sum to any Unitholder or any Affiliate or related Person thereof, any amounts that such Unitholder or such Affiliate or related Person owes to the Company or any of its Subsidiaries under any promissory note or other debt instrument issued to the Company or any of its Subsidiaries or any other bona fide obligation owed to the Company or any of its Subsidiaries may be deducted from that sum before payment.

14.15 Entire Agreement. This Agreement, those documents expressly referred to herein and other documents dated as of even date herewith embody the complete agreement and understanding among the parties and supersede and preempt any prior understandings, agreements or representations by or among the parties, written or oral, which may have related to the subject matter hereof in any way.

14.16 Opt-in to Article 8 of the Uniform Commercial Code. The Unitholders hereby agree that the Units shall be securities governed by Article 8 of the Uniform Commercial Code of the State of Delaware (and the Uniform Commercial Code of any other applicable jurisdiction).

14.17 Delivery by Facsimile, Electronic Mail, Portable Document Format, or Comparable Electronic Transmission. This Agreement, the agreements referred to herein, and each other agreement or instrument entered into in connection herewith or therewith or contemplated hereby or thereby, and any amendments hereto or thereto, to the extent signed and delivered by means of a facsimile machine, electronic mail, portable document format or comparable electronic transmission, shall be treated in all manner and respects as an original agreement or instrument and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person. At the request of any party hereto or to any such agreement or instrument, each other party hereto or thereto shall re-execute original forms thereof and deliver them to all other parties. No party hereto or to any such agreement or instrument shall raise the use of a facsimile machine, electronic mail, portable document format, or comparable electronic transmission to deliver a signature or the fact that any signature or agreement or instrument was transmitted or communicated through the use of a facsimile machine, electronic mail, portable document format, or comparable electronic transmission as a defense to the formation or enforceability of a contract and each such party forever waives any such defense.

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14.18 MUTUAL WAIVER OF JURY TRIAL. BECAUSE DISPUTES ARISING IN CONNECTION WITH COMPLEX TRANSACTIONS ARE MOST QUICKLY AND ECONOMICALLY RESOLVED BY AN EXPERIENCED AND EXPERT PERSON AND THE PARTIES WISH APPLICABLE STATE AND FEDERAL LAWS TO APPLY (RATHER THAN ARBITRATION RULES), THE PARTIES DESIRE THAT THEIR DISPUTES BE RESOLVED BY A JUDGE APPLYING SUCH APPLICABLE LAWS. THEREFORE, TO ACHIEVE THE BEST COMBINATION OF THE BENEFITS OF THE JUDICIAL SYSTEM AND OF ARBITRATION, EACH PARTY TO THIS AGREEMENT HEREBY WAIVES ALL RIGHTS TO TRIAL BY JURY IN ANY ACTION, SUIT, OR PROCEEDING BROUGHT TO RESOLVE ANY DISPUTE BETWEEN OR AMONG ANY OF THE PARTIES HERETO, WHETHER ARISING IN CONTRACT, TORT, OR OTHERWISE, ARISING OUT OF, CONNECTED WITH, RELATED OR INCIDENTAL TO THIS AGREEMENT, THE TRANSACTIONS CONTEMPLATED HEREBY AND/OR THE RELATIONSHIP ESTABLISHED AMONG THE PARTIES HEREUNDER.

14.19 Survival. Sections 4.6, 5.6, 6.1, 6.4, 7.5, and 8.3, shall survive and continue in full force in accordance with its terms notwithstanding any termination of this Agreement or the dissolution of the Company.

14.20 Expenses. Except as otherwise provided in this Agreement, all costs and expenses incurred in connection with this Agreement or in connection with participation as a Member of the Company shall be paid by the party incurring such costs or expense.

14.21 Acknowledgments. Upon execution and delivery of a counterpart to this Agreement or a joinder to this Agreement, each Member (including each Substituted Member and each Additional Member) shall be deemed to acknowledge to the Company as follows: (a) the determination of such Member to acquire Units pursuant to this Agreement or any other agreement has been made by such Member independent of any other Member and independent of any statements or opinions as to the advisability of such purchase or as to the properties, business, prospects or condition (financial or otherwise) of the Company and its Subsidiaries, if any, which may have been made or given by any other Member or any of its Affiliates or by any agent or employee of any other Member or any of its Affiliates, (b) no other Member has acted as an agent of such Member in connection with making its investment hereunder and that no other Member shall be acting as an agent of such Member in connection with monitoring its investment hereunder, (c) the Company has retained Akerman LLP in connection with the transactions contemplated hereby and expects to retain Akerman LLP as legal counsel on behalf of the Company and its Subsidiaries, if any, (d) Akerman LLP is not representing and will not represent any other Member, other than the Founder Investors, in connection with the transactions contemplated hereby or any dispute which may arise between any of the Founder Investors, on the one hand, and any other Member, on the other hand, (e) such other Member will, if it wishes counsel on the transactions contemplated hereby, retain its own independent counsel, and (f) Akerman LLP may represent the Founder Investors in connection with any and all matters contemplated hereby (including, without limitation, any dispute between any of the Founder Investors, on the one hand, and any other Member, on the other hand) and such Member waives any conflict of interest in connection with such representation by Akerman LLP. Akerman LLP and its partners and employees are intended third party beneficiaries of this Section 14.21.

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14.22 Spousal Consent. If any Unitholder that is a natural person should marry or remarry subsequent to the date of this Agreement, such Unitholder shall within thirty (30) days thereafter obtain his/her new spouse's acknowledgement of and consent to the existence and binding effect of all restrictions contained in this Agreement by causing such spouse to execute and deliver a consent of spouse in the form of Exhibit A hereto if such Unitholder owns Units as community property or Exhibit B if such Unitholder owns Units as separate property, in each case, acknowledging the restrictions and obligations contained in this Agreement and agreeing and consenting to the same (a "*Spousal Consent*").

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IN WITNESS WHEREOF, the undersigned have executed or caused to be executed on their behalf this Limited Liability Company Agreement as of the date first written above.

**COMPANY:**

**HEALTHSPAN RESEARCH LLC,**  
a Delaware limited liability company

By: /s/ Rob Fried

Name: Rob Fried

Title: Manager

**MEMBERS:**

**CHROMADEX, INC.**

By: /s/ Frank Jaksch

Name: Frank Jaksch

Title: CEO

By: /s/ Rob Fried

Name: Rob Fried



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### SCHEDULE OF UNITHOLDERS

<b>Unitholder and Address</b>	<b>Class A Units</b>	<b>Capital Contribution with respect to Class A Units</b>	<b>Class B Units</b>	<b>Capital Contribution with respect to Class B Units</b>	<b>Total Amount of Capital Contributions</b>
Rob Fried [*]	91,000	\$0	- 0 -	- 0 -	\$0
Chromadex, Inc. 10005 Muirlands Blvd. Suite G Irvine, CA 92618	9,000	\$[*]	- 0 -	- 0 -	\$[*]
<b>TOTAL</b>	<b>100,000</b>	<b>\$[*]</b>	<b>0</b>	<b>0</b>	<b>\$[*]</b>

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**EXHIBIT A**

**COMMUNITY PROPERTY SPOUSAL CONSENT**

I, \_\_\_\_\_, certify and declare that:  
(Name of Member's Spouse)

1. I am the \_\_\_\_\_ of \_\_\_\_\_  
(Name of Member)

2. My spouse has acquired Equity Securities of Healthspan Research LLC, LLC, a Delaware limited liability company (the "Company"), which Equity Securities are our community property. For purposes of this Community Property Spousal Consent, the term "Equity Securities" means all rights, title, and interests in and to the Company and securities of the Company which my spouse and I now possess or may hereafter acquire by any means.

3. My spouse has agreed to be bound by all of the terms and conditions set forth in the Limited Liability Company Agreement of the Company, as may be further amended and/or restated from time to time (the "Agreement").

4. I have read, understand and agree to the provisions of the Agreement, including those relating to the sale or other disposition of the Equity Securities.

5. I approve the execution, delivery and performance of the Agreement by my spouse and agree that my spouse is bound by the Agreement.

6. I agree to be bound by the provisions of the Agreement in place of all other interests I may have in the Equity Securities, whether such interests may be community property interests or otherwise.

7. My spouse shall have full power of management of the Equity Securities, including any portion of those Equity Securities that are our community property, and shall have the full right, without my further approval, to perform our rights and obligations under the Agreement, to sell, transfer and deal in any manner with the Equity Securities, subject to the provisions of the Agreement, and to execute from time to time any amendment to the Agreement.

8. I agree not to take any action at any time that might interfere with the operation of the Agreement or with the interests or rights now or later acquired by me or my spouse related to the Agreement or to the Company.

9. If and to the extent that I acquire any Equity Securities, whether by operation of law, a decree of dissolution, separate maintenance agreement, property settlement agreement, similar agreement, or otherwise, I agree to be bound by all of the terms and conditions set forth in the Agreement.

10. I have been afforded the opportunity to seek independent legal and tax counsel of my own choosing to: (a) help me evaluate whether the character of my interests in the Equity Securities is community or separate property; and (b) provide advice concerning my rights, interests, and obligations under the Agreement and this Community Property Spousal Waiver.

11. I have read, understand, and agree to have my legal rights determined by this Community Property Spousal Waiver.

Executed at \_\_\_\_\_ .  
(City, State)

Date: \_\_\_\_\_, 20\_\_

\_\_\_\_\_  
(Signature of Member's Spouse)



[\*] INDICATES CONFIDENTIAL PORTION HAS BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND HAS BEEN FILED SEPARATELY WITH THE COMMISSION

**EXHIBIT B**

**SEPARATE PROPERTY WAIVER AND ACKNOWLEDGMENT**

I, \_\_\_\_\_, certify and declare that:  
(Name of Member's Spouse)

(1) I am the \_\_\_\_\_ of \_\_\_\_\_  
(Name of Member)

(2) My spouse has acquired Equity Securities of Healthspan Research LLC, a Delaware limited liability company (the "Company"), which Equity Securities are my spouse's separate property. For purposes of this Separate Property Waiver and Acknowledgment, the term "Equity Securities" means all rights, title, and interests in and to the Company and the securities of the Company which my spouse now possesses or may hereafter acquire by any means.

(3) My spouse has agreed to be bound by all of the terms and conditions set forth in the Limited Liability Company Agreement of the Company, as may be amended and/or restated from time to time (the "Agreement").

(4) To the extent that the Equity Securities are already the sole and separate property of my spouse, I agree and intend that this Separate Property Waiver and Acknowledgment shall serve as further evidence and acknowledgment of the status of such Equity Securities.

(5) To the extent that I may have had any community property or other rights in the Equity Securities, I agree and intend that this Separate Property Waiver and Acknowledgment shall evidence and affect the transmutation of those Equity Securities into the sole and separate property of my spouse.

(6) I acknowledge, to the fullest extent allowed by law, that I have waived, transferred, and released to my spouse all my right, title, and interest, if any, in and to the Equity Securities, and that the Equity Securities are the sole and separate property of my spouse.

(7) I agree not to take any action at any time that might interfere with the operation of the Agreement or with the interests or rights now or later acquired by me or my spouse related to the Agreement or to the Company.

(8) I have read, understand and approve the provisions of the Agreement. If and to the extent that I acquire any Equity Securities, whether by operation of law, a decree of dissolution, separate maintenance agreement, property settlement agreement, similar agreement, or otherwise, I agree to be bound by all of the terms and conditions set forth in the Agreement.

(9) I have been afforded the opportunity to seek independent legal and tax counsel of my own choosing to: (a) help me evaluate whether the character of my interests in the Equity Securities is community or separate property; and (b) provide advice concerning my rights, interests, and obligations under the Agreement and this Separate Property Waiver and Acknowledgment.

(10) I have read, understand, and agree to have my legal rights determined by this Separate Property Waiver and Acknowledgment.

Executed at \_\_\_\_\_ .  
(City, State)

Date: \_\_\_\_\_, 20\_\_

\_\_\_\_\_  
(Signature of Member's Spouse)

[\*] INDICATES CONFIDENTIAL PORTION HAS BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND HAS BEEN FILED SEPARATELY WITH THE COMMISSION

### INTEREST PURCHASE AGREEMENT

This Interest Purchase Agreement (this “**Agreement**”) is entered into as of the 28th day of August, 2015 by and between Healthspan Research LLC, a Delaware limited liability company (the “**Company**”), and the undersigned investor (the “**Investor**”).

#### RECITALS

A. The Company and the Investor have entered into that certain Exclusive Supply Agreement (the “**Supply Agreement**”) dated as of the date hereof.

B. In connection with the Supply Agreement, the Investor desires to contribute \$[\*] of Products (as defined in the Supply Agreement) to the Company in the manner and upon the terms set forth in the Supply Agreement, and the Company desires to issue the Units (as defined below) to the Investor in consideration of such contribution constituting 4% of the aggregate membership interests of the Company as of the date hereof, pursuant to the terms of this Agreement.

C. The Investor is also being granted Units constituting 5% of the aggregate membership interests of the Company as of the date hereof for granting the Company certain exclusivity rights as set forth in the Supply Agreement. In the event such exclusivity rights are cancelled or withdrawn or no longer are effective, then such Units shall be deemed automatically cancelled and redeemed by the Company for One Dollar.

D. The Units are being issued pursuant to and subject to that certain Limited Liability Company Agreement of the Company, dated as of the date hereof, among the Company and its members (as may be amended, restated, or otherwise modified from time to time pursuant to its terms (the “**LLC Agreement**”), which the Investor shall execute simultaneously with this Agreement.

#### TERMS OF AGREEMENT

NOW, THEREFORE, in consideration of the premises, the mutual covenants set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

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[\*] INDICATES CONFIDENTIAL PORTION HAS BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND HAS BEEN FILED SEPARATELY WITH THE COMMISSION

## ARTICLE 1 CONTRIBUTION AND ISSUANCE OF THE UNITS

**1.1 Recitals.** The Recitals are hereby incorporated herein by reference.

**1.2 Contribution and Issuance of the Units; Admissions as Member.** Investor hereby contributes to the Company \$[\*] of Products and grants certain exclusivity rights with respect to the sale of the Products as set forth in the Supply Agreement. In consideration of the contribution set forth in this Section 1.2 and upon the terms and conditions set forth in this Agreement, the Company hereby agrees to issue to the Investor 9,000 Class A Units of the Company constituting 9.0% of the aggregate membership interests of the Company (the “Units”) as of the date hereof and to admit the Investor as a member of the Company pursuant to the LLC Agreement.

## ARTICLE 2 REPRESENTATIONS AND WARRANTIES OF THE COMPANY

As a material inducement to the Investor entering into this Agreement and being issued the Units, the Company represents and warrants to the Investor as follows:

**2.1 Limited Liability Company Status, Power and Authority.** The Company is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware. The Company has the limited liability company power and authority to execute and deliver this Agreement and to perform its obligations hereunder and consummate the transactions contemplated hereby. The Company has taken all necessary limited liability company action to authorize the execution, delivery and performance of this Agreement and the transactions contemplated hereby.

**2.2 Enforceability.** This Agreement has been duly executed and delivered by the Company and constitutes a legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except as the same may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors’ rights generally and general equitable principles, regardless of whether such enforceability is considered in a proceeding at law or in equity.

**2.3 Valid Issuance.** Upon issuance of the Units in accordance with the terms herein, such Units will be validly issued, fully paid and non-assessable.

## ARTICLE 3 REPRESENTATIONS AND WARRANTIES OF THE INVESTOR

As a material inducement to the Company entering into this Agreement and issuing the Units, the Investor represents and warrants to the Company as follows:

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**3.1 Investment Intent; Accredited Investor Status.** The Investor is acquiring the Units hereunder for its own account for investment and not with a view to, or for the sale in connection with any distribution of any of the Units, except in compliance with applicable state and federal securities laws. The Investor has had the opportunity to discuss the transactions contemplated hereby with representatives of the Company and has had the opportunity to obtain such information pertaining to the Company as has been requested. The Investor has such knowledge and experience in business or financial matters that it is capable of evaluating the merits and risks of an investment in the Units. The Investor hereby represents that it can bear the economic risk of losing its investment in the Units and has adequate means for providing for its current financial needs and contingencies.

#### **ARTICLE 4 MISCELLANEOUS**

**4.1 Notices.** All notices, requests, demands, claims, and other communications hereunder shall be in writing and shall be delivered by certified or registered mail (first class postage pre-paid), guaranteed overnight delivery, to the following addresses (or to such other addresses or telecopy numbers which such party shall subsequently designate in writing to the other party): (i) if to the Investor, to the address of the Investor appearing in the Company's records; and (ii) if to the Company, to its principal business address (with a copy to (which shall not constitute notice or services of process): Akerman LLP, One Southeast Third Avenue, 25th Floor, Miami, Florida 33131, Attention: Teddy D. Klinghoffer, Esq.).

**4.2 Representations and Warranties.** All agreements, representations and warranties contained herein or made in writing by any party in connection herewith shall survive the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby.

**4.3 Entire Agreement.** This Agreement, contains the entire understanding of the parties in respect of its subject matter and supersedes all prior agreements and understandings between or among the parties with respect to such subject matter.

**4.4 Amendment; Waiver.** This Agreement may not be modified, amended, supplemented, canceled or discharged, except by written instrument executed by both parties. No failure to exercise, and no delay in exercising, any right, power or privilege under this Agreement shall operate as a waiver, nor shall any single or partial exercise of any right, power or privilege hereunder preclude the exercise of any other right, power or privilege. No waiver of any breach of any provision shall be deemed to be a waiver of any preceding or succeeding breach of the same or any other provision, nor shall any waiver be implied from any course of dealing between the parties. No extension of time for performance of any obligations or other acts hereunder or under any other agreement shall be deemed to be an extension of the time for performance of any other obligations or any other acts. The rights and remedies of the parties under this Agreement are in addition to all other rights and remedies, at law or equity, that they may have against each other.

