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

FORM 10-K

(Mark One)

☒ **ANNUAL REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.**
For the fiscal year ended June 30, 2014

☐ **TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.**
For the transition period from to

Commission file number: 001-35647

LIFEVANTAGE CORPORATION

(Exact name of registrant as specified in its charter)

Colorado	**90-0224471**
(State or other jurisdiction of incorporation or organization)	**(IRS Employer Identification No.)**

9785 S. Monroe, Ste 300
Sandy, UT 84070
(Address of principal executive offices, including zip code)

Registrant's telephone number: (801) 432-9000

Securities registered pursuant to Section 12(b) of the Act: None

Securities registered pursuant to Section 12(g) of the Act:
Common Stock, $0.001 par value per share
(Title of Class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

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 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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions 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	☐ (Do not check if a smaller reporting company)	Smaller reporting company	☐

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

The aggregate market value of the registrant's common stock held by non-affiliates as of December, 31, 2013, the end of the registrant's second fiscal quarter, was approximately $171.4 million, based on a closing market price of $1.65 per share.

The number of shares of common stock (par value $0.001) outstanding as of September 4, 2014, was 100,717,598 shares.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive proxy statement to be filed subsequent to the date hereof with the Securities and Exchange Commission pursuant to Regulation 14A in connection with the registrant's fiscal year 2015 annual meeting of shareholders are incorporated by reference into Part III of this report. Such definitive proxy statement will be filed with the Commission not later than 120 days after the end of the registrant's fiscal year ended June 30, 2014.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in this report and the information incorporated by reference herein may contain “forward-looking statements” (as such term is defined in Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934, as amended). These statements, which involve risks and uncertainties, reflect our current expectations, intentions, or strategies regarding our possible future results of operations, performance, and achievements. Forward-looking statements include, without limitation: statements regarding future products or product development; statements regarding future selling, marketing, general and administrative costs and research and development spending; statements regarding expansion in new and existing markets; statements regarding our product development strategy; statements regarding the future performance of our business; and statements regarding future financial performance and results of operations. These forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and applicable rules of the Securities and Exchange Commission and common law.

These forward-looking statements may be identified in this report and the information incorporated by reference by words such as “anticipate”, “believe”, “could”, “estimate”, “expect”, “intend”, “plan”, “predict”, “project”, “should” and similar terms and expressions, including references to assumptions and strategies. These statements reflect our current beliefs and are based on information currently available to us. Accordingly, these statements are subject to certain risks, uncertainties, and contingencies, which could cause our actual results, performance, or achievements to differ materially from those expressed in, or implied by, such statements.

The following factors are among those that may cause actual results to differ materially from our forward-looking statements:

- Inability to strengthen our business and properly manage distractions among our distributors in Japan;
- We may be unable to manage our growth and expansion;
- We may not succeed in growing existing markets or opening new international markets;
- We may not succeed in expanding our operations;
- Inability of new products to gain distributor or market acceptance;
- Our inability to execute our product launch process due to increased pressure on our supply chain, information systems and management;
- Disruptions in our information technology systems;
- Inability to protect against cyber security risks and to maintain the integrity of data;
- The impact of our debt service obligations and restrictive debt covenants;
- Claims against us as a result of our independent distributors failing to comply with our policies and procedures;
- International trade or foreign exchange restrictions, increased tariffs, foreign currency exchange;
- Deterioration of global economic conditions;
- Inability to maintain appropriate level of internal control over financial reporting;
- We may be unable to raise additional capital if needed;
- Exposure to environmental liabilities stemming from past operations and property ownership;
- Significant dependence upon a single product;
- Our inability to retain independent distributors or to attract new independent distributors on an ongoing basis;
- High quality material for our products may become difficult to obtain or expensive;
- Improper actions by our independent distributors that violate laws or regulations;
- Our dependence on third parties to manufacture our products;
- Disruptions to the transportation channels used to distribute our products;
- We may be subject to a product recall;

- Government regulations on direct selling activities may prohibit or severely restrict business model;
- Unfavorable publicity on our business or products;
- Our direct selling program could be found to not be in compliance with current or newly adopted laws or regulations;
- Legal proceedings may be expensive and time consuming;
- Our business is subject to strict government regulations;
- Regulations governing the production or marketing of our products;
- We are subject to the risk of investigatory and enforcement action by the federal trade commission;
- Government authorities may question our tax positions or transfer pricing policies or change their laws in a manner that could increase our effective tax rate or otherwise harm our business;
- Failure to comply with anti-corruption laws;
- Loss of or inability to attract key personnel;
- We could be held responsible for certain taxes or assessments relating to the activity of our independent distributors;
- Competition in the dietary supplement market;
- Our inability to protect our intellectual property rights;
- Third party claims that we infringe on their intellectual property;
- Product liability claims against us;
- Economic, political, foreign exchange and other risks associated with international operations;
- Volatility of the market price of our common stock;
- Substantial sales of shares may negatively impact the market price of our common stock;
- Significant dilution of outstanding voting shares if holders of our existing warrants and options exercise their securities for shares of common stock; and
- We have not paid dividends on our capital stock, and we do not currently anticipate paying dividends in the foreseeable future.

When considering these forward-looking statements, you should keep in mind the cautionary statements in this report and the documents incorporated by reference. Except as required by law, we have no obligation and do not undertake to update or revise any such forward-looking statements to reflect events or circumstances after the date of this report.

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PART I

ITEM 1 — BUSINESS

Overview

LifeVantage Corporation is a company dedicated to helping people achieve their health, wellness and financial independence goals. We provide quality, scientifically-validated products and a financially rewarding network marketing business opportunity to customers and independent distributors who seek a healthy lifestyle and financial freedom. We sell our products in the United States, Japan, Hong Kong, Australia, Canada, Philippines and Mexico primarily through a network of independent distributors, and to preferred customers.

We also engage in the identification, research, development and distribution of advanced nutraceutical dietary supplements and skin care products, including Protandim®, our scientifically-validated dietary supplement, LifeVantage TrueScience®, our line of revolutionary anti-aging skin care products launched in fiscal 2014, and Canine Health®, our companion pet supplement formulated to combat oxidative stress in dogs.

We were incorporated in Colorado in June 1988 under the name Andraplex Corporation. We changed our corporate name to Yaak River Resources, Inc. in January 1992, and subsequently changed it again in October 2004 to Lifeline Therapeutics, Inc. In October 2004 and March 2005, we acquired all of the outstanding common stock of Lifeline Nutraceuticals Corporation. In November 2006, we changed our name to LifeVantage Corporation. From our fiscal year 2005 until our fiscal year 2009, we marketed and sold a single product, Protandim®, through traditional retail stores. In October 2008 we announced that we were transitioning our business model from a traditional retail model to a network marketing model in which Protandim® would be sold primarily through our network of independent distributors. Since entering network marketing, we have increased our geographic reach by entering new international markets and increased our product offering by introducing additional scientifically-validated products.