**4.5 Binding Effect; Assignment.** The rights and obligations of this Agreement shall bind and inure to the benefit of the parties and their respective successors and legal assigns. The rights and obligations of this Agreement may not be assigned by any party without the prior written consent of the other party.

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**4.6 Preliminary Statements.** The Recitals set forth on the first page hereof are true and correct, and are hereby incorporated and made a part of this Agreement.

**4.7 Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be an original but all of which together shall constitute one and the same instrument.

**4.8 Headings.** The headings contained in this Agreement are for convenience of reference only and are not to be given any legal effect and shall not affect the meaning or interpretation of this Agreement.

**4.9 Governing Law.** This Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, without giving effect to any choice of law or conflict of law rules or provisions (whether of the State of Delaware or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Delaware.

**[Signature Page Follows]**

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**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement to be duly executed and delivered as of the date first above written.

COMPANY:

**HEALTHSPAN RESEARCH LLC**

By: /s/ Rob Fried

Name: Rob Fried

Title: Manager

INVESTOR:

**CHROMADIX INC.**

By: /s/ Frank Jaksch

Name: Frank Jaksch

Title: CEO

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T +1 410.531.4000

**W. R. Grace & Co.-Conn.**  
7500 Grace Drive  
Columbia, MD 21044

September 21, 2015

Troy Rhonemus  
Chief Operating Officer  
ChromaDex, Inc.  
10005 Muirlands Blvd.  
Suite G  
Irvine CA, 92618

Re: Take or Pay Purchase Agreement for nicotinamide riboside chloride

Dear Mr. Rhonemus:

ChromaDex, Inc. ("ChromaDex") currently purchases nicotinamide riboside chloride (the "Product") from W. R. Grace & Co.-Conn. ("Grace") under terms agreed to by both ChromaDex and Grace. Notwithstanding any such terms, ChromaDex and Grace agree that the following purchase obligation and related terms shall apply, effective as of the date of this letter agreement:

ChromaDex shall purchase from Grace not less than [\*] kg of Product (the "Required Amount") between September 4, 2015 and December 31, 2015 at a price of \$[\*] per kg. In the event that ChromaDex does not purchase the full Required Amount by December 31, 2015, ChromaDex shall pay to Grace \$[\*] per kg for the difference, in kilograms, between the amount actually purchased by ChromaDex and the Required Amount.

Any payment by ChromaDex for a shortfall between the Required Amount and the amount of Product actually purchased is due by February 14, 2016.

Grace will ship the purchased Products to ChromaDex on a schedule to be agreed to by the parties. Payment will be net 60 for any quantities of the Required Volume that ship after December 31, 2015.

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All other terms and conditions currently governing the purchase of the Product remain in full force and effect. In the event of any conflict or inconsistencies between the provisions in this letter agreement and those as currently agreed to by ChromaDex and Grace, the provisions in this letter agreement shall control.

This letter agreement may be executed in one or more counterparts, each of which will be deemed to be an original of this letter agreement and all of which, when taken together, will be deemed to constitute one and the same letter agreement.

If you are in agreement with the foregoing, please have letter agreement signed by an authorized representative and return one fully executed original to:

Kathrine Kastberg  
W. R. Grace & Co.-Conn.  
7500 Grace Drive  
Columbia, MD 21044

If there are any questions, please contact Audrey Kelleman at (858) 342-5367.

CHROMADDEX, INC.

W. R. GRACE & CO.-CONN.

By:	<u>/s/ Troy Rhonemus</u>	By:	<u>/s/ Brett Reynolds</u>
Name:	<u>Troy Rhonemus</u>	Name:	<u>Brett Reynolds</u>
Title:	<u>COO</u>	Title:	<u>Business Director, Fine Chemicals</u>
Date:	<u>9/29/2015</u>	Date:	<u>9/22/2015</u>

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## SUPPLY AGREEMENT

**THIS SUPPLY AGREEMENT** (the "Agreement"), is made and entered into as of August 28, 2015 (the "Effective Date") by and between Nectar7, LLC, a Delaware limited liability company with principal offices located at 12526 High Bluff Dr., Suite 210, San Diego, California 92130 ("Buyer"), and ChromaDex, Inc., a California corporation with principal offices located at 10005 Muirlands Blvd., Suite G, Irvine, California 92618 ("Seller"). Seller and Buyer are sometimes referred to herein collectively as the "Parties" and individually as a "Party".

### WITNESSETH

WHEREAS, Seller has developed a novel and proprietary ingredient, Nicotinamide Riboside, with the trade name NIAGEN® (the "Product").

WHEREAS, Buyer desires to purchase the Product from Seller, and Seller desires to sell the Product to Buyer subject to the terms and conditions hereinafter described.

NOW, THEREFORE, in consideration of the mutual premises and agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto hereby agree as follows.

#### **1. Definitions.**

The following terms have the meanings specified below:

"Affiliate" shall mean, with respect to a Party, any person or entity that controls, is controlled by, or is under common control with such Party. An entity or person shall be deemed to be in control of another entity (a "Controlled Entity") if the former owns, directly or indirectly, at least fifty percent (50%) of the outstanding voting equity of the Controlled Entity (or other majority equity, voting or ownership interest, in the event that such Controlled Entity is an entity other than a corporation).

"Excluded Field" shall mean the Doctor Channel, the Multi-Level Marketing Channel, and the Direct Response Channel. The "Doctor Channel" is defined herein as the sale of nutritional supplements through licensed healthcare practitioners. The "Multi-Level Marketing Channel" is defined herein as the sale of the Finished Products through a network of independent marketing representatives. The "Direct Response Channel" is defined herein as the marketing and advertising of the Finished Product through direct response television and radio advertisements of any length or format intended to reach one or more potential consumers asking such consumers to purchase from or respond directly to Buyer or Buyer's agents via a website, telephone number or other medium to purchase the Finished Products. Additional channels may be added to this definition of "Excluded Field" at any time by Seller, in its sole discretion, upon thirty (30) days' prior written notice to Buyer.

"Excluded Products" means topical skincare or cosmetic products and any and all dietary supplements in the form of an energy shot, a melt (melting or dissolvable tablet or delivery system) or combination of NIAGEN® with Choline and/or Betaine and/or DMG (all forms). Seller may add additional products to this definition of "Excluded Products", in its sole discretion, upon written notice to Buyer; provided, that, such added products do not impair the rights of Buyer to purchase the Product for the applications set forth on Exhibit B.

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“Exclusivity Rights” shall mean those exclusive rights to sell the products applications in the geographic areas set forth on Exhibit B.

“Finished Products” shall mean Buyer’s finished product applications containing or using the Product.

“Good Manufacturing Practices” shall mean current and any future good manufacturing practices and quality system regulations set forth by any governmental or regulatory authority of a country in which the Finished Products shall be manufactured or sold, and if the Finished Products are manufactured outside of the applicable Territory (defined below), the current and any future good manufacturing practices and quality system regulations in the country in which the Finished Product is manufactured.

“Specification” shall mean the description of the Product set forth on Exhibit A.

“Territory” shall mean the geographic areas listed on Exhibit B hereto under the column entitled “Exclusivity Area/Region.”

## **2. Right to Sell; Non-circumvention.**

2.1 Right to Sell. Seller hereby grants to Buyer a non-exclusive right to sell and distribute the Products in Finished Products (subject to Section 6.2 of this Agreement), and Seller hereby further grants to Buyer the exclusive right to sell and distribute the Product in Finished Products for the applications and time periods, and in the geographic areas, set forth on Exhibit B. The Parties acknowledge that Buyer’s ongoing rights to exclusivity as to any application set forth on Exhibit B shall be conditioned on Buyer receiving the Minimum Revenues set forth on Exhibit B for that application. For applications in which Minimum Revenues are not yet specified on Exhibit B, Buyer and Seller shall work in good faith to establish commercially reasonable minimum revenue targets for the given applications, time periods and geographic areas consistent with (i) Seller’s ability to produce and deliver the Product in commercially reasonable quantities for the specified applications, (ii) the market size for such applications, (iii) the existence of competing products for the specified applications, and (iv) such other factors as are commercially material. Buyer shall not sell the Finished Products in the Excluded Field and shall not sell Excluded Products.

2.2 [\*]. [\*] acknowledges that [\*] will [\*] toward the [\*] and [\*] of [\*] (defined below), any of whom may [\*] the [\*] and [\*] of the [\*]. Accordingly, [\*] agrees that during the Term, as it applies to any given product application, and for a period of one (1) year following the expiration of such Term for such product application, [\*] shall not, and shall not allow any of its Affiliates, or any employee, agent or representative of [\*] or any such Affiliate, to, directly or indirectly, for the [\*], [\*], or [\*], or [\*] to a [\*] from, any [\*] or any [\*] who [\*] reasonably believes, or should reasonably believe, to be [\*] or the [\*], unless [\*] specifically consents to such [\*] in writing, on a case-by-case basis, which consent may be withheld in [\*]’s sole discretion. As used herein, the term “[\*]” shall mean [\*], before or during the Term, for the purposes of [\*] and [\*], in writing at the time of termination.

3. **Equity Participation**. Buyer anticipates that, with respect to each of the product applications described on Exhibit B hereto, Buyer will create a subsidiary entity for the purpose of commercializing such product application (the “Application Subsidiary”). Buyer and Seller agree that, upon formation of any such entity, Buyer and Seller shall enter into good faith negotiations for the sale by Buyer of up to five percent (5%) of the voting ownership interests of such entity to Seller at a valuation and on such other terms as may be mutually agreeable. Neither Buyer nor Seller shall have any obligation to consummate the purchase or sale of such equity securities.

## **4. Ordering, Purchase Price and Payment.**

4.1 Purchase Orders. Buyer shall periodically submit to Seller purchase orders for the Product, which purchase orders shall set forth specific quantities, delivery date and shipping instructions. Purchase orders shall be submitted to Seller at least thirty (30) days before the delivery date specified therein. The minimum purchase order quantity and minimum pack size shall be twenty (20) kilograms.

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4.2 Fulfillment. Seller does not guarantee fulfillment of any purchase orders submitted on less than thirty (30) days' prior notice; provided, however, that Seller will use its commercially reasonable efforts to fulfill any such purchase orders received on less than thirty (30) days' prior notice.

4.3 Purchase Price; Payment. The purchase price for the Product shall be [\*] United States Dollars (\$[\*]) per kilogram of the Product (the "Price"). Payment shall be made in cash, via wire transfer, to Seller within thirty (30) days of the invoice date set forth in an applicable purchase order. Seller shall provide wire transfer instructions to Buyer concurrently with any such invoice. Subject to Buyer's right to cure as provided in Section 10.2 of this Agreement, Buyer's failure to make prompt and full payment of an invoice shall constitute a material breach of this Agreement. The Price shall also be subject to volume discounts.

4.4 Taxes and Import Duties. The Price does not include federal, state or local sales taxes, use taxes, occupational taxes or import duties. Unless prohibited by law, Buyer is responsible for and shall pay all applicable sales, use, occupational, excise, value-added or other similar taxes or import duties applicable to the manufacture, sale, pricing, delivery or use of the Products provided by Seller, or in lieu thereof, Buyer shall provide Seller with a tax-exemption certificate acceptable to and considered valid by the applicable taxing authorities.

## 5. Royalties.

5.1 For purposes of this Agreement, "Net Sales" shall mean, with respect to any Finished Products, the gross revenues received by Buyer from the sale of such Finished Product, less any (a) trade, quantity and cash discounts on Finished Product actually provided to third parties in connection with arms-length transactions, (b) credits, allowances or refunds, not to exceed the original invoice amount, for actual claims, damaged goods, rejections or returns of Finished Product, (c) actual freight and insurance costs incurred in transporting such Finished Product to such customers, and (d) excise, sale, use, value added or other taxes, other than income taxes paid by Buyer due to the sale of Finished Product.

5.2 Royalty Rate. Buyer shall pay to Seller a [\*] percent ([\*]%) royalty on all Net Sales of Finished Products by Buyer that are either retail sales or direct sales to consumers and a [\*] percent ([\*]%) royalty on all Net Sales of Finished Products by Buyer that are wholesale sales. With respect to Net Sales for any application set forth on Exhibit B, for one (1) year from the Effective Date or until [\*] of Royalties have accrued from the sale of Finished Products with respect to such application, whichever is later (the later of such dates being referred to as the "Conversion Date"), Seller has the right to convert accrued Royalties to equity in the Application Subsidiary relating to that application at a rate mutually agreed upon by both parties in good faith. The Seller shall notify Buyer of its decision to convert, or not to convert, Royalties to equity in the Application Subsidiary in writing within 30 days after the Conversion Date. If Seller fails to notify Buyer within such 30-day period, Seller shall be deemed to have decided not to convert Royalty payments into equity of the Application Subsidiary. If Seller elects to receive Royalty payments in lieu of equity in the Application Subsidiary, Buyer shall have twelve (12) months from the date of notice from Seller to pay all accrued Royalties. In either case after the decision is made, royalties shall revert to [\*] percent ([\*]%) royalty rate on all Net Sales of Finished Products by Buyer that are either retail sales or direct to consumer sales and a [\*] percent ([\*]%) royalty rate on all Net Sales of Finished Products by Buyer that are wholesale sales.

5.3 Royalty Payments and Accounting. During the Term, Buyer shall furnish to Seller a quarterly written report showing in reasonably specific detail the calculation of royalties owing for the reporting period ("Royalty Report") broken down by application. Buyer shall keep complete and accurate records in sufficient detail to enable the Royalties payable hereunder to be determined.

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5.4 Audits. Upon the written request of Seller and not more than once in each calendar year, Buyer shall permit an independent certified public accounting firm of nationally recognized standing selected by Seller and reasonably acceptable to Buyer, at Seller's expense, to have access during normal business hours to such of the records of Seller as may be reasonably necessary to verify the accuracy of the royalty reports for any year ending not more than twenty-four (24) months prior to the date of such request. The accounting firm shall disclose to Seller only whether or not the reports are correct and the amount of any discrepancies. No other information shall be shared. If such accounting firm concludes that additional royalties were owed during such period, Buyer shall pay the additional royalties within thirty (30) days of the date Seller delivers to Buyer such accounting firm's written report so concluding. The fees charged by such accounting firm shall be paid by Seller; provided, however, if the audit correctly discloses an under reporting and underpayment in excess of five percent (5%) for any twelve-month (12-month) period are owed by Buyer for the audited period, then Buyer shall pay the reasonable fees and expenses charged by such accounting firm.

## **6. Obligations**

6.1 Restrictions. Seller shall supply the Product to Buyer pursuant to valid purchase orders, and Buyer shall purchase the Product exclusively from Seller.

6.2 Sales in Bulk. Buyer may not re-sell or re-ship the Product in bulk raw material form, unless expressly authorized to do so in writing by Seller.

6.3 Labeling. For U.S. distribution, on or in labels, packaging, advertising, promotional materials or Internet communications for the Finished Product, Buyer will only make claims that are substantiated by competent and reliable scientific evidence and are in compliance with all applicable laws, rules and regulations. Buyer may not use, in labeling, advertising, promotion or otherwise: (a) any statements or quotations made by or attributed to any investigator who has conducted clinical studies on the Product; or (b) any photographs or other images of such investigators, without (i) the prior written consent of such investigators and the institutions at which such studies were conducted, and (ii) twenty (20) days' notification to Seller of such written consent prior to any such use. Buyer will not misrepresent on product labels the amount, quantity or level of the Product contained in the Finished Product. Buyer hereby guarantees compliance with the requirements of this Section 6.4, specifically including compliance with current Good Manufacturing Practices as set forth in 21 C.F.R. § 111 (2015), as it may be amended from time to time, and other relevant rules, regulations, statutes and laws. In the event that current labeling, packaging or formulations of the Finished Product do not comply with the requirements of this Section 6.4, Buyer will immediately rectify all nonconforming Finished Product in a manner acceptable to Seller, or Seller reserves the right to immediately terminate this Agreement.

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6.4 Patent Marking. During the Term, Buyer will ensure proper patent marking on all Finished Product. All Finished Product shall be marked as follows:

“Patent: See [www.ChromaDexPatents.com](http://www.ChromaDexPatents.com)”

7. **Delivery and Risk of Loss**. All sales are FOB/FCA Seller’s U.S. dock. Risk of loss and destruction of, or damage to, the Product shall be Seller’s until delivery of the Product to a common carrier at Seller’s U.S. dock. Thereafter, title shall pass to Buyer, and Buyer shall be fully responsible, and shall hold Seller harmless, for and assume all risk of loss and destruction of, or damage to, the Product. Loss or damage to the Product after risk of loss has passed to Buyer will not release or excuse Buyer from its obligations to Seller under this Agreement, including the obligation to make full payment of the purchase price. Seller reserves the right to pack or ship orders of the Product in the most economical manner; provided, however, that the use of such right does not result in increased risk of loss of the Product. However, where Buyer requests special packaging or shipping, any additional cost will be billed to and be the responsibility of Buyer. Buyer acknowledges that Seller cannot accept returns, unless the Product to be returned does not meet the Specification or are otherwise defective.

8. **Delivery Delays**. Seller shall use its commercially reasonable efforts to make prompt deliveries in a commercially reasonable manner. Delivery dates and estimates are, however, not guaranteed. Seller disclaims any liability or responsibility, and Buyer shall hold Seller harmless, for the late or non-delivery of the Product. Buyer has no right to delay or defer delivery or acceptance.

9. **Rejection and Revocation of Acceptance**. Any rejection or revocation of acceptance of the Product by Buyer must be made within thirty (30) days of delivery of the Product and any attempted rejection or revocation of acceptance of such Product made after the expiration of such thirty (30) day period shall be null and void unless agreed to in writing by Seller. Failure to make a claim within such thirty (30) day period shall be conclusive evidence that the Product was satisfactory in all respects and supplied in accordance with the Specification. Each shipment hereunder is to be regarded as a separate and independent sale. Seller’s weights and analysis shall govern and control.

10. **Term and Termination**.

10.1 Term. This Agreement shall commence on the Effective Date and, as to the product applications set forth on Exhibit B, shall remain in full force and effect for a term (the “Term”) equal to the period of time set forth opposite such application under the column entitled “Term” and automatically renew for successive five (5) year terms so long as Buyer is meeting Minimum Revenues. The Parties recognize that this Agreement may terminate as to some product applications and yet remain in full force and effect with respect to other product applications depending on the applicable “Term” for such product application.

10.2 Termination. Notwithstanding the foregoing, this Agreement may be terminated, in whole or in part, by: (i) a Party in the event of a breach by the other Party of its covenants or obligations hereunder, which breach remains uncured for a period of thirty (30) days after written notice of such breach is provided by the non-breaching Party to the breaching Party; (ii) a Party immediately upon the giving of notice if the other Party files a petition for bankruptcy, is adjudicated bankrupt, takes advantage of the insolvency laws of any state, territory or country, or has a receiver, trustee, or other court officer appointed for its property; or (iii) a Party, if an event of Force Majeure (as described in Section 14 of this Agreement) with respect to the other Party shall have continued for ninety (90) days or is reasonably expected to continue for more than one hundred eighty (180) days; or (iv) by Seller in any product application upon 30 days prior written notice if Buyer’s Exclusivity in that particular product application is terminated in accordance with Section 10.1.



[\*] INDICATES CONFIDENTIAL PORTION HAS BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND HAS BEEN FILED SEPARATELY WITH THE COMMISSION

**11. LIMITED WARRANTY AND DISCLAIMER OF ALL OTHER WARRANTIES.**

(A) SELLER WARRANTS THAT THE PRODUCT SOLD HEREUNDER CONFORMS TO THE SPECIFICATION; (B) EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION 11(A), SELLER HEREBY EXPRESSLY DISCLAIMS ANY AND ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE PRODUCT, INCLUDING, BUT NOT LIMITED TO, THE WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE. SELLER HAS NOT MADE ANY RECOMMENDATION TO BUYER REGARDING THE USE OR SUBSEQUENT SALE OF THE PRODUCT. BUYER HAS SATISFIED ITSELF THAT THE PRODUCT AND THE PURPOSE FOR WHICH IT WILL BE USED AND/OR SOLD IS IN COMPLIANCE WITH THE LAWS OF THE RELEVANT COUNTRIES; (C) BUYER'S EXCLUSIVE REMEDY AND SELLER'S EXCLUSIVE LIABILITY FOR SHIPMENT OF NON-CONFORMING PRODUCT SHALL BE LIMITED TO, AT SELLER'S SOLE OPTION, EITHER REPLACEMENT OF THE NON-CONFORMING PRODUCT OR A REFUND OF THE PURCHASE PRICE PAID FOR SUCH NON-CONFORMING PRODUCT. ALL CLAIMS MADE WITH RESPECT TO THE PRODUCT SHALL BE DEEMED WAIVED BY BUYER UNLESS MADE IN WRITING AND RECEIVED BY SELLER WITHIN THIRTY (30) DAYS OF DELIVERY OF SUCH PRODUCT. BUYER MUST MAKE ANY CLAIM FOR NON-COMFORMING PRODUCT, BREACH OF WARRANTY WITH RESPECT TO THE PRODUCT SOLD, OR ANY CLAIM OF ANY NATURE WHATSOEVER WITH RESPECT TO THE PRODUCT SOLD HEREUNDER IN WRITING WITHIN THIRTY (30) DAYS AFTER BUYER'S RECEIPT OF THE PRODUCT. BUYER IRREVOCABLY WAIVES AND RELEASES ALL CLAIMS THAT ARE NOT PROPERLY MADE WITHIN SAID THIRTY (30) DAY PERIOD.

**12. LIMITATION OF LIABILITY.**

TO THE FULLEST EXTENT PERMITTED BY LAW, THE PARTIES WAIVE AND RELINQUISH ANY CLAIMS, DEMANDS, AND CAUSES OF ACTION OR RECOVERIES FOR PUNITIVE DAMAGES, EXEMPLARY DAMAGES, OR STATUTORY DAMAGES. IN NO EVENT WILL EITHER PARTY BE LIABLE FOR INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES ARISING UNDER THIS AGREEMENT OR OTHERWISE WITH RESPECT TO THE SALE OF THE PRODUCT, INCLUDING ANY LOST REVENUES OR PROFITS, CONSEQUENTIAL AND/OR INCIDENTAL DAMAGES, BUSINESS INTERRUPTION OR DAMAGE TO BUSINESS REPUTATION, REGARDLESS OF THE THEORY UPON WHICH ANY CLAIM MAY BE BASED, INCLUDING ANY TORT OR STATUTORY CAUSES OF ACTION. BOTH PARTIES UNDERSTAND AND AGREE THAT THIS LIMITATION OF LIABILITY ALLOCATES RISK OF NONCONFORMING GOODS BETWEEN THE PARTIES AS AUTHORIZED BY THE UNIFORM COMMERCIAL CODE AND OTHER APPLICABLE LAW. THE PRICES SET FORTH HEREIN REFLECT THIS ALLOCATION OF RISK AND THE LIMITATIONS OF LIABILITY, INCLUDING THE EXCLUSION OF SPECIAL, INDIRECT, CONSEQUENTIAL AND INCIDENTAL DAMAGES, IN THIS AGREEMENT.

**13. Intellectual Property Rights.** The sale of the Product to Buyer shall not confer upon Buyer any license or right under any patents, trade secrets or other proprietary information owned or controlled by Seller, or the right to otherwise utilize such proprietary information, it being specifically understood and agreed that all such rights are reserved to Seller. Buyer shall use the Product trademark NIAGEN®, and agrees to do so in accordance with that certain Trademark License Agreement to be executed by the Parties prior to the sale or marketing of the Finished Product.

[\*] INDICATES CONFIDENTIAL PORTION HAS BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND HAS BEEN FILED SEPARATELY WITH THE COMMISSION

**14. Waiver and Severability.** No claim or right arising out of a breach of this Agreement can be discharged in whole or in part by a waiver or renunciation of the claim or right unless the waiver or renunciation is supported by consideration and is in writing signed by the aggrieved Party. If any term, covenant, warranty, remedy or condition of this Agreement, or the application thereof to any person or circumstance shall, to any extent, be held or deemed invalid or unenforceable, the remainder of this Agreement or the application of such term, covenant or provision, to persons or circumstances other than those to which it is held invalid or unenforceable, shall not be affected thereby, and each remaining term, covenant or provision of this Agreement shall be deemed valid and enforced to the fullest extent permitted by law.

**15. Force Majeure.** A Party shall have no liability or obligation to the other Party of any kind, including, but not limited to, any obligation to deliver the Product or to make payment or accept delivery of the Product, arising from any delay or failure to perform all or any part of this Agreement as a result of causes, conduct or occurrences beyond such Party's reasonable control, including, but not limited to, commercial impracticability, fire, flood, earthquake, lightning, storm, accidents, act of war, terrorism, civil disorder or disobedience, act of public enemies, problems associated with transportation (including car or truck shortages), shortages of energy or raw materials, acts or failure to act of any state, federal or foreign governmental or regulatory authorities, labor disputes, strikes, or failure of suppliers to make timely deliveries of materials, goods or services to Seller. Seller may allocate its available supply among its customers in a manner determined by Seller to be fair and reasonable.

**16. Indemnification and Insurance.** To the fullest extent permitted by law, Buyer shall defend, indemnify and hold Seller harmless from any and all claims, demands, causes of action, controversy, liabilities, fines, regulatory actions, seizures of the Product, losses, costs and expenses (including, but not limited to, attorneys' fees, expert witness expenses and litigation expenses) (hereinafter "Claim"), arising from or in connection with any Claim asserted by a third party against Seller for any damage, environmental liability, patent or intellectual property infringement caused by Buyer's use, modification or alteration of the Product, injury, death, loss, property damage, delay or failure in delivery of Seller's Product or any other Claim, whether in tort, contract, breach of warranty or otherwise, relating to this Agreement, the business relationship between the Parties, the Product provided hereunder, or Buyer's breach of this Agreement. Notwithstanding the foregoing, Buyer has no indemnity obligation to Seller to the extent that any Claims result from the willful misconduct or gross negligence of Seller.

To the fullest extent permitted by law, Seller shall defend, indemnify and hold Buyer harmless from any and all Claims, arising from or in connection with any Claim asserted by a third party against Buyer for any patent or intellectual property infringement in connection with the Product (provided, that, such alleged infringement does not arise from the combination of the Product with other ingredients), injury, death, loss, property damage or any other Claim, whether in tort, contract, breach of warranty or otherwise, relating directly to the Product (except if such injury, death, loss, property damage or other Claim arises from the combination of the Product with other ingredients or from the packaging, delivery or subsequent handling by Buyer), or Seller's breach of this Agreement. Notwithstanding the foregoing, Seller has no indemnity obligation to Buyer to the extent that any Claims result from the willful misconduct or gross negligence of Buyer.

The Parties agree, for the Term, to maintain a program of insurance or self-insurance at levels sufficient to satisfy their respective obligations as set forth in this Agreement. Upon request by either Party, the other Party shall promptly disclose to the other Party, the insurance maintained by such disclosing Party in reasonable detail.

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17. **Relationship.** The relationship between Seller and Buyer shall be that of independent contractors, and neither Party, its agents and employees, shall under any circumstances be deemed the employees, distributors, franchisees, agents or representatives of the other Party.

18. **Assignment and Modification.** The rights and obligations of Buyer under this Agreement shall not be assignable without the prior written consent of Seller, except that Buyer may assign its rights hereunder, in whole or in part, to an Affiliate of Buyer. This Agreement shall not be modified, altered or amended in any respect except by a writing signed by the Parties. Any variation, modification or addition to the terms set forth in this Agreement shall be considered a material modification and shall not be considered part of this Agreement unless evidenced by a writing signed by the Parties.

19. **Governing Law.** This Agreement and all claims and causes of action shall be governed by and subject to the internal laws (exclusive of the conflicts of law provisions) and decisions of the courts of the State of California. The sole and exclusive venue for all claims and causes of action between the Parties shall be the state or federal court located in Orange County, California.

20. **Notices.** Any demand upon or notice to a Party hereunder shall be effective when delivered by hand or when properly deposited in the mails postage prepaid, or sent by e-mail or electronic facsimile transmission with receipt acknowledged, or delivered to an overnight courier, in each case addressed to the Party at the address shown below or such other address as the Parties may advise in writing.

If to Seller:

ChromaDex, Inc.  
10005 Muirlands Blvd., Suite G  
Irvine, California 92618  
Attention: Tom Varvaro  
Fax: 949-419-0294  
Email: tom.varvaro@chromadex.com

If to Buyer:

Nectar 7, LLC  
12526 High Bluff Dr., Suite 210  
San Diego, California 92130  
Attention: David J. D'Arcangelo  
Fax: 858-638-7226  
Email: david@financialdestinyblog.com or  
david@nectar7.com

21. **Entire Agreement.** This Agreement, the exhibits hereto and any documents referred to herein contain the complete agreement between the Parties with respect to the subject matter hereof. All previous agreements, representations, warranties, promises and conditions relating to the subject matter of this Agreement are superseded by this Agreement.

22. **Counterparts.** This Agreement may be executed and delivered in one or more counterparts, each of which when executed and delivered shall be an original, and all of which when executed shall constitute one and the same instrument. The exchange of copies of this Agreement and of signature pages by facsimile or other electronic transmission shall constitute effective execution and delivery of this Agreement as to the Parties and may be used in lieu of the original Agreement for all purposes. Signatures of the Parties transmitted by facsimile or other electronic means shall be deemed to be their original signatures for all purposes.

*[Signatures to Follow]*

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**IN WITNESS WHEREOF**, the Parties have caused this Agreement to be executed by their duly authorized representatives as of the Effective Date.

**BUYER:**

Nectar7, LLC

/s/ David J. D'Arcangelo

Name: David J. D'Arcangelo

Title: Manager

Date: August 28, 2015

**Seller:**

ChromaDex, Inc.

/s/ Troy Rhonemus

Name: Troy Rhonemus

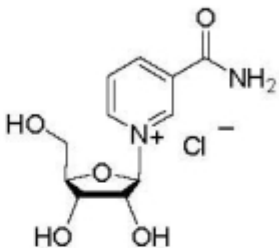
Title: Chief Operating Officer

Date: August 28, 2015

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**EXHIBIT A**  
**Product Specification**

## Customer Specification

<b>PRODUCT NAME</b>	Niagen®	<p style="text-align: center;"><b>Structure</b></p> 
<b>PART NUMBER</b>	ASB-00014315	
<b>GRADE</b>	Dietary Ingredient	
<b>DOCUMENT NUMBER</b>	200-CD-5.0-000598	
<b>DATE</b>	03/24/2015	
<b>DOCUMENT REVISION</b>	5	

<b>CHEMICAL NAMES</b>	β-Nicotinamide Riboside Chloride; 3-(Aminocarbonyl)-1-β-D-ribofuranosyl-pyridinium chloride (1:1)
<b>CHEMICAL FORMULA</b>	C <sub>11</sub> H <sub>15</sub> N <sub>2</sub> O <sub>5</sub> · Cl
<b>MOLECULAR WEIGHT (MW)</b>	290.70
<b>CHEMICAL FAMILY</b>	Vitamin Derivatives
<b>CAS NUMBER</b>	[23111-00-4]
<b>SOURCE</b>	Synthetic
<b>RE-TEST DATE</b>	2 years from date of manufacture

SPECIFICATION	METHOD	ACCEPTANCE CRITERIA
<b><u>Physical Characteristics</u></b>		
Description	N/A	Free flowing powder
Color	N/A	White to Light Brown
Odor	N/A	Neutral
Particle Size	Rotary Screen (or equivalent)	NLT 100% through 50 mesh screen



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## Customer Specification

SPECIFICATION	METHOD	ACCEPTANCE CRITERIA
<b><u>Identity</u></b>		
β-Nicotinamide Riboside Chloride	NMR	Conforms to structure
<b><u>Purity</u></b>		
β-Nicotinamide Riboside Chloride	HPLC – UV (Weight %)	NLT 90%
Other Impurities (Nicotinamide, unknown peaks)	HPLC – UV (Area %)	Report
Moisture	Karl Fischer	NMT 5%
<b><u>Residual Solvent</u></b>		
ICH Guidelines	GC-Headspace	ICH Guidelines
<b><u>Heavy Metals</u></b>		
Lead	ICP, AOAC 993.14 2000	NMT 0.5 ppm
Arsenic	ICP, AOAC 993.14 2000	NMT 1.0 ppm
Cadmium	ICP, AOAC 993.14 2000	NMT 1.0 ppm
Mercury	ICP, AOAC 993.14 2000	NMT 1.0 ppm
<b><u>Microbiological</u></b>		
Total Plate Count	USP or equivalent	NMT 1000 CFU/g
Yeast & Mold	USP or equivalent	NMT 100 CFU/g
<i>E. coli</i>	USP or equivalent	Absent/10g
		USP <2023>

REVISION	CHANGE(S) TO DOCUMENT	DATE
1.0	New Specifications	23-Apr-14
2.0	Removed particle size and bulk density parameters. Established moisture limit.	26-Sep-14
3.0	Changed logo to one with registered trademark symbol. Updated microbiological methods. Added revision history.	30-Sep-14
4.0	Updated microbiological methods to conform better with tests performed by subcontractors. Added recommended re-test interval.	09-Dec-14
5.0	Updated grade from "DS" to "DI" per MOC-15-0011. Updated graphics to new branding.	24-Mar-15



**EXHIBIT B**  
**Exclusivity Rights**

The following table specifies the time periods (the “Exclusivity Term”) and geographic areas (the “Exclusivity Area/Region”) in which Buyer will have the exclusive right to sell in any non-Excluded Field the indicated products, with the exception of the Excluded Products, for the applications described below:

- Seller shall have the right to terminate Buyer’s exclusivity as to any product application if Buyer’s aggregate revenues from the sale of products for such application shall not exceed the minimum levels set forth under the column “Minimum Revenues” for the periods indicated in such column. In instances where Buyer and Seller are to determine or establish minimum revenue targets after the date of this Agreement, Buyer and Seller shall work in good faith to establish commercially reasonable targets, taking into account the proposed product application, the anticipated market size and other relevant factors.
- All dollar amounts below refer to United States (US) dollars.

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<u>Product</u>	<u>Product Application</u>	<u>Term</u>	<u>Exclusivity Area/Region</u>	<u>Minimum Revenues/Obligations</u> <u>"Minimum Revenues"</u>
NIAGEN®	Oral consumption as a vitamin or nutraceutical supplement.	Five (5) years.	The Middle East (i.e. the countries or territories of Turkey, Cyprus, Syria, Lebanon, Iraq, Iran, Israel, the West Bank, the Gaza Strip, Jordan, Egypt, Sudan, Libya and the various states and territories of Arabia proper (Saudi Arabia, Kuwait, Yemen, Oman, Bahrain, Qatar and the United Arab Emirates) to the extent Product shall be lawfully sold.	For 6 months from Effective Date, Minimum Revenues are waived but Buyer must launch at least one Finished Product containing the Product;  \$[*] for Year 1 (Year 1 begins 6 months after the Effective Date)  [*] for Year 2  [*] for Year 3  \$[*] for Year 4  \$[*] for any single 12-month period between the Effective Date and ____ 2020.  After reaching the \$[*] milestone for any single 12-month period, \$[*] for each subsequent twelve (12) month period thereafter.
NIAGEN®	Finished Products for wound healing, including prevention and treatment, with the exception of cosmetics, prescription drugs and Over-the-Counter (OTC) therapeutic category subtopics: Acne; Dandruff; Seborrheic Dermatitis; Psoriasis; Skin Protectant; Sunscreen.	five (5) years.	The world.	\$[*] for the 12-month period ending December 31, 2016.  \$[*] for 12-month period ending December 31, 2017  \$[*] for the 12-month period ending December 31, 2018  \$[*] for any single 12-month period ending ____ 2019.  After reaching the \$[*] milestone for any single 12-month period, \$[*] for each subsequent 12-month period thereafter.