Fiscal Year 2014 Highlights

We expanded our product offering significantly in April 2014 by introducing a full line of anti-aging skin care products under our LifeVantage TrueScience® brand. The line of skin care products includes TrueScience® Ultra Gentle Facial Cleanser, TrueScience® Perfecting Lotion, TrueScience® Eye Corrector Serum, and an enhanced version of our TrueScience® Anti-Aging Cream. We believe our new skin care products leverage our Nrf2 activation and oxidative stress research and complement our other product offerings. Additionally, in April 2014, we acquired a new line of sports nutrition products from Wicked Fast Sports Nutrition. We intend to conduct additional research and development on these sports nutrition products before introducing them through our network of independent distributors. We believe these new product lines, together with Protandim®, show our commitment to delivering scientifically backed products that help people feel, look and perform better.

We commenced our partnership with Real Salt Lake of Major League Soccer in January 2014. Our partnership with Real Salt Lake includes placement of our logo on the front of the team's jersey as well as strategic placement of our logo around the stadium and on televised broadcasts of games. We believe the partnership provides the LifeVantage brand with high-impact exposure in stadiums, on television, in advertising and through player appearances across the country and around the world.

We made valuable additions to our management team during fiscal year 2014. In November 2013 we appointed David Phelps as our Chief Sales Officer and in January 2014 we appointed Shawn Talbott, Ph.D. as our Chief Science Officer. Both Mr. Phelps and Dr. Talbott have significant experience in the direct selling industry. Mr. Phelps previously held roles at Synergy Worldwide, FFi, Jeunesse Global, MonaVie and Organo Gold and has been involved in the direct selling industry in North America, Europe, Latin America and several major markets in Asia. Dr. Talbott earned a Ph.D. in Nutritional Biochemistry from Rutgers University and has received several competitive research awards. Dr. Talbott has published over 200 articles and 10 books on nutrition, health and fitness and has served as a consultant and educator for elite-level athletes in a variety of sports.

During fiscal year 2014 we conducted a self tender offer in which we purchased approximately 16.3 million shares of our common stock at a purchase price of $2.45 per share, for an aggregate cost of approximately $40 million. These shares represented approximately 13.9% of our outstanding shares of common stock as of September 13, 2013, the date on which we commenced the self tender offer. We also actively repurchased shares of our common stock throughout fiscal year 2014 pursuant to publicly announced repurchased plans. In July 2013, we purchased approximately 1.2 million shares of our common stock for an aggregate purchase price of approximately $2.9 million under a repurchase plan we had announced in March 2013. We also commenced a stock repurchase program in March 2014 in which we repurchased approximately 2.1 million shares of our common stock for an aggregate purchase price of approximately $3 million. In June 2014 we announced another share repurchase program in which we plan to purchase up to $4 million worth of shares of our common stock in fiscal year 2015. We believe these share repurchase initiatives enhance long-term shareholder value.

Our Competitive Advantages

We believe we have a competitive advantage in several key areas:

- Our Compensation: We believe our compensation plan is one of the more financially rewarding in the direct selling industry. Our percentage of sales paid to independent distributors as compensation and incentive is one of the highest percentages reported in the direct selling industry. Our compensation plan also enables independent distributors to earn compensation early and often as they sell our products. Some elements of our compensation plan are paid weekly, allowing new independent distributors to receive compensation quickly. We believe more frequent payments of compensation helps us retain new independent distributors by allowing them to experience success soon after enrolling. We also offer a variety of incentive programs to our independent distributors for achieving specified sales goals. For example, our My LifeVentures® is an incentive program that enables independent distributors to earn the title to a new Jeep Wrangler by achieving and maintaining specified sales goals. We also offer various training resources to help our independent distributors become more effective. We believe our compensation plan, incentive programs and training resources help to motivate and prepare our independent distributors for success.
- Our Products: We offer quality, scientifically-validated products focused on helping individuals look, feel and perform better. Protandim® is a patented dietary supplement clinically proven to combat oxidative stress, a natural consequence of cellular metabolism associated with many of the undesirable effects of aging. Our new skin care line, LifeVantage TrueScience®, is a combination of scientifically based anti-aging skin care products formulated to target the visible signs of aging on the skin. Our companion pet supplement, Canine Health®, incorporates some of the same active ingredients as Protandim® to combat oxidative stress in dogs. We believe our significant number of preferred customers who regularly purchase our products without the intention of becoming independent distributors is a strong, independent indicator of the benefits of our products.
- Our Culture: We are committed to creating a culture for our independent distributors and employees that focuses on ethical, legal and transparent business practices. At enrollment, our independent distributors agree to abide by our policies and procedures. Our policies and procedures, when followed, ensure that our independent distributors comply with applicable laws and regulations. Our compliance department monitors the activities of our independent distributors as part of our effort to enforce our policies and procedures. Similarly, our code of business conduct and ethics sets forth guidelines and expectations for our employees. We believe our ethical, legal and transparent culture attracts highly qualified employees and independent distributors who share our commitment to these principles.

Scientific Background

Oxidative Stress

Oxidative stress refers to the cellular and tissue damage caused by chemically reactive oxygen species that is generated as a natural result of cellular metabolism and the body's use of oxygen to generate energy. Levels of reactive oxygen species, also known as ROS, and free radicals can be elevated under a wide variety of conditions, including radiation, UV light, smoking, excessive alcohol consumption, as well as medical conditions involving inflammation, cardiovascular disease, neurodegenerative disease, diabetes and advancing age. Elevated ROS levels inflict structural damage on nucleic acid, lipid, carbohydrate and protein components of cells, thereby directly contributing to or exacerbating tissue dysfunction, disease and age-related debilitation.

Cellular antioxidant enzymes normally serve to inactivate ROS and maintain levels of ROS at those compatible with normal cell function. Important among these cellular antioxidant enzymes are superoxide dismutase and catalase. However, the levels of these protective antioxidant enzymes decrease with age and in a number of disease conditions. As we age and the levels of antioxidant enzymes decrease, oxidative stress levels increase significantly and our body is unable to maintain homeostasis relative to elevated ROS levels.

Oxidative stress is widely believed to be a key factor in many of the undesirable effects of aging because it promotes cell death. Additionally, high levels of oxidative stress have also been linked as a causative or associated factor in over 100 diseases.

Nrf2 Activation

Nuclear factor (erythroid-derived 2)-like 2, also known as NFE2L2 or Nrf2, is a transcription factor that in humans is encoded by the NFE2L2 gene. Nrf2 is the master regulator of the antioxidant response, which is important for the amelioration of oxidative stress. Because Nrf2 is able to induce gene activity important in combating oxidative stress, thereby activating the body’s own protective response, it helps protect from a variety of complications related to oxidative stress.

Under normal or unstressed conditions, Nrf2 resides in the cytoplasm of the cell, outside the nucleus, and is targeted for degradation. When activated, Nrf2 is able to move into the nucleus, where it promotes the expression of several thousand genes, including those that encode antioxidant enzymes as well as anti-inflammatory and stress response proteins.

In recent years, Nrf2 has become the subject of intense research. A common theme in much of this research is that activation of Nrf2 upregulates a coordinated antioxidant response and is therefore capable of protecting against oxidative stress-related injury and inflammatory disease in a wide variety of animal models. Therefore, Nrf2 represents an important therapeutic target.

Research and Development

In January 2014, we bolstered our research and development efforts by hiring Shawn Talbott, Ph.D., as our Chief Science Officer. Dr. Talbott has established a research and product development team that includes an experienced internal scientific staff and an esteemed external scientific advisory board. We anticipate that our future research and development efforts will be focused on creating, developing and evaluating new products that are consistent with our commitment to provide quality, scientifically-validated products. We intend to build on our foundation of combating oxidative stress while also targeting specific benefit areas that help individuals feel, look and preform better. We also plan to continue sponsoring additional studies on our current products in an effort to further validate the benefits they provide.