NIAGEN®	Nutritional and medicinal products for livestock (cattle, goats, sheep and pigs), horses and poultry.	Five (5) years; provided, that, within 24 months of the Effective Date, Buyer has entered into an agreement to sell products for this application.	The world.	\$[*] for YEAR 3 (beginning 24 months from Effective Date) and increasing [*]% every year thereafter until reach \$[*]
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Nano NIAGEN®	Nano NIAGEN® shall mean smaller particles of NIAGEN® for delivery in liquid or other forms (“Liquid NIAGEN®”) utilizing strips, liquid pump spray or liquid drops from containers containing two (2) ounces or less, or other delivery systems for Liquid NIAGEN, whether or not such product must be refrigerated to preserve its efficacy.	5 years from the date that Liquid NIAGEN® is ready for commercialization without the use of refrigeration; provided, that, within 12 months of the date which Liquid Niagen is ready for commercialization without refrigeration, Buyer has launched a consumer Liquid NIAGEN product on its website.	The world.	\$[*] for YEAR 3 (beginning 24 months from Effective Date) and increasing [*]% every year thereafter until the minimum revenue target has reached \$[*]
NIAGEN®	Dietary Supplement in the form of a tablet or capsule	Seller launches product within 1 year of Effective Date in each country or loses exclusivity for that specific country	Philippines, Taiwan, Hong Kong (not all of China), Singapore	For 6 months from Effective Date, Minimum Revenues are waived but Buyer must launch at least one Finished Product containing the Product:  \$[*] for Year 1 (Year 1 begins 6 month after the Effective Date)  \$[*] for Year 2  \$[*] for Year 3  \$[*] for Year 4  \$[*] for any single twelve (12) month period between the Effective Date and _____ 2020.
NIAGEN®	Sports hydration beverages with a Nutrition Facts label and a net quantity contents greater than 2oz	1 Year	United States	Meet with 1 potential customer and have made meaningful progress toward deal to the reasonable satisfaction of Seller within 90 days of Effective Date;  For every 90 days thereafter, Buyer shall have

made meaningful progress  
toward closing a deal to the  
reasonable satisfaction of  
Seller.

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**FIRST ADDENDUM TO THE NIAGEN® SUPPLY AGREEMENT BETWEEN  
NECTAR7 LLC AND CHROMADEx, INC.**

This First Addendum (the “Addendum”) dated September 30, 2015 (“Addendum Effective Date”), is attached to and forms part of the SUPPLY AGREEMENT (the “Agreement”) dated August 28, 2015 made by and between ChromaDex, Inc., a California corporation, having a principal place of business at 10005 Muirlands Blvd, Suite G, Irvine, CA 92618 (“Seller”) and Nectar7 LLC, a Delaware limited liability company, with principal offices located at 12526 High Bluff Drive, Suite 210, San Diego, CA 92130 (“Buyer”). To the extent that any of the terms or conditions contained in this Addendum may contradict or conflict with any of the terms or conditions of the Agreement, it is expressly understood and agreed that the terms of this Addendum shall take precedence and supersede the Agreement.

**RECITALS**

**WHEREAS**, the parties desire to amend the Agreement as provided herein;

**NOW THEREFORE**, for good and valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

1. Amend Exhibit B - Exclusivity Rights to add and include the following additional rights:



[\*] INDICATES CONFIDENTIAL PORTION HAS BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND HAS BEEN FILED SEPARATELY WITH THE COMMISSION

**EXHIBIT B**  
**Exclusivity Rights**

<u>Product</u>	<u>Product Application</u>	<u>Term</u>	<u>Exclusivity Area/ Region</u>	<u>Minimum Purchase Requirements/Obligations “Minimum Revenues”</u>
NIAGEN®	Dietary Supplement in the form of a tablet, capsule, powder, liquid, or spray containing a combination of NIAGEN® and collagen	Five (5) years	United States	<p>For rights to sell the Product Application in the Area/Region, Buyer agrees to meet the following take or pay requirements. For the exclusive rights for the Product Application in the Area/Region, Buyer shall also meet the following Minimum Revenue requirements for Product used in this Product Application (Dietary Supplement in the form of a tablet, capsule, powder, or a single serving ready to drink shot containing a combination of NIAGEN® and collagen):</p> <p><b>2016:</b> Take or pay an aggregate of \$[*] of Product for use in any Product Application, in quarterly payments of the following:            Q1 = \$[*]            Q2 = \$[*]            Q3 = \$[*]            Q4 = \$[*]</p> <p>Any shortfalls in quarterly payments shall be cured the quarter immediately following the shortfall.</p> <p>Minimum Revenue: \$[*]  <b>2017:</b> Take or pay \$[*] of Product for use in any Product Application, with quarterly payments of \$[*] and            Minimum Revenue of \$[*]  <b>2018:</b> Take or pay \$[*] of Product for use in any Product Application, with quarterly payments of \$[*] and            Minimum Revenue of \$[*]</p> <p>Every year thereafter shall be negotiated in good faith, but shall not be less than \$[*] take or pay per year.</p> <p>Buyer may cancel above take or pay obligation upon 90 days written notice resulting in the simultaneous termination of exclusivity.</p>

2. All other terms and conditions of the SUPPLY AGREEMENT remain the same.

3. This Addendum may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. Facsimile, Portable Document Format (PDF) or photocopied signatures of the Parties will have the same legal validity as original signatures.

IN WITNESS WHEREOF, the parties have executed this Addendum by their duly authorized representatives for good and valuable consideration.

**CHROMADEX, INC.**

**NECTAR7 LLC**

By: /s/ Troy Rhonemus  
Name: Troy Rhonemus  
Title: COO  
Date: 10/1/2015

By: /s/ David D'Arcangelo  
Name: David D'Arcangelo  
Title: Member  
Date: 9/30/2015

Certification of the Chief Executive Officer  
Pursuant to  
§240.13a-14 or §240.15d-14 of the Securities Exchange Act of 1934, as amended

I, Frank L. Jaksch Jr., certify that:

1. I have reviewed this quarterly report on Form 10-Q of ChromaDex Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15a-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 12, 2015

/s/ FRANK L. JAKSCH JR.  
Frank L. Jaksch Jr.  
Chief Executive Officer

Certification of the Chief Financial Officer  
Pursuant to  
§240.13a-14 or §240.15d-14 of the Securities Exchange Act of 1934, as amended

I, Thomas C. Varvaro, certify that:

1. I have reviewed this quarterly report on Form 10-Q of ChromaDex Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15a-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 12, 2015

/s/ THOMAS C. VARVARO  
Thomas C. Varvaro  
Chief Financial Officer

Certification Pursuant to 18 U.S.C. Section 1350  
(as adopted pursuant to Section 906 of the Sarbanes–Oxley Act of 2002)

In connection with this quarterly report of ChromaDex Corporation (the “Company”) on Form 10–Q for the quarter ended October 3, 2015 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), we, Frank L. Jaksch Jr., Chief Executive Officer of the Company, and Thomas C. Varvaro, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes–Oxley Act of 2002, that, to our knowledge:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: November 12, 2015

/s/ FRANK L. JAKSCH JR.  
Frank L. Jaksch Jr.  
Chief Executive Officer

/s/ THOMAS C. VARVARO  
Thomas C. Varvaro  
Chief Financial Officer

<b>Share-Based Compensation - NonEmployee (Details 3)</b>	<b>9 Months Ended Oct. 03, 2015 USD (\$) \$ / shares shares</b>
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**Non-Employee Share-Based Compensation- Options**

Outstanding at Beginning of Period 1,050,451

Options Granted

Options Classification from Employee to Non-Employee 1,542,071

Options Exercised

Options Forfeited

Outstanding at End of Period 2,592,522

Exercisable at End of Period 2,547,522

**Weighted Average Exercise Price**

Outstanding at Beginning of Period | \$ / shares \$ 1.35

Options Granted | \$ / shares

Options Classification from Employee to Non-Employee | \$ / shares \$ .93

Options Exercised | \$ / shares

Options Forfeited | \$ / shares

Outstanding at End of Period | \$ / shares \$ 1.10

Exercisable at End of Period | \$ / shares \$ 1.10

**Weighted Average Remaining Contractual Term**

Outstanding at Beginning of Period 5 years 5 months 15 days

Outstanding at End of Period 6 years 3 months 14 days

Exercisable at End of Period 6 years 2 months 26 days

**Aggregate Intrinsic Value**

Outstanding at End of Period | \$ \$ 594,000

Exercisable at End of Period | \$ \$ 593,000

<b>Subsequent Events (Details Narrative)</b>	<b>1 Months Ended Nov. 11, 2015 USD (\$) \$ / shares shares</b>
<a href="#">Proceeds from registered direct offering   \$</a>	\$ 2,000,000
<a href="#">Capital Units [Member]</a>	
<a href="#">Units sold   shares</a>	200,000
<a href="#">Purchase price per unit sold</a>	\$ 10.00
<a href="#">Unit description</a>	Eight shares of the Company' s common stock and a warrant to purchase four shares of common stock with an exercise price of \$1.50 and a term of 3 years.
<a href="#">Unit warrant exercise price</a>	\$ 1.50
<a href="#">Unit warrant term</a>	3 years

**Leasehold Improvements  
and Equipment (Details  
Narrative) - USD (\$)**

**9 Months Ended  
Oct. 03, 2015 Sep. 27, 2014**

**Leasehold Improvements And Equipment Details Narrative**

<u>Depreciation expense on leasehold improvements and equipment</u>	\$ 209,754	\$ 161,712
<u>Disposal of equipment</u>	\$ 8,181	\$ 56,110



## Business Segments (Tables)

**9 Months Ended  
Oct. 03, 2015**

### [Business Segments Tables](#)

#### [Business Segmentation](#)

Three months ended October 3, 2015	Ingredients segment	Core Standards and Contract Services segment	Scientific and Regulatory Consulting segment	Other	Total
Net sales	\$4,146,597	\$1,875,296	\$ 265,416	\$ -	\$6,287,309
Cost of sales	2,157,183	1,533,402	115,094	-	3,805,679
<b>Gross profit</b>	<b>1,989,414</b>	<b>341,894</b>	<b>150,322</b>	<b>-</b>	<b>2,481,630</b>
<b>Operating expenses:</b>					
Sales and marketing	259,874	287,901	3,103	-	550,878
General and administrative	-	-	-	1,753,622	1,753,622
<b>Operating expenses</b>	<b>259,874</b>	<b>287,901</b>	<b>3,103</b>	<b>1,753,622</b>	<b>2,304,500</b>
<b>Operating income (loss)</b>	<b>\$1,729,540</b>	<b>\$ 53,993</b>	<b>\$ 147,219</b>	<b>\$(1,753,622)</b>	<b>\$ 177,130</b>
Three months ended September 27, 2014	Ingredients segment	Core Standards and Contract Services segment	Scientific and Regulatory Consulting segment	Other	Total
Net sales	\$2,031,250	\$1,814,622	\$ 293,838	\$ -	\$4,139,710
Cost of sales	1,200,790	1,239,356	176,618	-	2,616,764
<b>Gross profit</b>	<b>830,460</b>	<b>575,266</b>	<b>117,220</b>	<b>-</b>	<b>1,522,946</b>
<b>Operating expenses:</b>					
Sales and marketing	243,068	259,951	15,643	-	518,662
General and administrative	-	-	-	1,651,718	1,651,718
<b>Operating expenses</b>	<b>243,068</b>	<b>259,951</b>	<b>15,643</b>	<b>1,651,718</b>	<b>2,170,380</b>
<b>Operating income (loss)</b>	<b>\$ 587,392</b>	<b>\$ 315,315</b>	<b>\$ 101,577</b>	<b>\$(1,651,718)</b>	<b>\$ (647,434)</b>
Nine months ended October 3, 2015	Ingredients segment	Core Standards and Contract Services segment	Scientific and Regulatory Consulting segment	Other	Total
Net sales	\$10,238,574	\$6,546,816	\$ 864,270	\$ -	\$17,649,660
Cost of sales	5,629,564	4,742,480	397,670	-	10,769,714
<b>Gross profit</b>	<b>4,609,010</b>	<b>1,804,336</b>	<b>466,600</b>	<b>-</b>	<b>6,879,946</b>
<b>Operating expenses:</b>					
Sales and marketing	832,779	935,237	8,387	-	1,776,403
General and administrative	-	-	-	6,016,557	6,016,557
<b>Operating expenses</b>	<b>832,779</b>	<b>935,237</b>	<b>8,387</b>	<b>6,016,557</b>	<b>7,792,960</b>

**Operating income (loss)**    \$ 3,776,231    \$ 869,099    \$ 458,213    \$(6,016,557)    \$ (913,014)

Nine months ended September 27, 2014	Ingredients segment	Core Standards and Contract Services segment	Scientific and Regulatory Consulting segment	Other	Total
Net sales	\$4,889,431	\$5,407,455	\$ 773,116	\$ -	\$11,070,002
Cost of sales	2,962,505	3,728,521	472,256	-	7,163,282
<b>Gross profit</b>	<u>1,926,926</u>	<u>1,678,934</u>	<u>300,860</u>	<u>-</u>	<u>3,906,720</u>

Operating expenses:					
Sales and marketing	793,414	694,523	66,840	-	1,554,777
General and administrative	-	-	-	6,458,027	6,458,027
Loss from investment in affiliate	-	-	-	21,543	21,543
<b>Operating expenses</b>	<u>793,414</u>	<u>694,523</u>	<u>66,840</u>	<u>6,479,570</u>	<u>8,034,347</u>

**Operating income (loss)**    \$1,133,512    \$ 984,411    \$ 234,020    \$(6,479,570)    \$(4,127,627)

At October 3, 2015	Ingredients segment	Core Standards and Contract Services segment	Scientific and Regulatory Consulting segment	Other	Total
Total assets	<u>\$6,527,861</u>	<u>\$ 3,042,917</u>	<u>\$ 110,284</u>	<u>\$5,365,544</u>	<u>\$15,046,606</u>

At January 3, 2015	Ingredients segment	Core Standards and Contract Services segment	Scientific and Regulatory Consulting segment	Other	Total
Total assets	<u>\$3,757,073</u>	<u>\$ 3,220,518</u>	<u>\$ 105,711</u>	<u>\$4,433,545</u>	<u>\$11,516,847</u>

<b>Business Segments (Details) - USD (\$)</b>	<b>3 Months Ended</b>		<b>9 Months Ended</b>		<b>Jan. 03, 2015</b>
	<b>Oct. 03, 2015</b>	<b>Sep. 27, 2014</b>	<b>Oct. 03, 2015</b>	<b>Sep. 27, 2014</b>	
<b><u>Business Segmentation</u></b>					
<u>Net sales</u>	\$ 6,287,309	\$ 4,139,710	\$ 17,649,660	\$ 11,070,002	
<u>Cost of sales</u>	3,805,679	2,616,764	10,769,714	7,163,282	
<u>Gross profit</u>	2,481,630	1,522,946	6,879,946	3,906,720	
<b><u>Operating expenses:</u></b>					
<u>Sales and marketing</u>	550,878	518,662	1,776,403	1,554,777	
<u>General and administrative</u>	1,753,622	1,651,718	6,016,557	6,458,027	
<u>Loss from investment in affiliate</u>				21,543	
<u>Operating expenses</u>	2,304,500	2,170,380	7,792,960	8,034,347	
<u>Operating income (loss)</u>	177,130	(647,434)	(913,014)	(4,127,627)	
<u>Assets</u>	15,046,606		15,046,606		\$ 11,516,847
<b><u>Ingredients Segment [Member]</u></b>					
<b><u>Business Segmentation</u></b>					
<u>Net sales</u>	4,146,597	2,031,250	10,238,574	4,889,431	
<u>Cost of sales</u>	2,157,183	1,200,790	5,629,564	2,962,505	
<u>Gross profit</u>	1,989,414	830,460	4,609,010	1,926,926	
<b><u>Operating expenses:</u></b>					
<u>Sales and marketing</u>	\$ 259,874	\$ 243,068	\$ 832,779	\$ 793,414	
<u>General and administrative</u>					
<u>Loss from investment in affiliate</u>					
<u>Operating expenses</u>	\$ 259,874	\$ 243,068	\$ 832,779	\$ 793,414	
<u>Operating income (loss)</u>	1,729,540	587,392	3,776,231	1,133,512	
<u>Assets</u>	6,527,861		6,527,861		3,757,073
<b><u>CoreStandardsContractServices [Member]</u></b>					
<b><u>Business Segmentation</u></b>					
<u>Net sales</u>	1,875,296	1,814,622	6,546,816	5,407,455	
<u>Cost of sales</u>	1,533,402	1,239,356	4,742,480	3,728,521	
<u>Gross profit</u>	341,894	575,266	1,804,336	1,678,934	
<b><u>Operating expenses:</u></b>					
<u>Sales and marketing</u>	\$ 287,901	\$ 259,951	\$ 935,237	\$ 694,523	
<u>General and administrative</u>					
<u>Loss from investment in affiliate</u>					
<u>Operating expenses</u>	\$ 287,901	\$ 259,951	\$ 935,237	\$ 694,523	
<u>Operating income (loss)</u>	53,993	315,315	869,099	984,411	
<u>Assets</u>	3,042,917		3,042,917		3,220,518
<b><u>Regulatory Consulting [Member]</u></b>					
<b><u>Business Segmentation</u></b>					
<u>Net sales</u>	265,416	293,838	864,270	773,116	
<u>Cost of sales</u>	115,094	176,618	397,670	472,256	

<u>Gross profit</u>	150,322	117,220	466,600	300,860	
<b><u>Operating expenses:</u></b>					
<u>Sales and marketing</u>	\$ 3,103	\$ 15,643	\$ 8,387	\$ 66,840	
<u>General and administrative</u>					
<u>Loss from investment in affiliate</u>					
<u>Operating expenses</u>	\$ 3,103	\$ 15,643	\$ 8,387	\$ 66,840	
<u>Operating income (loss)</u>	147,219	\$ 101,577	458,213	\$ 234,020	
<u>Assets</u>	\$ 110,284		\$ 110,284		105,711
<u>Other Segment [Member]</u>					
<b><u>Business Segmentation</u></b>					
<u>Net sales</u>					
<u>Cost of sales</u>					
<u>Gross profit</u>					
<b><u>Operating expenses:</u></b>					
<u>Sales and marketing</u>					
<u>General and administrative</u>	\$ 1,753,622	\$ 1,651,718	\$ 6,016,557	\$ 6,458,027	
<u>Loss from investment in affiliate</u>				21,543	
<u>Operating expenses</u>	1,753,622	1,651,718	6,016,557	6,479,570	
<u>Operating income (loss)</u>	(1,753,622)	\$ (1,651,718)	(6,016,557)	\$ (6,479,570)	
<u>Assets</u>	\$ 5,365,544		\$ 5,365,544		\$ 4,433,545

**Share-Based Compensation -  
Assumptions (Details 1)**

**9 Months Ended  
Oct. 03, 2015**

**Weighted average assumptions for options granted to employees**

<u>Expected volatility</u>	76.00%
<u>Expected dividends</u>	0.00%
<u>Expected term</u>	5 years 8 months 12 days
<u>Risk-free rate</u>	1.71%

**Nature of Business and  
Liquidity**

**9 Months Ended  
Oct. 03, 2015**

**Organization, Consolidation  
and Presentation of  
Financial Statements**  
**[Abstract]**

**Note 2. Nature of Business and  
Liquidity**

Nature of business: The Company is a natural products company that leverages its complementary business units to discover, acquire, develop and commercialize patented and proprietary ingredient technologies that address the dietary supplement, food, beverage, skin care and pharmaceutical markets. In addition to the Company's ingredient technologies unit, the Company also has business units focused on natural product fine chemicals (known as "phytochemicals"), chemistry and analytical testing services, and product regulatory and safety consulting (known as Spherix Consulting). As a result of the Company's relationships with leading universities and research institutions, the Company is able to discover and license early stage, Intellectual Property-backed ingredient technologies. The Company then utilizes the Company's in-house chemistry, regulatory and safety consulting business units to develop commercially viable ingredients. The Company's ingredient portfolio is backed with clinical and scientific research, as well as extensive Intellectual Property protection.

Liquidity: The Company has incurred a loss from operations of approximately \$913,000 and a net loss of approximately \$1,344,000 for the nine-month period ended October 3, 2015. As of October 3, 2015, the cash and cash equivalents totaled approximately \$4,709,000. Subsequent to the nine-month period ended October 3, 2015, the Company entered into Securities Purchase Agreements (the "SPAs") with certain existing stockholders to raise \$2,000,000 in a registered direct offering. Pursuant to the SPAs, the Company sold a total of 200,000 units (the "Units") at a purchase price of \$10.00 per Unit, with each Unit consisting of eight shares of the Company's common stock and a warrant to purchase four shares of common stock with an exercise price of \$1.50 and a term of 3 years.

With the capital raise described above, we anticipate that our current cash and cash equivalents on hand and cash generated from operations will be sufficient meet our projected operating plans through at least December 31, 2016. We may, however, require additional funds, either through additional equity or debt financings or collaborative agreements or from other sources. We have no commitments to obtain such additional financing, and we may not be able to obtain any such additional financing on terms favorable to us, or at all. If adequate financing is not available, the Company will further delay, postpone or terminate product and service expansion and curtail certain selling, general and administrative operations. The inability to raise additional financing may have a material adverse effect on the future performance of the Company.

Business Segments (Details Narrative) - Ingredients Segment [Member]	3 Months Ended		9 Months Ended	
	Oct. 03, 2015	Sep. 27, 2014	Oct. 03, 2015	Sep. 27, 2014
<a href="#">Customer B [Member]</a>				
<a href="#">Customer concentration risk</a>	19.10%		13.80%	
<a href="#">Customer A [Member]</a>				
<a href="#">Customer concentration risk</a>		12.30%		13.80%

**Significant Accounting  
Policies (Details Narrative) -  
USD (\$)**

**9 Months Ended**

**Oct. 03, 2015    Jan. 03, 2015**

**Significant Accounting Policies Details Narrative**

Fiscal year end

--01-02

Unamortized debt issuance costs

\$ 75,264

\$ 91,361



**Significant Accounting Policies (Details 1) - USD (\$)** **Oct. 03, 2015** **Jan. 03, 2015**

**Inventories**

<u>Natural product fine chemicals</u>	\$ 1,695,326	\$ 1,760,305
<u>Bulk ingredients</u>	3,163,302	2,298,036
<u>Inventory-gross</u>	4,858,628	4,058,341
<u>Less valuation allowance</u>	695,000	324,000
<u>Inventory-net</u>	\$ 4,163,628	\$ 3,734,341

**Commitments and  
Contingencies (Details  
Narrative)**

**9 Months Ended  
Oct. 03, 2015  
USD (\$)**

[Inventory Purchase](#)

[Commitment \[Member\]](#)

[Purchase commitment](#)

\$ 6,100,000

[Purchase commitment terms](#)

So long as Grace makes available for sale to the Company the Required Volume prior to December 31, 2015, if the Company does not in fact purchase the Required Volume the Company will be obligated to pay the Price per Kilogram for the difference in kilograms between the Required Volume and the amount actually purchased. If Grace is unable to deliver the Required Volume by December 31, 2015, it will continue to deliver nicotinamide riboside chloride until it has delivered the Required Amount and the Company will pay for amounts delivered after December 31, 2015 within 60 days after they have been delivered.

[Inventory purchased](#)

\$ 1,000,000

[Capital Lease Obligations](#)

[\[Member\]](#)

[Monthly lease payment](#)

\$ 7,000

[Capital lease term](#)

48 months

[Capital lease future payments](#)

\$ 356,000

[Capital lease](#)

\$ 304,000

Loss Per Share Applicable to Common Stockholders (Details) - USD (\$)	3 Months Ended			9 Months Ended		
	Oct. 03, 2015	Jul. 04, 2015	Apr. 04, 2015	Sep. 27, 2014	Oct. 03, 2015	Sep. 27, 2014
<u>Net loss</u>	\$ (3,716)	\$ (315,192)	\$ (1,025,515)	\$ (659,653)	\$ (1,344,423)	\$ (4,160,811)
<b><u>Earnings per share</u></b>						
<u>Basic and diluted loss per common share</u>	\$ 0.00			\$ (.01)	\$ (0.01)	\$ (0.04)
<u>Weighted average common shares outstanding</u>	[1] 107,442,916			106,610,400	107,350,469	106,290,782
<u>Stock Option [Member]</u>						
<b><u>Earnings per share</u></b>						
<u>Potentially dilutive securities</u>	[2] 15,839,603			13,890,766	15,839,603	13,890,766
<u>Warrant [Member]</u>						
<b><u>Earnings per share</u></b>						
<u>Potentially dilutive securities</u>	[2] 469,020				469,020	
<u>Convertible Debt [Member]</u>						
<b><u>Earnings per share</u></b>						
<u>Potentially dilutive securities</u>	[2] 773,395				773,395	

[1] Includes 1,132,241 and 1,676,175 weighted average nonvested shares of restricted stock for the three months ended October 3, 2015 and September 27, 2014, respectively, and 1,305,605 and 1,606,380 weighted average nonvested shares of restricted stock for the nine months ended October 3, 2015 and September 27, 2014, respectively, which are participating securities that feature voting and dividend rights.

[2] Excluded from the computation of loss per share as their impact is antidilutive.

**Loss Per Share Applicable to  
Common Stockholders  
(Details Narrative) - shares**

**3 Months Ended**      **9 Months Ended**  
**Oct. 03,**    **Sep. 27,**    **Oct. 03,**    **Sep. 27,**  
**2015**      **2014**      **2015**      **2014**

**Loss Per Share Applicable To Common Stockholders Details**

**Narrative**

Weighted average nonvested shares of restricted stock      1,132,241    1,676,175    1,305,605    1,606,380

## Interim Financial Statements

**9 Months Ended  
Oct. 03, 2015**

### Interim Financial Statements

#### Note 1. Interim Financial Statements

The accompanying financial statements of ChromaDex Corporation (the “Company”) and its wholly owned subsidiaries, ChromaDex, Inc., ChromaDex Analytics, Inc. and Spherix Consulting, Inc. include all adjustments, consisting of normal recurring adjustments and accruals, that, in the opinion of the management of the Company, are necessary for a fair presentation of the Company’s financial position as of October 3, 2015 and results of operations and cash flows for the three and nine months ended October 3, 2015 and September 27, 2014. These unaudited interim financial statements should be read in conjunction with the Company’s audited financial statements and the notes thereto for the year ended January 3, 2015 appearing in the Company’s Annual Report on Form 10-K filed with the Securities and Exchange Commission (the “Commission”) on March 19, 2015. Operating results for the nine months ended October 3, 2015 are not necessarily indicative of the results to be achieved for the full year ending on January 2, 2016. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (“GAAP”) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

The balance sheet at January 3, 2015 has been derived from the audited financial statements at that date, but does not include all of the information and footnotes required by GAAP for complete financial statements.

**Leasehold Improvements  
and Equipment (Details) -  
USD (\$)**

**Oct. 03, 2015 Jan. 03, 2015**

**Leasehold improvements and equipment**

<u>Laboratory equipment</u>	\$ 3,577,132	\$ 3,151,748
<u>Leasehold improvements</u>	513,453	495,240
<u>Computer equipment</u>	379,806	329,737
<u>Furniture and fixtures</u>	15,678	13,039
<u>Office equipment</u>	21,547	7,877
<u>Construction in progress</u>	21,561	68,141
<u>Leasehold improvements and equipment, gross</u>	4,529,177	4,065,782
<u>Less accumulated depreciation</u>	2,947,216	2,801,122
<u>Leasehold improvements and equipment, total</u>	\$ 1,581,961	\$ 1,264,660

**Share-Based Compensation -  
Restricted Stock (Details 4) -  
NonEmployee Restricted  
Stock [Member]**

**9 Months Ended  
Oct. 03, 2015  
\$/ shares  
shares**

<u>Unvested shares at Beginning of Period</u>	76,000
<u>Granted</u>	140,000
<u>Vested</u>	(158,000)
<u>Forfeited</u>	
<u>Unvested shares expected to vest at End of Period</u>	58,000
<b><u>Weighted Average Award-Date Fair Value</u></b>	
<u>Unvested shares at Beginning of Period   \$ / shares</u>	\$ 0.90
<u>Granted   \$ / shares</u>	.86
<u>Vested   \$ / shares</u>	\$ 1.21
<u>Forfeited   \$ / shares</u>	
<u>Unvested shares at End of Period   \$ / shares</u>	\$ 1.25

**Condensed Consolidated  
Balance Sheets - USD (\$)**

	<b>Oct. 03, 2015</b>	<b>Jan. 03, 2015</b>
<b><u>Current Assets</u></b>		
<u>Cash</u>	\$ 4,708,642	\$ 3,964,750
<u>Trade receivables, less allowance for doubtful accounts and returns, October 3, 2015 \$43,000; January 3, 2015 \$38,000</u>	3,784,541	1,906,709
<u>Inventories</u>	4,163,628	3,734,341
<u>Prepaid expenses and other assets</u>	377,469	292,891
<u>Total current assets</u>	13,034,280	9,898,691
<u>Leasehold Improvements and Equipment, net</u>	1,581,961	1,264,660
<u>Deposits</u>	59,040	57,435
<u>Intangible assets, net</u>	371,325	296,061
<u>Total assets</u>	15,046,606	11,516,847
<b><u>Current Liabilities</u></b>		
<u>Accounts payable</u>	3,560,569	3,451,608
<u>Accrued expenses</u>	1,215,166	853,685
<u>Current maturities of loan payable</u>	598,837	223,358
<u>Current maturities of capital lease obligations</u>	216,551	148,278
<u>Customer deposits and other</u>	236,828	234,435
<u>Deferred rent, current</u>	52,914	69,456
<u>Total current liabilities</u>	5,880,865	4,980,820
<u>Loan payable, less current maturities, net</u>	4,226,414	1,977,113
<u>Capital lease obligations, less current maturities</u>	500,128	423,015
<u>Deferred rent, less current</u>	103,461	137,508
<u>Total Liabilities</u>	10,710,868	7,518,456
<b><u>Stockholders' Equity</u></b>		
<u>Common stock, \$.001 par value; authorized 150,000,000 shares; issued and outstanding October 3, 2015 106,319,606 and January 3, 2015 105,271,058 shares</u>	106,320	105,271
<u>Additional paid-in capital</u>	45,098,163	43,417,442
<u>Accumulated deficit</u>	(40,868,745)	(39,524,322)
<u>Total stockholders' equity</u>	4,335,738	3,998,391
<u>Total liabilities and stockholders' equity</u>	\$ 15,046,606	\$ 11,516,847



**Related Party Transactions  
(Details Narrative) - Related  
Party [Member]**

**9 Months Ended  
Oct. 03, 2015**

[Related party transaction  
description](#)

Pursuant to the terms of the Supply Agreement, in exchange for a 4% equity interest in Healthspan, the Company will initially supply NIAGEN® to Healthspan free of charge and thereafter at a fixed price and, in exchange for a 5% equity interest in Healthspan, the Company will grant to Healthspan certain exclusive rights to resell NIAGEN® in certain direct response channels. Healthspan will pay the Company royalties on the cumulative worldwide net sales of its finished products containing NIAGEN®. The exclusivity rights will remain for so long as Healthspan meets certain minimum purchase requirements.

[Equity interest received](#)

9.00%

**Condensed Consolidated  
Statements of Cash Flows  
(Unaudited) - USD (\$)**

**9 Months Ended  
Oct. 03, 2015 Sep. 27, 2014**

**Cash Flows From Operating Activities**

Net loss \$ (1,344,423) \$ (4,160,811)

**Adjustments to reconcile net loss to net cash used in operating activities:**

Depreciation of leasehold improvements and equipment 209,754 161,712

Amortization of intangibles 32,236 24,826

Share-based compensation expense 1,656,504 2,467,720

Allowance for doubtful trade receivables \$ 5,429 24,190

Gain on exchange of equipment \$ (17,301)

Loss from disposal of equipment \$ 19,643

Loss from investment in affiliate \$ 21,543

Non-cash financing costs \$ 139,780

**Changes in operating assets and liabilities:**

Trade receivables \$ (1,883,261) \$ (1,714,035)

Other receivable 215,000

Inventories \$ (429,287) (81,961)

Prepaid expenses and other assets (86,183) (87,068)

Accounts payable 108,961 967,229

Accrued expenses 361,481 201,147

Customer deposits and other 2,393 (320,127)

Deferred rent (50,589) (36,732)

Net cash used in operating activities (1,257,562) (2,334,668)

**Cash Flows From Investing Activities**

Purchases of leasehold improvements and equipment (242,765) (53,428)

Purchases of intangible assets \$ (107,500) (90,000)

Proceeds from sale of equipment 1,356

Proceeds from investment in affiliate 1,092,500

Net cash provided by (used in) investing activities \$ (350,265) 950,428

**Cash Flows From Financing Activities**

Proceeds from exercise of stock options 25,266 \$ 449,158

Proceeds from loan payable 2,500,000

Payment of debt issuance cost (15,000)

Principal payments on capital leases (158,547) \$ (122,496)

Net cash provided by financing activities 2,351,719 326,662

Net increase (decrease) in cash 743,892 (1,057,578)

Cash Beginning of Period 3,964,750 2,261,336

Cash Ending of Period 4,708,642 1,203,758

**Supplemental Disclosures of Cash Flow Information**

Cash payments for interest 293,968 34,359

**Supplemental Schedule of Noncash Investing Activity**

Capital lease obligation incurred for the purchase of equipment 303,933 322,802

<u>Retirement of fully depreciated equipment - cost</u>	8,181	56,110
<u>Retirement of fully depreciated equipment - accumulated depreciation</u>	\$ (8,181)	(56,110)
<b><u>Supplemental Schedule of Noncash Operating Activity</u></b>		
<u>Stock issued to settle outstanding payable balance</u>		137,494
<b><u>Supplemental Schedule of Noncash Share-based Compensation</u></b>		
<u>Changes in prepaid expenses associated with share-based compensation</u>		\$ 55,631

Loan Payable (Details Narrative)	3 Months Ended Oct. 03, 2015 USD (\$)	9 Months Ended  Oct. 03, 2015 USD (\$)
<b><u>Debt Disclosure [Abstract]</u></b>		
<u>Term loan</u>	\$ 5,000,000	\$ 5,000,000
<u>Funded at closing on September 29, 2014</u>	2,500,000	2,500,000
<u>Remaining available drawn on June 18, 2015</u>	2,500,000	\$ 2,500,000
<u>Maturity date</u>		Apr. 01, 2018
<u>Interest-only period extended to</u>		Mar. 31, 2016
<u>Interest-only period extended to if revenue milestone hit</u>		Jun. 30, 2016
<u>Facility fee</u>		\$ 15,000
<u>End of term charge</u>	93,750	\$ 93,750
<u>End of term charge rate</u>		3.75%
<u>Revenue milestone</u>		Pursuant to the Amendment, the parties agreed that the interest only period shall be extended to March 31, 2016, provided however that if the Company' s consolidated revenue is equal to or greater than \$11.5 million for the six months ending December 31, 2015, then the interest-only period shall be extended to June 30, 2016.
<u>Interest expenses</u>	\$ 166,000	\$ 387,000