Product Overview

Protandim®

Protandim® is a patented dietary supplement that has been shown in a clinical trial to reduce the age-dependent increase in markers of oxidative stress, and has also been shown to provide substantial benefits to combat the variety of negative health effects linked to oxidative stress.

Protandim® combats oxidative stress by increasing the body’s natural antioxidant protection at the genetic level. The unique blend of phytonutrients in Protandim® signals the activation of Nrf2 to increase production of antioxidant enzymes, specifically superoxide dismutase and catalase, and other cell-protective gene products. The body's internally produced antioxidant enzymes provide a better defense against oxidative stress than externally derived sources of antioxidants such as Vitamin C, Vitamin E and Coenzyme Q-10. Unlike externally derived sources of antioxidants, these enzymes are “catalytic,” which means these enzymes are not used up upon neutralizing free radicals.

We hold six U.S. and five international patents relating to Protandim®. We believe these patents set Protandim® apart from other dietary supplements and protect the original formula as well as certain formula modifications we could create to extend our Protandim® product line. We sell Protandim® in two formulas, one for the Japan market and the other formula for all other markets.

Protandim® has been, and is currently, the subject of numerous independent scientific studies at various universities and research facilities including The Ohio State University, Louisiana State University, University of Colorado Denver, Virginia Commonwealth University, Colorado State University and Texas Tech University. The results of these studies have been published in a variety of peer-reviewed scientific journals, including *Free Radical Biology & Medicine*, *Enzyme Research*, *Circulation-the scientific journal of the American Heart Association*, *American Journal of Physiology-Lung Cellular and Molecular Physiology*, *PLoS One*, *Journal of Dietary Supplements*, *Molecular Aspects of Medicine*, *Oxidative Medicine and Cell Longevity*, *Exercise & Sports Science Reviews*, *Clinical Pharmacology,* and *The FASEB Journal.*

LifeVantage TrueScience®

We introduced a full line of anti-aging skin care products under our LifeVantage TrueScience® brand in fiscal 2014. The full line of LifeVantage TrueScience® anti-aging skin care products consists of:

- **TrueScience® Ultra Gentle Facial Cleanser:** a concentrated, ultra-rich cleanser used to remove impurities and light make-up without drying or stripping the natural oils in the skin.
- **TrueScience® Perfecting Lotion:** a hybrid lotion formulated for smoother, radiant and brighter looking skin.
- **TrueScience® Eye Corrector Serum:** a serum that noticeably improves the visible signs of fine lines, creases and wrinkles around the entire eye area, diminishes puffiness above and below the eye, and evens skin tone and dark circles that are visible signs of premature aging.
- **TrueScience® Anti-Aging Cream:** a cream that deeply moisturizes and helps to combat the appearance of fine lines and wrinkles.

These products were tested in an independent third-party clinical study and were shown to reduce the visible signs of aging by utilizing Nrf2 technology to mitigate the visible effects of skin damage caused by oxidative stress. Our LifeVantage TrueScience® skin care products leverage our research on Nrf2 activation and oxidative stress.

Canine Health®

Canine Health® is a supplement specially formulated to combat oxidative stress in dogs through Nrf2 activation. Canine Health® builds upon the active ingredients in Protandim® to reduce oxidative stress, and support joint function, mobility and flexibility in dogs. Canine Health® received the Quality Seal from the National Animal Supplement Council.

Distribution of Products

We believe our products are well suited for person-to-person sales through our direct selling model. This model allows our independent distributors to educate our customers regarding the benefits of our unique products more thoroughly than other business models. Our direct selling model also allows our independent distributors to offer personalized customer service to our customers and encourage regular use of our products.

Product Return Policy

All products purchased directly from us include a customer satisfaction guarantee. Customers may return unopened product to us within 30 days of purchase for a refund of the purchase price less shipping and handling. In addition, our inventory repurchase program allows independent distributors who terminate their distributorship to return certain amounts of unopened, unexpired product purchased within the prior 12 months for a refund of the purchase price less a 10% restocking fee. The amount of inventory we will repurchase from an independent distributor is subject to specified consumption limitations.

Customers

We generally categorize our customers as independent distributors and preferred customers.

Independent Distributors

An independent distributor in our company is someone who participates in our network marketing business opportunity by purchasing our products at wholesale prices and selling our products to others interested in the products. We believe our independent distributors are typically entrepreneurs who believe in our products and desire to earn income by building a business of their own. Many of our independent distributors are attracted by the opportunity to sell unique, scientifically-validated products without incurring significant start-up costs. Independent distributors sign a contract with us that includes a requirement that they adhere to strict policies and procedures. Independent distributors purchase product from us for individual consumption, but also purchase small quantities of product from us to use for demonstrations and one-off, person-to-person retailing opportunities. They also spend a large amount of their time encouraging others to purchase our products, either for personal consumption or resale.

While we provide support, product samples, brochures, magazines, and other sales and marketing materials, independent distributors are primarily responsible for attracting, enrolling and educating new independent distributors with respect to our products and compensation plan. An independent distributor creates multiple levels of compensation by selling our products and enrolling new independent distributors who sell our products. These newly enrolled independent distributors form a “downline” for the independent distributor who enrolled them. If downline independent distributors enroll new independent distributors who purchase our products, they create additional levels of compensation and their downline independent distributors remain in the same downline network as the original enrolling independent distributor. We pay commissions only upon the sale of our products. We do not pay commissions for enrolling independent distributors.

We define “active independent distributors” as those independent distributors who have purchased product from us for retail or personal consumption during the prior three months. As of June 30, 2014, we had approximately 68,000 active independent distributors compared to approximately 67,000 active independent distributors as of June 30, 2013.

Independent Distributor Compensation

We believe our compensation plan is one of the more financially rewarding in the direct selling industry. Our percentage of sales paid to independent distributors as compensation and incentive is one of the highest percentages reported in the direct selling industry. Some elements of our compensation plan are paid weekly. We believe this gives us a competitive advantage and helps retain new distributors by allowing them to experience success quickly from their efforts. Our compensation plan is intended to appeal to a broad cross-section of people, particularly those seeking to supplement family income, start a home-based business or pursue entrepreneurial opportunities full or part-time. Our independent distributors earn compensation on their product sales and product sales made by independent distributors within their sales organization, or "downline." Our

independent distributors can also earn money by purchasing product from us at our wholesale cost and selling that product to others at the retail cost. We generally pay commissions in the local currency of the independent distributor's home country.

Independent Distributor Motivation and Training

Our revenue depends in part on the success and productivity of our independent distributors. Our Master Track program is designed to increase our independent distributors' productivity and increase their potential for success. The Master Track program includes the following components:

- Blueprint for Prosperity: professionally-designed training materials independent distributors can utilize in their sales efforts;
- Pro Audio Series: our weekly audio series presented by our independent distributor leaders providing training and tips on becoming more productive independent distributors;
- Premier Schools: monthly, company-sponsored events held throughout the U.S., and less frequently in Japan, designed to deliver training and motivation to independent distributors;
- Elite Academy and Global Convention: quarterly and annual, company-sponsored events intended to provide training and motivation to our independent distributors; and
- Promotions and Incentive Trips: we hold special promotions and incentive trips from time to time in order to motivate our independent distributors to accomplish specific sales goals.