**Leasehold Improvements  
and Equipment (Tables)**

**9 Months Ended  
Oct. 03, 2015**

**Leasehold Improvements And Equipment**

Leasehold improvements and equipment

	<u>October 3, 2015</u>	<u>January 3, 2015</u>
Laboratory equipment	\$3,577,132	\$3,151,748
Leasehold improvements	513,453	495,240
Computer equipment	379,806	329,737
Furniture and fixtures	15,678	13,039
Office equipment	21,547	7,877
Construction in progress	21,561	68,141
	<u>4,529,177</u>	<u>4,065,782</u>
Less accumulated depreciation	<u>2,947,216</u>	<u>2,801,122</u>
	<u>\$1,581,961</u>	<u>\$1,264,660</u>

**Share-Based Compensation -  
Employees Service Based  
(Details)**

**9 Months Ended  
Oct. 03, 2015  
USD (\$)  
\$ / shares  
shares**

**Number of Shares**

<u>Outstanding at Beginning of Period   shares</u>	12,723,601
<u>Options Granted   shares</u>	2,051,685
<u>Options Classification from Employee to Non-Employee   \$</u>	\$ (1,542,071)
<u>Options Exercised   shares</u>	(35,548)
<u>Options Forfeited   shares</u>	(150,586)
<u>Outstanding at End of Period   shares</u>	13,047,081
<u>Exercisable at End of Period   shares</u>	9,793,365

**Weighted Average Exercise Price**

<u>Outstanding at Beginning of Period</u>	\$ 1.13
<u>Options Granted</u>	1.22
<u>Options Classification from Employee to Non-Employee</u>	0.93
<u>Options Exercised</u>	.71
<u>Options Forfeited</u>	1.16
<u>Outstanding at End of Period</u>	1.17
<u>Exercisable at End of Period</u>	\$ 1.16

**Weighted Average Remaining Contractual Term**

<u>Outstanding at Beginning of Period</u>	7 years
<u>Options Granted</u>	10 years
<u>Outstanding at End of Period</u>	6 years 7 months 9 days
<u>Exercisable at End of Period</u>	5 years 10 months 2 days

**Aggregate Intrinsic Value**

<u>Outstanding at End of Period   \$</u>	\$ 2,389,000
<u>Exercisable at End of Period   \$</u>	\$ 2,061,000

**Share-Based Compensation  
(Tables)**

**9 Months Ended  
Oct. 03, 2015**

**Share-based Compensation Tables**  
**Service Period Based Stock Options**

	Number of Shares	Weighted Average		Aggregate Intrinsic Value
		Exercise Price	Remaining Contractual Term	
Outstanding at January 3, 2015	12,723,601	\$ 1.13	7.00	
Options Granted	2,051,685	1.22	10.00	
Options Classification from Employee to Non-Employee	(1,542,071)	0.93		
Options Exercised	(35,548)	0.71		
Options Forfeited	(150,586)	1.16		
Outstanding at October 3, 2015	<u>13,047,081</u>	<u>\$ 1.17</u>	<u>6.64</u>	<u>\$2,389,000</u>
Exercisable at October 3, 2015	<u>9,793,365</u>	<u>\$ 1.16</u>	<u>5.84</u>	<u>\$2,061,000</u>

**Weighted average assumptions of stock  
options granted**

Nine Months Ended October 3, 2015	
Expected volatility	76%
Expected dividends	0.00%
Expected term	5.7 years
Risk-free rate	1.71%

**Restricted stock awards granted to  
employees**

	Shares	Weighted Average Award- Date Fair Value
Granted	-	-
Vested	(520,000)	1.41
Forfeited	-	-
Unvested shares at October 3, 2015	<u>1,070,000</u>	<u>\$ 1.07</u>
Expected to Vest as of October 3, 2015	<u>1,070,000</u>	<u>\$ 1.07</u>

**Non-Employee stock options**

	Number of Shares	Weighted Average		Aggregate Intrinsic Value
		Exercise Price	Remaining Contractual Term	
Outstanding at January 3, 2015	1,050,451	\$ 1.35	5.46	
Options Granted	-	-		
Options Classification from Employee to Non-Employee	1,542,071	0.93		
Options Exercised	-	-		
Options Forfeited	-	-		
Outstanding at October 3, 2015	<u>2,592,522</u>	<u>\$ 1.10</u>	<u>6.29</u>	<u>\$ 594,000</u>
Exercisable at October 3, 2015	<u>2,547,522</u>	<u>\$ 1.10</u>	<u>6.24</u>	<u>\$ 593,000</u>

**Restricted stock awards granted to non-  
employees**

Shares	Weighted Average Fair Value
--------	--------------------------------------

Unvested shares at January 3, 2015	76,000	\$	0.90
Granted	140,000		0.86
Vested	(158,000)		1.21
Forfeited	-		-
Unvested shares expected to vest at October 3, 2015	<u>58,000</u>	<u>\$</u>	<u>1.25</u>



<b>Condensed Consolidated Statement of Stockholders' Equity - USD (\$)</b>	<b>Common Stock</b>	<b>Additional Paid-In Capital</b>	<b>Accumulated Deficit</b>	<b>Total</b>
<a href="#">Beginning Balance, Shares at Jan. 03, 2015</a>	105,271,058			
<a href="#">Beginning Balance, Amount at Jan. 03, 2015</a>	\$ 105,271	\$ 43,417,442	\$ (39,524,322)	\$ 3,998,391
<a href="#">Share-based compensation, Shares</a>	210,000			
<a href="#">Share-based compensation, Amount</a>	\$ 210	715,699		\$ 715,909
<a href="#">Vested restricted stock, shares</a>	506,000			
<a href="#">Vested restricted stock, Amount</a>	\$ 506	\$ (506)		
<a href="#">Net loss</a>			\$ (1,025,515)	\$ (1,025,515)
<a href="#">Ending Balance, Shares at Apr. 04, 2015</a>	105,987,058			
<a href="#">Ending Balance, Amount at Apr. 04, 2015</a>	\$ 105,987	\$ 44,132,635	(40,549,837)	3,688,785
<a href="#">Beginning Balance, Shares at Jan. 03, 2015</a>	105,271,058			
<a href="#">Beginning Balance, Amount at Jan. 03, 2015</a>	\$ 105,271	43,417,442	(39,524,322)	\$ 3,998,391
<a href="#">Exercise of stock options, Shares</a>				
<a href="#">Net loss</a>				\$ (1,344,423)
<a href="#">Ending Balance, Shares at Oct. 03, 2015</a>	106,319,606			
<a href="#">Ending Balance, Amount at Oct. 03, 2015</a>	\$ 106,320	45,098,163	(40,868,745)	4,335,738
<a href="#">Beginning Balance, Shares at Apr. 04, 2015</a>	105,987,058			
<a href="#">Beginning Balance, Amount at Apr. 04, 2015</a>	\$ 105,987	44,132,635	\$ (40,549,837)	3,688,785
<a href="#">Exercise of stock options, Shares</a>	22,745			
<a href="#">Exercise of stock options, Amount</a>	\$ 23	15,578		15,601
<a href="#">Share-based compensation, Shares</a>	125,000			
<a href="#">Share-based compensation, Amount</a>	\$ 125	507,143		\$ 507,268
<a href="#">Vested restricted stock, shares</a>	156,000			
<a href="#">Vested restricted stock, Amount</a>	\$ 156	\$ (156)		
<a href="#">Net loss</a>			\$ (315,192)	\$ (315,192)
<a href="#">Ending Balance, Shares at Jul. 04, 2015</a>	106,290,803			
<a href="#">Ending Balance, Amount at Jul. 04, 2015</a>	\$ 106,291	\$ 44,655,200	\$ (40,865,029)	3,896,462
<a href="#">Exercise of stock options, Shares</a>	12,803			
<a href="#">Exercise of stock options, Amount</a>	\$ 13	9,652		9,665
<a href="#">Share-based compensation, Shares</a>				

<u>Share-based compensation, Amount</u>		433,327		\$ 433,327
<u>Vested restricted stock, shares</u>	16,000			
<u>Vested restricted stock, Amount</u>	\$ 16	\$ (16)		
<u>Net loss</u>			\$ (3,716)	\$ (3,716)
<u>Ending Balance, Shares at Oct. 03, 2015</u>	106,319,606			
<u>Ending Balance, Amount at Oct. 03, 2015</u>	\$ 106,320	\$ 45,098,163	\$ (40,868,745)	\$ 4,335,738

**Condensed Consolidated  
Balance Sheets  
(Parenthetical) - USD (\$)**

**Oct. 03, 2015 Jan. 03, 2015**

**Statement of Financial Position [Abstract]**

<u>Trade receivables, less allowance for doubtful accounts and returns</u>	\$ 43,000	\$ 38,000
<u>Common Stock, Par Value Per Share</u>	\$ .001	\$ .001
<u>Common Stock, Shares Authorized</u>	150,000,000	150,000,000
<u>Common Stock, Shares, Issued</u>	106,319,606	105,271,058
<u>Common Stock, Shares, Outstanding</u>	106,319,606	105,271,058

## Related Party Transactions

**9 Months Ended  
Oct. 03, 2015**

### Related Party Transactions

#### [Abstract]

#### Note 10. Related Party Transactions

On August 28, 2015, the Company entered into an Exclusive Supply Agreement (the "Supply Agreement") with Healthspan Research, LLC ("Healthspan"). Under the terms of the Supply Agreement, Healthspan agreed to purchase NIAGEN® from the Company and the Company granted to Healthspan worldwide rights for resale of specific dietary supplements containing NIAGEN® in certain markets.

Pursuant to the terms of the Supply Agreement, in exchange for a 4% equity interest in Healthspan, the Company agreed to initially supply NIAGEN® to Healthspan free of charge and thereafter at a fixed price and, in exchange for an additional 5% equity interest in Healthspan, the Company will grant to Healthspan certain exclusive rights to resell NIAGEN® in certain direct response channels. Healthspan will pay the Company royalties on the cumulative worldwide net sales of its finished products containing NIAGEN®. The exclusivity rights will remain for so long as Healthspan meets certain minimum purchase requirements. In the event that, during the initial term, the Company terminates the exclusivity rights due to failure to meet the minimum purchase requirements or for any reason other than a material breach of the Supply Agreement by Healthspan, then the 5% equity interest shall be automatically redeemed for a purchase price of \$1.00 effective upon the date of termination of the exclusivity rights.

In connection with the foregoing, also on August 28, 2015, the Company and Healthspan entered into an interest purchase agreement and limited liability company agreement pursuant to which the Company was issued 9% of the outstanding equity interests of Healthspan. Rob Fried, a director of the Company, is the manager of Healthspan and owns 91% of the outstanding equity interests of Healthspan. The Supply Agreement, interest purchase agreement and limited liability company agreement were unanimously approved by the independent directors of the Company.

As of October 3, 2015, the Company had not shipped any NIAGEN® to Healthspan and no accounting was done for the nine-month period ended on October 3, 2015.

**Document and Entity  
Information - shares**

**9 Months Ended**  
**Oct. 03, 2015    Nov. 11, 2015**

**Document And Entity Information**

<u>Entity Registrant Name</u>	ChromaDex Corp.	
<u>Entity Central Index Key</u>	0001386570	
<u>Document Type</u>	10-Q	
<u>Document Period End Date</u>	Oct. 03, 2015	
<u>Amendment Flag</u>	false	
<u>Current Fiscal Year End Date</u>	--01-02	
<u>Is Entity a Well-known Seasoned Issuer?</u>	No	
<u>Is Entity a Voluntary Filer?</u>	No	
<u>Is Entity's Reporting Status Current?</u>	Yes	
<u>Entity Filer Category</u>	Accelerated Filer	
<u>Entity Common Stock, Shares Outstanding</u>		109,114,247
<u>Document Fiscal Period Focus</u>	Q3	
<u>Document Fiscal Year Focus</u>	2015	

## Subsequent Events

**9 Months Ended  
Oct. 03, 2015**

### [Subsequent Events](#)

#### [\[Abstract\]](#)

#### [Note 11. Subsequent Events](#)

Subsequent to the nine-month period ended October 3, 2015, the Company entered into Securities Purchase Agreements with certain existing stockholders to raise \$2,000,000 in a registered direct offering. Pursuant to the SPAs, the Company sold a total of 200,000 Units at a purchase price of \$10.00 per Unit, with each Unit consisting of eight shares of the Company' s common stock and a warrant to purchase four shares of common stock with an exercise price of \$1.50 and a term of 3 years. The offering was made pursuant to a prospectus supplement dated November 4, 2015 and an accompanying prospectus dated May 8, 2015 pursuant to the Company' s shelf registration statement on Form S-3 that was filed with the Securities and Exchange Commission on May 8, 2015 and became effective on June 5, 2015 (File No. 333-203204). The prospectus supplement registered the shares of common stock issued in the offering and the common stock underlying the warrants.

Condensed Consolidated Statements of Operations 3 Months Ended (Unaudited) - USD (\$)	3 Months Ended			9 Months Ended		
	Oct. 03, 2015	Jul. 04, 2015	Apr. 04, 2015	Sep. 27, 2014	Oct. 03, 2015	Sep. 27, 2014
<b><u>Income Statement [Abstract]</u></b>						
<u>Sales, net</u>	\$ 6,287,309			\$ 4,139,710	\$ 17,649,660	\$ 11,070,002
<u>Cost of sales</u>	3,805,679			2,616,764	10,769,714	7,163,282
<u>Gross profit</u>	2,481,630			1,522,946	6,879,946	3,906,720
<b><u>Operating expenses:</u></b>						
<u>Sales and marketing</u>	550,878			518,662	1,776,403	1,554,777
<u>General and administrative</u>	1,753,622			1,651,718	6,016,557	6,458,027
<u>Operating expenses</u>	2,304,500			2,170,380	7,792,960	8,034,347
<u>Operating income (loss)</u>	177,130			(647,434)	(913,014)	(4,127,627)
<b><u>Nonoperating income (expense):</u></b>						
<u>Interest income</u>	976			230	2,339	1,175
<u>Interest expense</u>	(181,822)			(12,449)	(433,748)	(34,359)
<u>Nonoperating expenses</u>	(180,846)			(12,219)	(431,409)	(33,184)
<u>Net loss</u>	\$ (3,716)	\$ (315,192)	\$ (1,025,515)	\$ (659,653)	\$ (1,344,423)	\$ (4,160,811)
<u>Basic and Diluted loss per common share</u>	\$ 0.00			\$ (.01)	\$ (0.01)	\$ (0.04)
<u>Basic and Diluted weighted average common shares outstanding</u>	107,442,916			106,610,400	107,350,469	106,290,782

**Leasehold Improvements  
and Equipment**

**9 Months Ended  
Oct. 03, 2015**

**Leasehold Improvements  
And Equipment**

**Note 5. Leasehold  
Improvements and Equipment**

Leasehold improvements and equipment consisted of the following:

	October 3, 2015	January 3, 2015
Laboratory equipment	\$3,577,132	\$3,151,748
Leasehold improvements	513,453	495,240
Computer equipment	379,806	329,737
Furniture and fixtures	15,678	13,039
Office equipment	21,547	7,877
Construction in progress	21,561	68,141
	<u>4,529,177</u>	<u>4,065,782</u>
Less accumulated depreciation	2,947,216	2,801,122
	<u>\$1,581,961</u>	<u>\$1,264,660</u>

Depreciation expense on leasehold improvements and equipment included in the consolidated statement of operations for the nine months ended October 3, 2015 and September 27, 2014 was approximately \$210,000 and \$162,000, respectively.



**Loss Per Share Applicable to  
Common Stockholders**

**Loss Per Share Applicable  
To Common Stockholders**

**Note 4. Loss Per Share  
Applicable to Common  
Stockholders**

**9 Months Ended  
Oct. 03, 2015**

The following table sets forth the computations of loss per share amounts applicable to common stockholders for the three and nine months ended October 3, 2015 and September 27, 2014:

	<b>Three Months Ended</b>		<b>Nine Months Ended</b>	
	<b>Oct. 3, 2015</b>	<b>Sept. 27, 2014</b>	<b>Oct. 3, 2015</b>	<b>Sept. 27, 2014</b>
Net loss	\$ (3,716)	\$ (659,653)	\$ (1,344,423)	\$ (4,160,811)
Basic and diluted loss per common share	\$ (0.00)	\$ (0.01)	\$ (0.01)	\$ (0.04)
Weighted average common shares outstanding (1):	<b>107,442,916</b>	106,610,400	<b>107,350,469</b>	106,290,782
Potentially dilutive securities (2):				
Stock options	<b>15,839,603</b>	13,890,766	<b>15,839,603</b>	13,890,766
Warrants	<b>469,020</b>	-	<b>469,020</b>	-
Convertible Debt	<b>773,395</b>	-	<b>773,395</b>	-

(1) Includes 1,132,241 and 1,676,175 weighted average nonvested shares of restricted stock for the three months ended October 3, 2015 and September 27, 2014, respectively, and 1,305,605 and 1,606,380 weighted average nonvested shares of restricted stock for the nine months ended October 3, 2015 and September 27, 2014, respectively, which are participating securities that feature voting and dividend rights.

(2) Excluded from the computation of loss per share as their impact is antidilutive.

## Loan Payable (Tables)

**9 Months Ended  
Oct. 03, 2015**

### Debt Disclosure [Abstract]

#### Loan payable

Principal amount payable for following years ending

December

2015	\$	-
2016		905,393
2017		1,945,650
2018		2,148,957
Total principal payments		<u>5,000,000</u>
Accrued end of term charge		49,551
Total loan payable		<u>5,049,551</u>
Less unamortized debt issuance costs and debt discount		<u>224,300</u>
Less current portion		<u>598,837</u>
Loan payable - long term		<u><u>\$4,226,414</u></u>

**Significant Accounting  
Policies (Policy)**

**9 Months Ended  
Oct. 03, 2015**

[Accounting Policies](#)

[\[Abstract\]](#)

[Basis of presentation](#)

[Changes in accounting  
principle](#)

**Basis of presentation:** The financial statements and accompanying notes have been prepared on a consolidated basis and reflect the consolidated financial position of the Company and its wholly owned subsidiaries. All significant intercompany balances and transactions have been eliminated from these financial statements. The Company's fiscal year ends on the Saturday closest to December 31. Every fifth or sixth fiscal year, the inclusion of an extra week occurs due to the Company's floating year-end date. The fiscal year 2014 ended on January 3, 2015 consisted of 53 weeks. The fiscal year 2015 ending on January 2, 2016 will include the normal 52 weeks.