In addition to the Master Track program, we have an on-line media channel, LVN Media, through which we deliver educational and motivational content to our independent distributors. The Master Track program and LVN Media are important parts of our efforts to increase the productivity and potential for success of our independent distributors.

Distributor Compliance Activities

Given that our independent distributors are independent contractors, we do not control or direct their promotional efforts. We do, however, require that our independent distributors abide by policies and procedures that require them to act in an ethical manner and in compliance with applicable laws and regulations. As a member of the United States Direct Selling Association and similar organizations in many of the markets where we do business, we are also subject to the ethical business practices and consumer service standards required by the industry's code of ethics. In June 2014, Douglas C. Robinson, our President and Chief Executive Officer, was elected to the Board of Directors of the United States Direct Selling Association.

Independent distributors must represent to us that their receipt of commissions is based on retail sales and substantial personal sales efforts. We must produce or pre-approve all sales aids used by distributors such as brochures and online materials. Products may be promoted only by personal contact or by collateral materials produced or approved by us. Independent distributors may not use our trademarks or other intellectual property without our consent.

We monitor and systematically review alleged independent distributor misbehavior through our internal compliance department. If we determine one of our independent distributors has violated any of our policies and procedures, we may discipline the independent distributor and may terminate the independent distributor's rights to distribute our products. When necessary, we have brought legal action against independent distributors, or former independent distributors, to enforce our policies and procedures. Short of termination or legal action, we may impose sanctions against independent distributors whose actions are in violation of our policies and procedures. Such sanctions may include warnings, probation, withdrawal or denial of an award, suspension of privileges of a distributorship, fines and/or withholding of commissions until specified conditions are satisfied, or other appropriate injunctive relief.

Preferred Customers

Preferred customers are customers who purchase products directly from us at our wholesale price on a monthly auto-ship basis for personal consumption, without the intent to resell or earn commissions from the sale of products. A preferred customer may enroll as an independent distributor at any time if he or she becomes interested in reselling the product. We believe our preferred customers are a great source of word-of-mouth advertising for our products. We also believe our large base of preferred customers validates the benefits of our products, separate from the direct selling business opportunity.

We define an "active preferred customer" as a preferred customer who has purchased product from us within the prior three months. As of June 30, 2014, we had approximately 128,000 active preferred customers compared to approximately 138,000 active preferred customers as of June 30, 2013.

Sales of Our Products

We accept orders for our products through our own website at www.lifevantage.com and through personalized websites we provide to our independent distributors, which we refer to as “Virtual Offices”. Orders placed through Virtual Offices and through our website are processed daily at our fulfillment centers, where orders are shipped directly to the consumer.

We offer toll-free numbers for our independent distributors and other customers to order product or ask questions. Our customer service representatives assist customers in placing orders through our web order processing system, answer questions, track packages, and initiate refunds. The customer service representatives receive extensive training about our products and our direct selling business model. Independent distributors and preferred customers generally pay for products by credit card, prior to shipment, and as a result, we carry minimal accounts receivable.

Seasonality

In addition to general economic factors, we are impacted by seasonal factors and trends such as major cultural events and vacation patterns. We believe that direct selling in Japan and the United States is also generally negatively impacted during our first fiscal quarter, from July 1 through September 30, when many individuals, including our independent distributors, traditionally take vacations.

Although our product launch process may vary by market, we may introduce new products to our independent distributors and customers through limited-time offers and promotions. The limited-time offers and promotions typically generate significant activity and a high level of purchasing, which may result in a higher than normal increase in revenue during the quarter of the limited-time offer and skew year-over-year and sequential comparisons.

Geographic Information

We currently sell and distribute products in the United States, Japan, Hong Kong, Australia, Canada, Philippines and Mexico. In fiscal year 2014, revenue generated in the United States accounted for approximately 64% of our total revenue and revenue generated from Japan accounted for approximately 29% of our total revenue. For reporting purposes, we generally divide our markets into two geographic regions: Americas and Asia/Pacific. The following table sets forth net revenue information by region for the periods indicated (in thousands):

	For the years ended June 30,					
	2014		2013		2012	
Americas	$ 141,227	66.0%	$ 133,046	63.9%	$ 90,122	71.4%
Asia/Pacific	72,741	34.0%	75,132	36.1%	36,061	28.6%
Total	$ 213,968	100%	$ 208,178	100%	$ 126,183	100%

Additional comparative revenue and related financial information is presented in the section captioned "*Segment Information"* in Note 2 to our Consolidated Financial Statements.

Marketing

We have a sales, marketing, public relations and customer service group consisting of 110 full-time employees as of June 30, 2014. We utilize our network of independent distributors located throughout the United States, Australia, Hong Kong, Japan, Canada, Philippines and Mexico to market and sell our products.

Raw Materials and Manufacturing

We outsource the primary manufacturing, fulfillment, and shipping components of our business to companies we believe possess a high degree of expertise. We believe outsourcing provides us access to advanced manufacturing process capabilities and expertise without incurring fixed costs associated with manufacturing our own products.

We currently outsource the manufacturing of Protandim® to multiple contract manufacturers and use a single contract manufacturer for each of our Canine Health® and LifeVantage TrueScience® products. Our contract manufacturers of Protandim® have a legal obligation to comply with the current Good Manufacturing Practices regulations that are applicable to those who manufacture, package, label and hold dietary supplements. Additionally, we are subject to regulations that, among other things, obligate us to know what and how manufacturing activities are performed so that we can make decisions related to whether the packaged and labeled product conforms to our established specifications and whether to approve and release product for distribution. We maintain and qualify alternatives manufacturing options in order to keep our costs low, maintain

the quality of our products, and be prepared for unanticipated spikes in demand or manufacturing failure. Our contract manufacturers deliver products to our fulfillment centers based on our purchase orders.

We acquire raw materials for our products from third-party suppliers. Although we generally have good relationships with our suppliers, we believe we could replace any of our current suppliers without great difficulty or significant increase to our cost of goods sold. We also have ongoing relationships with secondary and tertiary suppliers. Please refer to "*Risk Factors - High quality material for our products may be difficult to obtain or expensive*" for a discussion of the risks and uncertainties associated with our sourcing of raw materials.

Product Liability and Other Insurance

We have product liability insurance coverage for our products that we believe is adequate for our needs. We also maintain commercial property and liability coverage and directors' and officers' liability insurance.

Intellectual Property

Protandim® is a proprietary, patented dietary supplement formulation for enhancing antioxidant enzymes including superoxide dismutase and catalase. The patents and patent applications protecting this formulation are held by our wholly-owned subsidiary, Lifeline Nutraceuticals Corporation.

We use commercially reasonable efforts to protect our intellectual property and license rights through patent protection, trade secrets, and contractual protections, and intend to continue to develop a strong brand identity in the Protandim® trademark.

Our intellectual property is covered, in part, by six issued U.S. patents and five issued foreign patents in Australia, Canada, China, Japan and India. A corresponding foreign patent application is pending in Europe. Our patents and patent applications claim the benefit of priority of seven U.S. provisional patent applications, the earliest of which was filed on March 23, 2004, and relate to compositions, methods of use, and methods of manufacture of various compositions, including those embodied by the Protandim® formulation. The expected duration of our patent protection via granted patents is through approximately March, 2025.

We also continue to protect our products and brands using trademarks. We have filed and successfully procured registered trademarks for Protandim®, LifeVantage®, and TrueScience® in many countries around the world, and we have pending trademark application in many other countries. We anticipate seeking protection in other countries as we deem appropriate.

In order to protect the confidentiality of our intellectual property, including trade secrets, know-how and other proprietary technical and business information, it is our policy to limit access to such information to those who require access in order to perform their functions and to enter into agreements with employees, consultants and vendors to contractually protect such information.

Competition

Direct Selling Companies

We compete with other direct selling companies, many of which have longer operating histories and greater visibility, name recognition and financial resources than we do. We also compete with newer direct selling companies that attempt to solicit our independent distributors by offering the possibility of a more financially rewarding opportunity by being among the company's early distributor base. We compete for new independent distributors with these companies on the basis of our business opportunity, product offerings, compensation plan, management and our operations. In order to successfully compete in the direct selling industry and attract and retain independent distributors, we must maintain the attractiveness of our business opportunity, product offerings and compensation plan.

Dietary Supplement Market

We compete with other companies that sell dietary supplements. We believe the dietary supplement market is a highly fragmented and competitive market. We believe competition in the dietary supplement market is based primarily on quality, price, efficacy of products, brand name and recognition of product benefits. In the dietary supplement industry, our competition includes numerous nutritional supplement companies, pharmaceutical companies and packaged food and beverage companies. Many of these companies have broader product lines, larger sales volumes and greater financial resources than we do. Additionally, some of these companies are able to compete more effectively due to greater vertical integration. Increased competition in the dietary supplement market could have a material adverse effect on our results of operations and financial condition.

Nrf2 Activators

In the last few years we have seen the number of products marketed as Nrf2 activators increase, and we are currently aware of at least five such products. We anticipate the number of products that claim to activate Nrf2 will continue to increase as the technology becomes more popular and more broadly accepted. Although we are unaware of any competing direct selling company marketing products as Nrf2 activators, we are aware that at least two competing direct selling companies have sponsored research studies related to Nrf2 activation.

Direct Antioxidants

Vitamin C, Vitamin E, Coenzyme Q-10, and other sources of externally derived antioxidants may be considered competitors of Protandim® but they are mechanistically distinct from Protandim®. These other sources of antioxidants do not increase the body's elimination of oxidants using internal antioxidant enzymes. Our research indicates that Protandim® increases production of hundreds of stress-related anti-inflammatory, and anti-fibrotic gene products including antioxidant enzymes, such as superoxide dismutase and catalase, within the cells of the body. We believe that the body's internally produced antioxidant enzymes provide a better defense against oxidative stress than externally derived sources of antioxidants.

Oral Superoxide Dismutase and Catalase

There are many companies performing research into antioxidants. Several companies sell oral forms of superoxide dismutase and catalase. Although we believe Protandim® is a superior alternative to oral forms of superoxide dismutase and catalase, these products do compete with Protandim® in the marketplace. We anticipate additional companies will likely develop, purchase or in-license products that are competitive with Protandim®.

Personal Skin Care Market

In the personal skin care market, we compete principally with large, well-known cosmetics companies that manufacture and sell broad product lines through retail establishments. Many of these competitors have greater financial resources and brand recognition than we do. We believe, however, we can compete with these larger companies by leveraging our direct selling model and emphasizing our unique, science-based skin care product.

Animal Supplement Market

We compete principally with large, well-known companies in the animal supplement market. Most of the companies we compete with in the animal supplement market have broad distribution channels that include retail establishment. Many of these competitors have greater financial resources and brand recognition than we do. We believe, however, we can compete with these larger companies by leveraging our direct selling model and emphasizing our unique, science-based animal supplement product.

Regulatory Environment

The formulation, manufacturing, packaging, labeling, and advertising of our products in the United States are subject to regulation by the Food and Drug Administration, or FDA, and the Federal Trade Commission, or FTC, as well as comparable state laws.

FDA Regulations and DSHEA

We market Protandim® as a "dietary supplement" as defined in the Dietary Supplement Health and Education Act of 1994, or DSHEA. DSHEA is intended to promote access to safe, quality dietary supplements, and information about dietary supplements. DSHEA established a new framework governing the composition and labeling of dietary supplements. DSHEA does not apply to animal supplements like Canine Health®. We are not required to obtain FDA pre-market approval to sell our products in the United States under current laws.

DSHEA permits statements of nutritional support, called "structure-function" statements, to be included in labeling for dietary supplements without FDA marketing approval. Such statements may claim a benefit related to a classical nutrient deficiency disease and disclose the prevalence of such disease in the United States, describe the role of a nutrient or dietary ingredient intended to affect the structure or function in humans, characterize the documented mechanism by which a nutrient or dietary ingredient acts to maintain such structure or function, or describes general well-being from consumption of a nutrient or dietary ingredient. Such statements may not expressly or impliedly claim that a dietary supplement is intended to diagnose, cure, mitigate, treat, or prevent a disease. A company that uses a statement of nutritional support in labeling must possess evidence substantiating that the statement is truthful and not misleading and is supported by competent and reliable scientific evidence. The FDA may assert that a particular statement of nutritional support that a company is using is an illegal claim; that assertion, normally, is in the form of a warning letter to that company. We have a duty to send to the FDA a notice that lists

each new structure-function statement made by us; we are obligated to send that notice within 30 days after the first marketing of a supplement with such a statement.

DSHEA also permits certain scientific literature, for example a reprint of a peer-reviewed scientific publication, to be used in connection with the sale of a dietary supplement to consumers without the literature being subject to regulation as labeling. However, such literature must not be false or misleading, the literature may not promote a particular manufacturer, or brand of dietary supplement and it must include a balanced view of the available scientific information on the subject matter, among other requirements.

The FDA's Center for Veterinary Medicine, or CVM, is responsible for enforcing the portion of the Federal Food, Drug, and Cosmetic Act, or the Act, that relates to animal supplements, like our Canine Health® product. CVM is primary responsibility in enforcing the Act is to ensure that animal supplements are safe, effective, and can be manufactured to a consistent standard.

While we exercise care in our formulation, manufacturing, packaging, labeling, and advertising of our products, we cannot guarantee the FDA will never inform us that the FDA believes some violation of law has occurred either by us or by our independent distributors. Any allegations of our non-compliance may result in time-consuming and expensive defense of our activities. The FDA's normal course of action is to issue a warning letter if it believes that a product is misbranded or adulterated. The responsive action requested by the FDA differs depending upon the nature of the product and claims in question. Typically, the FDA expects a written response within 15 working days of the receipt of a warning letter. The warning letter is public information posted on the FDA's web site. That information could affect our relationships with our investors, independent distributors, vendors, and consumers. The FDA could also order compliance activities, such as an inspection of our facilities and products, and could file a civil lawsuit in which an arrest warrant (seizure) could be issued as to some or all of our products. In extraordinary cases, we could be named a defendant and sued for declaratory and injunctive relief.