**Changes in accounting principle:** In April 2015, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2015-03, Interest - Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs. The amendments in this ASU require that debt issuance costs related to a debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. The recognition and measurement guidance for debt issuance costs have not changed.

The Company early adopted the amendments in this ASU effective as of April 4, 2015. As of October 3, 2015 and January 3, 2015, the Company had unamortized debt issuance costs of \$75,264 and \$91,361, respectively. The Company had previously presented the debt issuance costs as other noncurrent assets in its consolidated balance sheet as of January 3, 2015 in the Company's Annual Report on Form 10-K filed with the Commission on March 19, 2015. The early adoption has resulted in adjustments to the Company's consolidated balance sheet as of January 3, 2015, by reclassifying the debt issuance costs as a direct deduction from the carrying amount of the debt liability. Below are the effects of the change on the consolidated balance sheet as of January 3, 2015.

**ChromaDex Corporation and Subsidiaries  
Condensed Consolidated Balance Sheet  
January 3, 2015**

	Previously Reported	Adjustments	As Adjusted
<b>Assets</b>			
Current Assets	\$ 9,898,691	\$ -	\$ 9,898,691
Leasehold Improvements and Equipment, net	1,264,660	-	1,264,660
Other Noncurrent Assets	444,857	(91,361)	353,496
<b>Total assets</b>	<b>\$11,608,208</b>	<b>\$ (91,361)</b>	<b>\$11,516,847</b>
<b>Liabilities and Stockholders' Equity</b>			
Current Liabilities	\$ 4,980,820	\$ -	\$ 4,980,820
Loan payable, less current maturities, net	2,068,474	(91,361)	1,977,113
Capital lease obligations, less current maturities	423,015	-	423,015
Deferred rent, less current	137,508	-	137,508
<b>Total liabilities</b>	<b>7,609,817</b>	<b>(91,361)</b>	<b>7,518,456</b>
<b>Total stockholders' equity</b>	<b>3,998,391</b>	<b>-</b>	<b>3,998,391</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$11,608,208</b>	<b>\$ (91,361)</b>	<b>\$11,516,847</b>

[Inventories](#)

**Inventories:** Inventories are comprised of raw materials, work-in-process and finished goods. They are stated at the lower of cost, determined by the first-in, first-out method (FIFO) method, or market. Labor and overhead has been added to inventory that was manufactured or

characterized by the Company. The amounts of major classes of inventory as of October 3, 2015 and January 3, 2015 are as follows:

	October 3, 2015	January 3, 2015
Natural product fine chemicals	\$1,695,326	\$1,760,305
Bulk ingredients	3,163,302	2,298,036
	4,858,628	4,058,341
Less valuation allowance	695,000	324,000
	<u>\$4,163,628</u>	<u>\$3,734,341</u>

## Business Segments

9 Months Ended  
Oct. 03, 2015

### Business Segments

#### Note 8. Business Segments

The Company has following three reportable segments.

- Ingredients segment develops and commercializes proprietary-based ingredient technologies and supplies these ingredients to the manufacturers of consumer products in various industries including the nutritional supplement, food and beverage and animal health industries.
- Core standards, and contract services segment includes supply of phytochemical reference standards, which are small quantities of plant-based compounds typically used to research an array of potential attributes, reference materials, and related contract services.
- Scientific and regulatory consulting segment which consist of providing scientific and regulatory consulting to the clients in the food, supplement and pharmaceutical industries to manage potential health and regulatory risks.

The "Other" classification includes corporate items not allocated by the Company to each reportable segment. Further, there are no intersegment sales that require elimination. The Company evaluates performance and allocates resources based on reviewing gross margin by reportable segment.

Three months ended October 3, 2015	Ingredients segment	Core Standards and Contract Services segment	Scientific and Regulatory Consulting segment	Other	Total
October 3, 2015					
Net sales	\$4,146,597	\$1,875,296	\$ 265,416	\$ -	\$6,287,309
Cost of sales	2,157,183	1,533,402	115,094	-	3,805,679
<b>Gross profit</b>	<u>1,989,414</u>	<u>341,894</u>	<u>150,322</u>	<u>-</u>	<u>2,481,630</u>
Operating expenses:					
Sales and marketing	259,874	287,901	3,103	-	550,878
General and administrative	-	-	-	1,753,622	1,753,622
<b>Operating expenses</b>	<u>259,874</u>	<u>287,901</u>	<u>3,103</u>	<u>1,753,622</u>	<u>2,304,500</u>
<b>Operating income (loss)</b>	<u>\$1,729,540</u>	<u>\$ 53,993</u>	<u>\$ 147,219</u>	<u>\$(1,753,622)</u>	<u>\$ 177,130</u>

Three months ended September 27, 2014	Ingredients segment	Core Standards and Contract Services segment	Scientific and Regulatory Consulting segment	Other	Total
Net sales	\$2,031,250	\$1,814,622	\$ 293,838	\$ -	\$4,139,710
Cost of sales	1,200,790	1,239,356	176,618	-	2,616,764
<b>Gross profit</b>	<u>830,460</u>	<u>575,266</u>	<u>117,220</u>	<u>-</u>	<u>1,522,946</u>

Operating expenses:

Sales and marketing	243,068	259,951	15,643	-	518,662
General and administrative	-	-	-	1,651,718	1,651,718
<b>Operating expenses</b>	<b>243,068</b>	<b>259,951</b>	<b>15,643</b>	<b>1,651,718</b>	<b>2,170,380</b>
<b>Operating income (loss)</b>	<b>\$ 587,392</b>	<b>\$ 315,315</b>	<b>\$ 101,577</b>	<b>\$(1,651,718)</b>	<b>\$(647,434)</b>

Nine months ended October 3, 2015	Ingredients segment	Core Standards and Contract Services segment	Scientific and Regulatory Consulting segment	Other	Total
Net sales	\$10,238,574	\$6,546,816	\$ 864,270	\$ -	\$17,649,660
Cost of sales	5,629,564	4,742,480	397,670	-	10,769,714
<b>Gross profit</b>	<b>4,609,010</b>	<b>1,804,336</b>	<b>466,600</b>	<b>-</b>	<b>6,879,946</b>

Operating expenses:					
Sales and marketing	832,779	935,237	8,387	-	1,776,403
General and administrative	-	-	-	6,016,557	6,016,557
<b>Operating expenses</b>	<b>832,779</b>	<b>935,237</b>	<b>8,387</b>	<b>6,016,557</b>	<b>7,792,960</b>
<b>Operating income (loss)</b>	<b>\$ 3,776,231</b>	<b>\$ 869,099</b>	<b>\$ 458,213</b>	<b>\$(6,016,557)</b>	<b>\$(913,014)</b>

Nine months ended September 27, 2014	Ingredients segment	Core Standards and Contract Services segment	Scientific and Regulatory Consulting segment	Other	Total
Net sales	\$4,889,431	\$5,407,455	\$ 773,116	\$ -	\$11,070,002
Cost of sales	2,962,505	3,728,521	472,256	-	7,163,282
<b>Gross profit</b>	<b>1,926,926</b>	<b>1,678,934</b>	<b>300,860</b>	<b>-</b>	<b>3,906,720</b>

Operating expenses:					
Sales and marketing	793,414	694,523	66,840	-	1,554,777
General and administrative	-	-	-	6,458,027	6,458,027
Loss from investment in affiliate	-	-	-	21,543	21,543
<b>Operating expenses</b>	<b>793,414</b>	<b>694,523</b>	<b>66,840</b>	<b>6,479,570</b>	<b>8,034,347</b>
<b>Operating income (loss)</b>	<b>\$1,133,512</b>	<b>\$ 984,411</b>	<b>\$ 234,020</b>	<b>\$(6,479,570)</b>	<b>\$(4,127,627)</b>

At October 3, 2015	Ingredients segment	Core Standards and Contract Services segment	Scientific and Regulatory Consulting segment	Other	Total
Total assets	\$6,527,861	\$ 3,042,917	\$ 110,284	\$5,365,544	\$15,046,606

At January 3, 2015	Ingredients segment	Core Standards and Contract Services segment	Scientific and Regulatory Consulting segment	Other	Total
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Total assets	<u>\$3,757,073</u>	\$	<u>3,220,518</u>	\$	<u>105,711</u>	<u>\$4,433,545</u>	<u>\$11,516,847</u>
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***Disclosure of major customers***

During the three and nine months ended October 3, 2015, Customer B in our ingredients segment accounted for 19.1% and 13.8%, respectively of the Company' s total sales. During the three and nine months ended September 27, 2014, Customer A in our ingredients segment accounted for 12.3% and 13.8%, respectively of the Company' s total sales.

## Loan Payable

**9 Months Ended  
Oct. 03, 2015**

### [Debt Disclosure \[Abstract\]](#)

#### [Note 6. Loan Payable](#)

On June 17, 2015, the Company and Hercules Technology II, L.P entered into Amendment No. 1 (the "Amendment") to the Loan and Security Agreement entered into by the parties on September 29, 2014 (the "Agreement"). The terms of the Agreement provided the Company with access to a term loan of up to \$5 million. The first \$2.5 million of the term loan was funded at closing. The remaining \$2.5 million of the term loan was to be drawn down in part or in full at our option at any time but no later than July 31, 2015. The first advance and second advance, if any, were to be repaid in equal monthly installments through the loan's maturity on April 1, 2018, following an initial interest-only period that was to conclude on October 31, 2015.

Pursuant to the Amendment, the parties agreed that the interest only period shall be extended to March 31, 2016, provided however that if the Company's consolidated revenue is equal to or greater than \$11.5 million for the six months ending December 31, 2015, then the interest-only period shall be extended to June 30, 2016. The maturity date remains unchanged at April 1, 2018 and any remaining principal balance of the loan and all unpaid interest shall be due on the maturity date. The Amendment became effective on June 18, 2015 upon the funding of the full amount of the \$2.5 million second advance and payment of a nonrenewable facility fee of \$15,000 to the Agent.

The second advance of \$2.5 million is treated as if the Company entered into a separate loan. The facility fee of \$15,000 is treated as debt issuance costs and are being amortized as interest expense using the effective interest method over the term of the loan. There is also additional \$93,750 end of term charge the Company will pay, which is 3.75% of the \$2.5 million drawn. The end of term charge is being accrued as additional interest expense using the effective interest rate method over the term of the loan.

The Company determined that the amended terms of the first advance of \$2.5 million on September 29, 2014 were not substantially different from the original terms. The Company therefore did not apply debt extinguishment treatment, but rather accounted for prospectively as yield adjustments, based on the revised terms.

Loan payable as of October 3, 2015 consists of the following:

Principal amount payable for following years ending December

2015	\$ -
2016	905,393
2017	1,945,650
2018	2,148,957
<b>Total principal payments</b>	<b>5,000,000</b>
Accrued end of term charge	49,551
<b>Total loan payable</b>	<b>5,049,551</b>
Less unamortized debt issuance costs and debt discount	224,300
<b>Less current portion</b>	<b>598,837</b>
<b>Loan payable - long term</b>	<b>\$4,226,414</b>

The total interest expenses related to the term loan, including cash interest payments, the amortizations of debt issuance costs and debt discount, and the accrual of the end of term charge were approximately \$166,000 and \$387,000 for the three and nine months ended October 3, 2015. For the three and nine months ended September 27, 2014, the Company did not have any interest expense related to loan payable as the Company did not have any outstanding balance.



## Share-Based Compensation

9 Months Ended  
Oct. 03, 2015

### Share-based Compensation

#### Note 7. Share-Based Compensation

#### 7A. Employee Share-Based Compensation

##### *Stock Option Plans*

##### Service Period Based Stock Options

The majority of options granted by the Company feature service conditions. Accordingly, these options vest ratably over specified periods of approximately 3 to 5 years following the date of grant.

The following table summarizes our stock option activity during the nine months ended October 3, 2015:

	Number of Shares	Weighted Average		Aggregate Intrinsic Value
		Exercise Price	Remaining Contractual Term	
Outstanding at January 3, 2015	12,723,601	\$ 1.13	7.00	
Options Granted	2,051,685	1.22	10.00	
Options Classification from Employee to Non-Employee	(1,542,071)	0.93		
Options Exercised	(35,548)	0.71		
Options Forfeited	(150,586)	1.16		
Outstanding at October 3, 2015	<u>13,047,081</u>	<u>\$ 1.17</u>	<u>6.64</u>	<u>\$ 2,389,000</u>
Exercisable at October 3, 2015	<u>9,793,365</u>	<u>\$ 1.16</u>	<u>5.84</u>	<u>\$ 2,061,000</u>

The aggregate intrinsic values in the table above are based on the Company's closing stock price of \$1.25 on the last day of business for the period ended October 3, 2015.

Certain employees who were previously classified as employees under the share-based compensation plan have been reclassified to non-employees during the nine months ended October 3, 2015 as they became consultants. There was no impact on accounting as the options were fully vested.

The fair value of the Company's stock options was estimated at the date of grant using the Black-Scholes option pricing model. The table below outlines the weighted average assumptions for options granted to employees during the nine months ended October 3, 2015.

##### Nine Months Ended October 3, 2015

Expected volatility	76%
Expected dividends	0.00%
Expected term	5.7 years
Risk-free rate	1.71%

The weighted average grant date fair value of options granted during the nine months ended October 3, 2015 was \$0.75.

As of October 3, 2015, there was approximately \$2,022,000 of total unrecognized compensation expense expected to be recognized over a weighted average period of 2.38 years.

### ***Stock Award***

On April 16, 2015, the Company awarded 125,000 shares of the Company's common stock that were fully vested and non-forfeitable to Mark Germain, who resigned from the Board. These shares were granted as compensation for his services as a director of the Company through April 16, 2015. The fair value of the award, which amounted to approximately \$154,000 was based on the trading price of the Company's stock on the date of grant. The expense related to this stock award was immediately recognized.

### ***Restricted Stock***

Restricted stock awards granted by the Company to employees have vesting conditions that are unique to each award.

The following table summarizes activity of restricted stock awards granted to employees at October 3, 2015 and changes during the nine months then ended:

	Shares	Weighted Average Award- Date Fair Value
Unvested shares at January 3, 2015	1,590,000	\$ 1.18
Granted	-	-
Vested	(520,000)	1.41
Forfeited	-	-
Unvested shares at October 3, 2015	<u>1,070,000</u>	<u>\$ 1.07</u>
Expected to Vest as of October 3, 2015	<u>1,070,000</u>	<u>\$ 1.07</u>

On February 25, 2015, Michael Brauser and Barry Honig, then members of the Company's Board of Directors (the "Board"), resigned from the Board. In connection with these resignations, the Board authorized the immediate vesting, as of the date of the resignations, of 250,000 shares of unvested restricted stock held by Mr. Brauser and 250,000 shares of unvested restricted stock held by Mr. Honig. The expense for this vested restricted stock was recognized during the fiscal year ended January 3, 2015.

On April 16, 2015, Mark Germain, then a member of the Board, resigned from the Board. In connection with Mr. Germain's resignation, the Board authorized the immediate vesting, as of the date of Mr. Germain's resignation, of 10,000 shares of unvested restricted stock held by Mr. Germain. The expense for this vested restricted stock was recognized during the fiscal year ended January 3, 2015.

On July 9, 2015, Glenn Halpryn, then a member of the Board, resigned from the Board. In connection with Mr. Halpryn's resignation, the Board authorized the immediate vesting, as of the date of Mr. Halpryn's resignation, of 10,000 shares of unvested restricted stock held by Mr. Halpryn. The expense for this vested restricted stock was recognized during the fiscal year ended January 3, 2015.

### ***Employee Option, Stock and Restricted Stock Compensation***

The Company recognized compensation expense of approximately \$418,000 and \$1,238,000 in general and administrative expenses in the statement of operations for the three and nine months ended October 3, 2015, respectively, and approximately \$388,000 and \$2,359,000 for the three and nine months ended September 27, 2014, respectively.

### **7B. Non-Employee Share-Based Compensation**

### Stock Option Plans

The following table summarizes activity of stock options granted to non-employees at October 3, 2015 and changes during the nine months then ended:

	Number of Shares	Weighted Average		Aggregate Intrinsic Value
		Exercise Price	Remaining Contractual Term	
Outstanding at January 3, 2015	1,050,451	\$ 1.35	5.46	
Options Granted	-	-		
Options Classification from Employee to Non-Employee	1,542,071	0.93		
Options Exercised	-	-		
Options Forfeited	-	-		
Outstanding at October 3, 2015	<u>2,592,522</u>	<u>\$ 1.10</u>	<u>6.29</u>	<u>\$ 594,000</u>
Exercisable at October 3, 2015	<u>2,547,522</u>	<u>\$ 1.10</u>	<u>6.24</u>	<u>\$ 593,000</u>

The aggregate intrinsic values in the table above are based on the Company's closing stock price of \$1.25 on the last day of business for the period ended October 3, 2015.

As of October 3, 2015, there was approximately \$31,000 of total unrecognized compensation expense expected to be recognized over a weighted average period of approximately 11 months.

### Stock and Restricted Stock Awards

Restricted stock awards granted by the Company to non-employees generally feature time vesting service conditions, specified in the respective service agreements. Restricted stock awards issued to non-employees are accounted for at current fair value through the vesting period. On January 27, 2015, the Company awarded 350,000 shares of the Company's common stock to non-employees. 210,000 of these shares were treated as stock awards as the shares vested immediately on the date of award, and the remaining 140,000 shares, which were initially treated as unvested restricted stock, vested on May 28, 2015. The fair values of the awards, which totaled approximately \$350,000, were measured based on the trading prices of the Company's stock on the date of award and the date vested. The expense related to these stock awards were fully recognized during the nine-month period ended October 3, 2015.