FTC Regulations

Advertising and marketing of our products in the United States are also subject to regulation by the FTC under the Federal Trade Commission Act, or FTC Act. Among other things, the FTC Act prohibits unfair methods of competition and unfair false or deceptive acts or practices in or affecting commerce. The FTC Act also makes it illegal to disseminate or cause to be disseminated any false advertisement. The FTC Act provides that disseminating any false advertisement pertaining to foods, which would include dietary supplements, is an unfair or deceptive act or practice. An advertiser is required to have competent and reliable scientific evidence for all express and implied health-related product claims at the time the claims are first made. We are required to have adequate scientific substantiation for all material advertising claims made for our products in the United States. The FTC routinely reviews websites to identify questionable advertising claims and practices. Competitors sometimes inform the FTC when they believe other competitors are violating the FTC Act and consumers also notify the FTC of what they believe may be wrongful advertising. The FTC may initiate a non-public investigation that focuses on our advertising claims which usually involves non-public pre-lawsuit extensive formal discovery. Such an investigation may be very expensive to defend, be lengthy, and result in a publicly disclosed Consent Decree, which is a settlement agreement. If no settlement can be reached, the FTC may start an administrative proceeding or a federal court lawsuit against us or our principal officers. The FTC often seeks to recover from the defendants, whether in a Consent Decree or a proceeding, any or all of the following: (i) consumer redress in the form of monetary relief or disgorgement of profits; (ii) significant reporting requirements for several years; and (iii) injunctive relief. In addition, most, if not all, states have statutes prohibiting deceptive and unfair acts and practices. The requirements under these state statutes are similar to those of the FTC Act.

The National Advertising Division, or NAD, of the national Better Business Bureau, a non-governmental not-for-profit organization through its Advertising Self-Regulatory Council, or ASRC, is also actively engaged in conducting investigations, called inquiries, which are focused on determining whether the requisite claim substantiation standard exists for specific structure-function claims. Although the results of each inquiry or proceeding are not binding on the recipient, they are posted on NAD's website. We have been the subject of such a proceeding in 2008 and 2009, which was concluded in 2009.

Regulation of Direct Selling Activities

Direct selling activities are regulated by the FTC, as well as various federal, state and local governmental agencies in the United States and foreign countries. These laws and regulations are generally intended to prevent fraudulent or deceptive schemes, often referred to as "pyramid" schemes, which compensate participants primarily for recruiting additional participants without significant emphasis on product sales. The laws and regulations often:

- impose order cancellation, product return, inventory buy-backs and cooling-off rights for consumers and distributors;
- require us or our distributors to register with governmental agencies;
- impose caps on the amount of commission we can pay;

- impose reporting requirements; and
- require that we ensure, among other things, that our distributors maintain levels of product sales to qualify to receive commissions and that our distributors are being compensated primarily for sales of products and not primarily for recruiting additional participants.

The laws and regulations governing direct selling are modified from time to time, and, like other direct selling companies, we may be subject from time to time to government investigations related to our direct selling activities. This may require us to make changes to our business model and our compensation plan.

State Regulations

In addition to U.S. federal regulation, each state has enacted its own food and drug laws. We may receive requests to supply information regarding our sales or advertising to state regulatory agencies. We remain subject to the risk that, in one or more of our present or future markets, our products, sales, and advertising could be found non-compliant with state laws and regulations. If we fail to comply with these laws and regulations, it could have a material adverse effect on our business in a particular market or in general. In addition, these laws and regulations could affect our ability to enter new markets.

The FDA Food Safety Modernization Act

The FDA Food Safety Modernization Act, or FSMA, was enacted in 2011 and is now part of the Federal Food, Drug and Cosmetic Act, or FFDCA. The FSMA is a comprehensive set of laws that gives the FDA considerable authority with respect to the prevention of food contamination and the serious problems associated with such contamination. Among other things, it does the following:

- gives the FDA explicit authority to inspect and copy certain records related to any food and to compel a recall if the FDA believes there is a reasonable probability of serious adverse health consequences or death;
- places strict obligations on food and dietary supplement importers to verify that food from foreign suppliers is not adulterated or misbranded; and
- provides whistle blower protection for employees of conventional food or dietary supplement companies who provide information to governmental authorities about violations of the FFDCA.

International Regulations

In addition to the regulations applicable to our activities in the United States, all other markets in which we operate our business regulate our products under a variety of regulatory schemes. We typically market Protandim® in international markets as foods or health foods under applicable regulatory regimes. However, because of varied regulations, some products or ingredients that are recognized as a “food” in certain markets may be treated as a “pharmaceutical” in other markets. In the event a product, or an ingredient in a product, is classified as a drug or pharmaceutical product in any market, we will generally not be able to distribute that product through our distribution channel because of pre-marketing approval requirements and strict regulations applicable to drug and pharmaceutical products. In Japan, for example, ashwagandha was determined to be inappropriate for inclusion in food products. Ashwagandha is one of the ingredients in Protandim®. While we disagree with the assessment of ashwagandha by Japanese regulatory authorities, we are restricted from selling a formulation of Protandim® that contains ashwagandha into Japan. As such, we reformulated Protandim® for the Japan market to exclude ashwagandha. This reformulated Protandim® was introduced into Japan in fiscal 2013.

Similarly, our other markets outside the United States regulate advertising and product claims regarding the efficacy of our products and require adequate substantiation of claims. As such, we are unable to claim that any of our products will diagnose, cure, mitigate, treat or prevent diseases. For example, in Japan, Protandim® is considered a food product, which significantly limits our ability to make claims regarding the product. If marketing materials make claims that exceed the scope of allowed claims for dietary supplements, regulatory authorities could deem our products to be unapproved drugs and we could experience substantial harm.

Potential FDA and Other Regulation

We could become subject to additional laws or regulations administered by the FDA, FTC, or other federal, state, local or international regulatory authorities, to the repeal of laws or regulations that we consider favorable, such as DSHEA, or to more stringent interpretations of current laws or regulations. Because of negative publicity associated with some adulterated or misbranded supplements, including pharmaceutical drugs marketed as dietary supplements, there has been an increased movement in the United States and other markets to expand the regulation of dietary supplements, which could impose

additional restrictions or requirements in the future. In general, the regulatory environment is becoming more complex with increasingly strict regulations.

The Dietary Supplement and Nonprescription Drug Consumer Protection Act requires us to report to the FDA all serious adverse events and to maintain for six years records of all adverse events, whether or not serious. An adverse event is defined as any health-related event associated with the use of a dietary supplement that is adverse. In addition, this law requires the label of each dietary supplement, including our Protandim® product, to include a domestic address or telephone number by which the company selling the product may receive a report of a serious adverse event with such product. The label of Protandim® complies with that statutory provision.

Legislation known as the Dietary Supplement Labeling Act was introduced in the United States in 2013. This proposed legislation purports to help consumers distinguish between dietary supplements that are safe and those that have potentially serious side-effects or drug interactions. The Dietary Supplement Labeling Act would require dietary supplement manufacturers to disclose known ingredient risks and display mandatory warnings if a product contains an ingredient that could cause potentially serious adverse events. Although it is not currently known if, or in what form, the Dietary Supplement Labeling Act will be enacted, it could create additional regulatory burdens on our business and increase our cost of goods sold.

Employees

As of June 30, 2014 and June 30, 2013, we had 201 and 238 full time employees respectively. As of June 30, 2014, 157 of our full time employees were based in the United States, 43 were based in Japan and one was based in Hong Kong. We do not include our independent distributors in our number of employees because our independent distributors are independent contractors and not employees. We outsource our manufacturing and distribution operations.

Available Information

Our principal offices are located at 9785 S. Monroe Street, Suite 300, Sandy, UT 84070. Our telephone number is (801) 432-9000 and our fax number is (801) 880-0699. Our website address is www.lifevantage.com; however, information found on our website is not incorporated by reference into this report. Our web site address is included in this annual report as an inactive textual reference only.

The reports filed with the Securities and Exchange Commission, or SEC, by us and by our officers, directors, and significant shareholders are available for review on the SEC's website at www.sec.gov. You may also read and copy materials that we file with the SEC at the SEC's Public Reference Room at 100 F Street, NE, Washington, DC 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330.

ITEM 1A — RISK FACTORS

Because of the following risks, as well as other risks affecting our financial condition and operating results, past financial performance should not be considered to be a reliable indicator of future performance, and investors should not use historical trends to anticipate results or trends in future periods. The risks described below are those we currently believe could materially affect us. The following risks are not necessarily all of the important factors that could cause our actual results of operations to differ materially from those expressed in the forward-looking statements in this report.

Risk Factors Relating to Our Company

Because our Japanese operations account for a significant part of our business, an inability to strengthen our business and properly manage distractions among our distributors in Japan could harm our business.

Approximately 29% of our fiscal year 2014 revenue was generated in Japan. We began selling our products into the market in fiscal year 2010 and opened fully supported operations in Japan in fiscal year 2013. Due to our limited experience in Japan, the initiatives we have implemented, or that we may implement in the future, may not be successful in galvanizing and motivating our leading independent distributors and we may be unable to retain existing leading independent distributors in Japan. In recent months, there has been discord among our leading independent distributors in Japan and some of these distributors have left our company to join a competing direct selling company. If we fail to properly manage any discord among our leading independent distributors in Japan we could lose additional leaders to competing direct selling companies, which could have a significant negative impact on our revenue.

In addition, the regulatory framework in Japan has changed since we first started selling into the market. In fiscal year 2013, for example, we announced the release for the Japanese market of a new formulation of Protandim® in response to the determination of the Ministry of Health, Labour and Welfare, or MHLW, that one of the ingredients in Protandim® is inappropriate for inclusion in a food product in Japan. Our business in Japan could be substantially harmed if this formulation

of Protandim® faces additional challenges from regulatory agencies in Japan or if it does not gain the acceptance that original formulation has obtained in other markets.

Other factors that could impact our results in Japan include:

- inappropriate activities by our independent distributors and any resulting regulatory actions against us or our independent distributors;
- continued or increased levels of regulatory or media scrutiny of our industry and any regulatory actions, or any adoption of more restrictive regulations, in response to such scrutiny;
- significant weakening of the Japanese yen;
- increased regulatory constraints with respect to the claims we can make regarding the efficacy of our products, which could limit our ability to effectively market our products;
- improper practices of other direct selling companies or their independent distributors that increase regulatory or media scrutiny of our industry; and
- weakness in the economy or consumer confidence.

There is a high level of regulatory scrutiny of the direct selling industry in Japan, and several direct selling companies have been penalized for actions of distributors that violated applicable regulations. Such penalties have included suspension from sponsoring activities in Japan. If our distributors fail to comply with applicable regulations in Japan, regulators could take action against us, including a suspension of our sponsoring activities, or we could receive negative media attention, either of which could harm our business significantly.

We may not be successful in expanding our operations.

We may not be successful in expanding our operations. Although we began to sell our products through direct selling network in fiscal year 2009, we still have limited experience in selling our products through direct selling compared to other companies in our industry. As such, we may have limited insight into trends, disruptions and other factors that may emerge and affect our business. For example, we may need to terminate one or more of our independent distributors for actions contrary to their contractual obligations with us, which may slow our growth by causing a disruption among our independent distributors. Additionally, we may not be successful in keeping our leading independent distributors focused and motivated or in aligning their goals with the goals of our company. We also have limited experience expanding into new geographic markets. Although we are seeking to continue our expansion, if we fail to effectively expand our operations into additional markets, we may be unable to generate consistent operating profit growth in future periods.

If we are able to expand our operations, we may be unable to successfully manage our future growth.

Our business has grown significantly since we initiated our direct selling model in fiscal 2009. This growth placed substantial strain on our management, operational, financial and other resources. If we are able to continue expanding our operations in the United States and in other countries where we believe our products will be successful, such expansion could place increased strain on our management, operational, financial and other resources. In addition, an inability to leverage our current resources in an efficient manner could have a material adverse effect on our business, operating margins and results of operations.

We may not succeed in growing existing markets or opening new markets.

We have international operations in Japan, Hong Kong, Canada, Australia, Philippines and Mexico. In fiscal 2014 we generated approximately 36% of our revenues from our international operations, most of which was generated from Japan. We believe that our ability to achieve future growth is dependent in part on our ability to effectively expand into new international markets. In some of our international markets, we have experienced unexpected difficulties that have resulted in slower than anticipated growth. We may not succeed in growing our existing international markets, entering new international markets on a timely basis, or achieving profitability in new markets. We must overcome significant regulatory and legal barriers before we can begin marketing in any international market. Also, before marketing commences in a new country or market, it is difficult to assess the extent to which our products and sales techniques will be accepted or successful in any given country. In addition to significant regulatory barriers, we may also encounter problems conducting operations in new markets with different cultures and legal systems from those encountered elsewhere. We may be required to reformulate one or more of our products, including Protandim®, before commencing sales of that product in a given country. Once we have entered a market, we must adhere to the regulatory and legal requirements of that market. We may not be able to obtain and retain necessary permits and approvals in new markets, or we may have insufficient capital to finance our expansion efforts in a timely manner.

Inability of new products to gain distributor and market acceptance could harm our business.

In fiscal 2014 we introduced three new products to our regimen of LifeVantage TrueScience® anti-aging skin care products and reformulated our traditional LifeVantage TrueScience® anti-aging cream. We believe our ability to introduce new products that gain acceptance among our distributors and customers is an important part of our ability to grow our revenue in future periods. However, any new products we introduce may not gain distributor and market acceptance to the extent we anticipate or project. Factors that could affect our ability to introduce new products include, among others, government regulations, the inability to attract and retain qualified research and development staff, the termination of third-party research and collaborative arrangements, proprietary protections of competitors that may limit our ability to offer comparable products and the difficulties in anticipating changes in consumer tastes and buying preferences. In addition, new products we introduce may not be successful or generate substantial revenue. The introduction of a new product could also negatively impact other product lines to the extent our distributor leaders focus their efforts on the new product instead of an existing product. If any of our products fail to gain distributor acceptance, we could see an increase in product returns.

Our business could be negatively impacted if we fail to execute our product launch process due to increased pressure on our supply chain, information systems and management.