In addition, 18,000 shares of restricted stock that were granted to a certain non-employee during the fiscal year ended January 3, 2015 became vested during the nine-month period ended October 3, 2015. The fair value of these vested restricted shares was approximately \$22,000, which represents the market value of the Company's common stock on respective vesting dates charged to expense.

The following table summarizes activity of restricted stock awards issued to non-employees at October 3, 2015 and changes during the nine months then ended:

	Shares	Weighted Average Fair Value
Unvested shares at January 3, 2015	76,000	\$ 0.90
Granted	140,000	0.86
Vested	(158,000)	1.21
Forfeited	-	-
Unvested shares expected to vest at October 3, 2015	<u>58,000</u>	<u>\$ 1.25</u>

As of October 3, 2015, there was approximately \$73,000 of total unrecognized compensation expense related to the restricted stock award to a non-employee. That cost is expected to be recognized over a period of 2.4 years as of October 3, 2015.

***Non-Employee Option, Stock and Restricted Stock Compensation***

The Company recognized share-based compensation expense of approximately \$15,000 and \$418,000 in general and administrative expenses in the statement of operations for the three and nine months ended October 3, 2015 and approximately \$43,000 and \$109,000 for the three and nine months ended September 27, 2014, respectively.

**Commitments and  
Contingencies**

**9 Months Ended  
Oct. 03, 2015**

**Commitments and  
Contingencies Disclosure**

**[Abstract]**

**Note 9. Commitments and  
Contingencies**

***Capitalized Lease Obligations***

On January 31, 2015, the Company entered into a financing transaction to purchase laboratory equipment. Under the lease terms, the Company will make monthly lease payments, including interest, of approximately \$7,000 for 48 months, for a total payment of approximately \$356,000. The Company has recorded a capital lease of approximately \$304,000. The equipment will be utilized in our core standards and contract services segment.

***Inventory Purchase Obligations***

On September 29, 2015, the Company entered into an agreement with W.R. Grace & Co. Conn. (“Grace”) pursuant to which the Company has agreed to purchase from Grace not less than approximately \$6.1 million worth of nicotinamide riboside chloride (the “Required Volume”) at a fixed price per kilogram (the “Price per Kilogram”) between September 4, 2015 and December 31, 2015. So long as Grace makes available for sale to the Company the Required Volume prior to December 31, 2015, if the Company does not in fact purchase the Required Volume the Company will be obligated to pay the Price per Kilogram for the difference in kilograms between the Required Volume and the amount actually purchased. If Grace is unable to deliver the Required Volume by December 31, 2015, it will continue to deliver nicotinamide riboside chloride until it has delivered the Required Amount and the Company will pay for amounts delivered after December 31, 2015 within 60 days after they have been delivered. As of October 3, 2015, the Company had purchased approximately \$1.0 million of the \$6.1 million it is required to purchase pursuant to the agreement.

**Loan Payable - Loan  
payable (Details) - USD (\$)**

**Oct. 03, 2015 Jan. 03, 2015**

**Principal amount payable for following years ending December**

2015

2016

2017

2018

Total principal payments

Accrued end of term charge

Total loan payable

Less unamortized debt issuance costs and debt discount

Less current portion

Loan payable – long term

\$ 905,393

1,945,650

2,148,957

5,000,000

49,551

5,049,551

224,300

598,837      \$ 223,358

\$ 4,226,414    \$ 1,977,113

**Loss Per Share Applicable to  
Common Stockholders  
(Tables)**

**Loss Per Share Applicable  
To Common Stockholders  
Tables**

Loss per share amounts  
applicable to common  
stockholders

**9 Months Ended  
Oct. 03, 2015**

	<b>Three Months Ended</b>		<b>Nine Months Ended</b>	
	<b>Oct. 3, 2015</b>	<b>Sept. 27, 2014</b>	<b>Oct. 3, 2015</b>	<b>Sept. 27, 2014</b>
Net loss	\$ (3,716)	\$ (659,653)	\$ (1,344,423)	\$ (4,160,811)
Basic and diluted loss per common share	\$ (0.00)	\$ (0.01)	\$ (0.01)	\$ (0.04)
Weighted average common shares outstanding (1):	<b>107,442,916</b>	106,610,400	<b>107,350,469</b>	106,290,782
Potentially dilutive securities (2):				
Stock options	<b>15,839,603</b>	13,890,766	<b>15,839,603</b>	13,890,766
Warrants	<b>469,020</b>	-	<b>469,020</b>	-
Convertible Debt	<b>773,395</b>	-	<b>773,395</b>	-

(1) Includes 1,132,241 and 1,676,175 weighted average nonvested shares of restricted stock for the three months ended October 3, 2015 and September 27, 2014, respectively, and 1,305,605 and 1,606,380 weighted average nonvested shares of restricted stock for the nine months ended October 3, 2015 and September 27, 2014, respectively, which are participating securities that feature voting and dividend rights.

(2) Excluded from the computation of loss per share as their impact is antidilutive.

Nature of Business and Liquidity (Details Narrative) - USD (\$)	1 Months Ended	3 Months Ended			9 Months Ended			
	Nov. 11, 2015	Oct. 03, 2015	Jul. 04, 2015	Apr. 04, 2015	Sep. 27, 2014	Oct. 03, 2015	Sep. 27, 2014	Jan. 03, 2015
<b>Liquidity</b>								
<u>Operating income (loss)</u>		\$ 177,130			\$ (647,434)	\$ (913,014)	\$ (4,127,627)	
<u>Net (loss)</u>		(3,716)	\$ (315,192)	\$ (1,025,515)	(659,653)	(1,344,423)	(4,160,811)	
<u>Cash and cash equivalents</u>		\$ 4,708,642			\$ 1,203,758	\$ 4,708,642	\$ 1,203,758	\$ 3,964,750
<u>Proceeds from registered direct offering Capital Units [Member]</u>	\$ 2,000,000							
<b>Liquidity</b>								
<u>Units sold</u>	200,000							
<u>Purchase price per unit sold</u>	\$ 10.00							
<u>Unit description</u>	Eight shares of the Company' s common stock and a warrant to purchase four shares of common stock with an exercise price of \$1.50 and a term of 3 years.							
<u>Unit warrant exercise price</u>	\$ 1.50							
<u>Unit warrant term</u>	3 years							



Share-Based Compensation (Details Narrative) - USD (\$)	3 Months Ended		9 Months Ended	
	Oct. 03, 2015	Sep. 27, 2014	Oct. 03, 2015	Sep. 27, 2014
<a href="#">NonEmployee2 [Member]</a>				
<a href="#">Shares vested</a>			18,000	
<a href="#">Brauser [Member]</a>				
<a href="#">Shares vested</a>			250,000	
<a href="#">Honig [Member]</a>				
<a href="#">Shares vested</a>			250,000	
<a href="#">Germain [Member]</a>				
<a href="#">Shares vested</a>			10,000	
<a href="#">Halpryn [Member]</a>				
<a href="#">Shares vested</a>			10,000	
<a href="#">Employee Comp [Member]</a>				
<a href="#">Weighted average fair value of options granted</a>			\$ .75	
<a href="#">Closing stock price</a>	\$ 1.25		\$ 1.25	
<a href="#">Unrecognized stock option expense</a>	\$ 2,022,000		\$ 2,022,000	
<a href="#">Period of stock option expense expected to be recognized over</a>			2 years 4 months 17 days	
<a href="#">General and administrative expenses</a>	\$ 418,000	\$ 388,000	\$ 1,238,000	\$ 2,359,000
<a href="#">Employee Comp [Member]   Former Director [Member]</a>				
<a href="#">Common stock shares awarded, shares</a>			125,000	
<a href="#">Fair value of stock award</a>			\$ 154,000	
<a href="#">NonEmployee Comp [Member]</a>				
<a href="#">Closing stock price</a>	\$ 1.25		\$ 1.25	
<a href="#">Unrecognized stock option expense</a>	\$ 31,000		\$ 31,000	
<a href="#">Period of stock option expense expected to be recognized over</a>			11 months	
<a href="#">General and administrative expenses</a>	\$ 15,000	\$ 43,000	\$ 418,000	\$ 109,000
<a href="#">Common stock shares awarded, shares</a>			350,000	
<a href="#">Fair value of stock award</a>			\$ 350,000	
<a href="#">Common stock shares awarded fully vested, shares</a>	210,000		210,000	
<a href="#">Unrecognized expense related to restricted stock awards</a>	\$ 73,000		\$ 73,000	
<a href="#">Restricted Stock award, period of expense expected to be recognized over</a>			2 years 4 months 24 days	
<a href="#">Fair value of vested restricted stock awards</a>			\$ 22,000	
<a href="#">Shares vested</a>			140,000	

Condensed Consolidated Statements of Operations 9 Months Ended (Unaudited) - USD (\$)	3 Months Ended			9 Months Ended		
	Oct. 03, 2015	Jul. 04, 2015	Apr. 04, 2015	Sep. 27, 2014	Oct. 03, 2015	Sep. 27, 2014
<b><u>Income Statement [Abstract]</u></b>						
<u>Sales, net</u>	\$ 6,287,309			\$ 4,139,710	\$ 17,649,660	\$ 11,070,002
<u>Cost of sales</u>	3,805,679			2,616,764	10,769,714	7,163,282
<u>Gross profit</u>	2,481,630			1,522,946	6,879,946	3,906,720
<b><u>Operating expenses:</u></b>						
<u>Sales and marketing</u>	550,878			518,662	1,776,403	1,554,777
<u>General and administrative</u>	1,753,622			1,651,718	\$ 6,016,557	6,458,027
<u>Loss from investment in affiliate</u>						21,543
<u>Operating expenses</u>	2,304,500			2,170,380	\$ 7,792,960	8,034,347
<u>Operating income (loss)</u>	177,130			(647,434)	(913,014)	(4,127,627)
<b><u>Nonoperating income (expense):</u></b>						
<u>Interest income</u>	976			230	2,339	1,175
<u>Interest expense</u>	(181,822)			(12,449)	(433,748)	(34,359)
<u>Nonoperating expenses</u>	(180,846)			(12,219)	(431,409)	(33,184)
<u>Net loss</u>	\$ (3,716)	\$ (315,192)	\$ (1,025,515)	\$ (659,653)	\$ (1,344,423)	\$ (4,160,811)
<u>Basic and Diluted loss per common share</u>	\$ 0.00			\$ (.01)	\$ (0.01)	\$ (0.04)
<u>Basic and Diluted weighted average common shares outstanding</u>	107,442,916			106,610,400	107,350,469	106,290,782

**Significant Accounting  
Policies**

**9 Months Ended  
Oct. 03, 2015**

**Accounting Policies**

**[Abstract]**

**Note 3. Significant Accounting  
Policies**

**Basis of presentation:** The financial statements and accompanying notes have been prepared on a consolidated basis and reflect the consolidated financial position of the Company and its wholly owned subsidiaries. All significant intercompany balances and transactions have been eliminated from these financial statements. The Company's fiscal year ends on the Saturday closest to December 31. Every fifth or sixth fiscal year, the inclusion of an extra week occurs due to the Company's floating year-end date. The fiscal year 2014 ended on January 3, 2015 consisted of 53 weeks. The fiscal year 2015 ending on January 2, 2016 will include the normal 52 weeks.

**Changes in accounting principle:** In April 2015, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2015-03, Interest - Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs. The amendments in this ASU require that debt issuance costs related to a debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. The recognition and measurement guidance for debt issuance costs have not changed.

The Company early adopted the amendments in this ASU effective as of April 4, 2015. As of October 3, 2015 and January 3, 2015, the Company had unamortized debt issuance costs of \$75,264 and \$91,361, respectively. The Company had previously presented the debt issuance costs as other noncurrent assets in its consolidated balance sheet as of January 3, 2015 in the Company's Annual Report on Form 10-K filed with the Commission on March 19, 2015. The early adoption has resulted in adjustments to the Company's consolidated balance sheet as of January 3, 2015, by reclassifying the debt issuance costs as a direct deduction from the carrying amount of the debt liability. Below are the effects of the change on the consolidated balance sheet as of January 3, 2015.

**ChromaDex Corporation and Subsidiaries  
Condensed Consolidated Balance Sheet  
January 3, 2015**

	<u>Previously Reported</u>	<u>Adjustments</u>	<u>As Adjusted</u>
<b>Assets</b>			
Current Assets	\$ 9,898,691	\$ -	\$ 9,898,691
Leasehold Improvements and Equipment, net	1,264,660	-	1,264,660
Other Noncurrent Assets	444,857	(91,361)	353,496
<b>Total assets</b>	<u>\$11,608,208</u>	<u>\$ (91,361)</u>	<u>\$11,516,847</u>
<b>Liabilities and Stockholders' Equity</b>			
Current Liabilities	\$ 4,980,820	\$ -	\$ 4,980,820
Loan payable, less current maturities, net	2,068,474	(91,361)	1,977,113
Capital lease obligations, less current maturities	423,015	-	423,015
Deferred rent, less current	137,508	-	137,508
<b>Total liabilities</b>	<u>7,609,817</u>	<u>(91,361)</u>	<u>7,518,456</u>
<b>Total stockholders' equity</b>	<u>3,998,391</u>	<u>-</u>	<u>3,998,391</u>
<b>Total liabilities and stockholders' equity</b>	<u>\$11,608,208</u>	<u>\$ (91,361)</u>	<u>\$11,516,847</u>

Inventories: Inventories are comprised of raw materials, work-in-process and finished goods. They are stated at the lower of cost, determined by the first-in, first-out method (FIFO) method, or market. Labor and overhead has been added to inventory that was manufactured or characterized by the Company. The amounts of major classes of inventory as of October 3, 2015 and January 3, 2015 are as follows:

	October 3, 2015	January 3, 2015
Natural product fine chemicals	\$1,695,326	\$1,760,305
Bulk ingredients	3,163,302	2,298,036
	4,858,628	4,058,341
Less valuation allowance	695,000	324,000
	<u>\$4,163,628</u>	<u>\$3,734,341</u>

**Significant Accounting  
Policies (Details) - USD (\$)**

**Oct. 03, 2015 Jul. 04, 2015 Apr. 04, 2015 Jan. 03, 2015**

**Assets**

<u>Current assets</u>	\$ 13,034,280			\$ 9,898,691
<u>Leasehold Improvements and Equipment, net</u>	1,581,961			1,264,660
<u>Other noncurrent assets</u>				353,496
<u>Total assets</u>	15,046,606			11,516,847

**Liabilities and Stockholders' Equity**

<u>Current liabilities</u>	5,880,865			4,980,820
<u>Loan payable, less current maturities, net</u>	4,226,414			1,977,113
<u>Capital lease obligations, less current maturities</u>	500,128			423,015
<u>Deferred rent, less current</u>	103,461			137,508
<u>Total liabilities</u>	10,710,868			7,518,456
<u>Total stockholders' equity</u>	4,335,738	\$ 3,896,462	\$ 3,688,785	3,998,391
<u>Total liabilities and stockholders' equity</u>	\$ 15,046,606			11,516,847

**Scenario, Previously Reported [Member]**

**Assets**

<u>Current assets</u>				9,898,691
<u>Leasehold Improvements and Equipment, net</u>				1,264,660
<u>Other noncurrent assets</u>				444,857
<u>Total assets</u>				11,608,208

**Liabilities and Stockholders' Equity**

<u>Current liabilities</u>				4,980,820
<u>Loan payable, less current maturities, net</u>				2,068,474
<u>Capital lease obligations, less current maturities</u>				423,015
<u>Deferred rent, less current</u>				137,508
<u>Total liabilities</u>				7,609,817
<u>Total stockholders' equity</u>				3,998,391
<u>Total liabilities and stockholders' equity</u>				\$ 11,608,208

**Restatement Adjustment [Member]**

**Assets**

<u>Current assets</u>				
<u>Leasehold Improvements and Equipment, net</u>				
<u>Other noncurrent assets</u>				\$ (91,361)
<u>Total assets</u>				\$ (91,361)

**Liabilities and Stockholders' Equity**

<u>Current liabilities</u>				
<u>Loan payable, less current maturities, net</u>				\$ (91,361)
<u>Capital lease obligations, less current maturities</u>				
<u>Deferred rent, less current</u>				
<u>Total liabilities</u>				\$ (91,361)
<u>Total stockholders' equity</u>				
<u>Total liabilities and stockholders' equity</u>				\$ (91,361)

**Share-Based Compensation -  
Employees - Restricted Stock  
(Details 2) - Restricted Stock  
[Member]**

**9 Months Ended  
Oct. 03, 2015  
\$ / shares  
shares**

**Summary of activity of restricted stock awards granted to employees- Shares**

<u>Unvested shares at Beginning of Period</u>	1,590,000
<u>Granted</u>	
<u>Vested</u>	(520,000)
<u>Forfeited</u>	
<u>Unvested shares at End of Period</u>	1,070,000
<u>Expected to Vest as of End of Period</u>	1,070,000
<b><u>Weighted Average Award-Date Fair Value</u></b>	
<u>Unvested shares at Beginning of Period   \$ / shares</u>	\$ 1.18
<u>Granted   \$ / shares</u>	
<u>Vested   \$ / shares</u>	\$ 1.41
<u>Forfeited   \$ / shares</u>	
<u>Unvested shares at End of Period   \$ / shares</u>	\$ 1.07
<u>Expected to Vest as of End of Period   \$ / shares</u>	\$ 1.07

Significant Accounting  
Policies (Tables)

9 Months Ended  
Oct. 03, 2015

[Accounting Policies \[Abstract\]](#)

[Restatement](#)

ChromaDex Corporation and Subsidiaries  
Condensed Consolidated Balance Sheet  
January 3, 2015

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<b>Total liabilities</b>	<b>7,609,817</b>	<b>(91,361)</b>	<b>7,518,456</b>
<b>Total stockholders' equity</b>	<b>3,998,391</b>	<b>-</b>	<b>3,998,391</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$11,608,208</b>	<b>\$ (91,361)</b>	<b>\$11,516,847</b>
		October 3, 2015	January 3, 2015
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[Inventories](#)