Although our product launch process may vary by market, we generally introduce new products to our independent distributors and preferred customers through limited-time offers. The limited-time offers typically generate significant activity and a high level of purchasing, which may result in a higher than normal increase in revenue during the quarter of the limited-time offer and skew year-over-year and sequential comparisons. We may experience difficulty effectively managing growth associated with these limited-time offers. In addition, the size and condensed schedule of these product launches increases pressure on our supply chain. If we are unable to accurately forecast sales levels in each market, obtain sufficient ingredients or produce a sufficient supply to meet demand, we may incur higher expedited shipping costs and we may temporarily run out of stock of certain products, which could negatively impact the enthusiasm of our independent distributors and preferred customers. Conversely, if demand does not meet our expectations for a product launch, we could incur increased inventory write-offs. Any inventory write-off would negatively impact our gross margins. In addition, our order processing systems could have difficulties handling the high volume of orders generated by limited-time offers. Although our previous limited-time offers have not materially affected our product return rate, these events may increase our product return rate in the future.

We rely on our information technology systems to manage numerous aspects of our business, and a disruption in these systems could adversely affect our business.

We depend on our information technology, or IT, systems to manage numerous aspects of our business, including our finance and accounting transactions, to manage our independent distributor compensation plan and to provide analytical information to management. Our IT systems are an essential component of our business and growth strategies, and a serious disruption to our IT systems could significantly limit our ability to manage and operate our business efficiently. These systems are vulnerable to, among other things, damage and interruption from power loss or natural disasters, computer system and network failures, loss of telecommunications services, physical and electronic loss of data, security breaches and computer viruses. Any disruption could cause our business and competitive position to suffer and adversely affect our business and operating results. In addition, if we experience future growth, we will need to scale or change some of our systems to accommodate the increasing number of independent distributors and other customers. For example, we are in the process of implementing a new back office system to be used by our independent distributors. The implementation of this new back office system is a complicated process that will take multiple years to complete. Our business could be harmed if we are unable to successfully make that change or if our independent distributors do not adapt well to the new system.

Cyber security risks and the failure to maintain the integrity of data belonging to our company, employees, independent distributors and preferred customers could expose us to data loss, litigation and liability, and our reputation could be significantly harmed.

We collect and retain large volumes of data relating to our business and from our employees, independent distributors and preferred customers for business purposes, including for transactional and promotional purposes, and our various information technology systems enter, process, summarize and report such data. The integrity and protection of this data is critical to our business. We are subject to significant security and privacy regulations, as well as requirements imposed by the credit card industry. Maintaining compliance with these evolving regulations and requirements could be difficult and may increase our expenses. In addition, a penetrated or compromised data system or the intentional, inadvertent or negligent release or disclosure of data could result in theft, loss or fraudulent or unlawful use of data relating to our company or our employees, independent distributors or preferred customers, which could harm our reputation, disrupt our operations, or result in remedial and other costs, fines or lawsuits.

Our credit facility includes debt service obligations and restrictive covenants that could impede our operations and flexibility.

We entered into a Financing Agreement in October 2013 that provides for a credit facility consisting of a term loan facility in an aggregate principal amount of up to $47 million and a delayed draw term loan facility in an aggregate principal amount not to exceed $20 million. At the end of the fiscal year ended June 30, 2014, the principal amount owing under the credit facility was approximately $31 million. The principal amount borrowed under the credit facility is repayable in consecutive quarterly installments. We expect to generate the cash necessary to pay the principal and interest on the credit facility from our cash flows provided by operating activities. However, our ability to meet our debt service obligations will depend on our future performance, which may be affected by financial, business, economic, demographic and other factors. If we do not have enough money to pay our debt service obligations, we may be required to refinance all or part of our debt, sell assets, borrow more money or raise cash through the sale of equity. In such an event, we may not be able to refinance our debt, sell assets, borrow more money or raise cash through the sale of equity on terms acceptable to us or at all. Also, our ability to carry out any of these activities on favorable terms, if at all, may be further impacted by any financial or credit crisis which may limit access to the credit markets and increase the cost of capital.

The credit facility is secured by a lien on substantially all of our assets, and the assets of our subsidiaries, and contains customary covenants, including covenants that restrict our ability to incur or guarantee additional indebtedness, pay dividends on and redeem capital stock, make other payments, including investments, sell our assets and enter into consolidations, mergers or transfers of all or substantially all of our assets. The credit facility includes financial covenants that require us to maintain specified financial ratios and satisfy certain financial condition tests. Our ability to meet these financial ratios and tests can be affected by events beyond our control and we may be unable to meet these ratios and tests. A breach of any of the covenants, ratios, tests or restrictions imposed by the credit facility would result in an event of default and the lender could declare all amounts outstanding under the credit facility to be immediately due and payable. Our assets may not be sufficient to repay the indebtedness if the lenders accelerate our repayment of the indebtedness under the credit facility.

Our independent distributors could fail to comply with applicable legal requirements or our distributor policies and procedures, which could result in claims against us that could harm our business.

Our independent distributors are independent contractors and, accordingly, we are not in a position to directly provide the same direction, motivation and oversight as we would if distributors were employees. As a result, there can be no assurance that our distributors will participate in our marketing strategies or plans, accept our introduction of new products, or comply with our distributor policies and procedures.

Extensive federal, state, local and international laws regulate our business, products and direct selling activities. Because we have expanded into foreign countries, our policies and procedures for our independent distributors differ slightly in some countries due to the different legal requirements of each country in which we do business. While our distributor policies and procedures are designed to govern distributor conduct, it can be difficult to enforce these policies and procedures because of the large number of distributors and their independent status. Violations by our independent distributors of applicable law or of our policies and procedures in dealing with customers could reflect negatively on our products and operations and harm our business reputation. In addition, it is possible that a court could hold us civilly or criminally accountable based on vicarious liability because of the actions of our independent distributors. In the past, we have had independent distributors investigated by government agencies for conduct violating the law and our policies. This type of investigation can have an adverse effect on us even if we are not involved in the independent distributor's activities.

A substantial portion of our business is conducted in foreign markets, exposing us to the risks of trade or foreign exchange restrictions, increased tariffs, foreign currency fluctuations, disruptions or conflicts with our third party importers and similar risks associated with foreign operations.

A substantial portion of our sales are generated outside the United States. If we are successful in entering additional foreign markets, we anticipate that the percentage of our sales generated outside the United States will increase. There are substantial risks associated with foreign operations. For example, a foreign government may impose trade or foreign exchange restrictions or increased tariffs, which could negatively impact our operations and financial results. We are also exposed to risks associated with foreign currency fluctuations. For instance, in preparing our financial statements, we translate revenue and expenses in our markets outside the United States from their local currencies into U.S. dollars using weighted average exchange rates. If the U.S. dollar strengthens relative to local currencies, our reported revenue, gross profit and net income will likely be reduced. Foreign currency fluctuations can also result in losses and gains resulting from translation of foreign currency denominated balances on our balance sheet. Additionally, purchases from suppliers are generally made in U.S. dollars while sales to distributors are generally made in local currencies. Accordingly, strengthening of the U.S. dollar versus a foreign currency could have a negative impact on us. Specifically, because a significant percentage of our revenues are generated in Japan, strengthening of the U.S. dollar versus the Japanese yen has had and could continue to have an adverse impact on our financial

results. Although we may engage in transactions intended to reduce our exposure to foreign currency fluctuations, there can be no assurance that these transactions will be effective. Given the complex global political and economic dynamics that affect exchange rate fluctuations, it is difficult to predict future fluctuations and the effect these fluctuations may have upon future reported results or our overall financial condition.

Additionally, we may be negatively impacted by conflicts with or disruptions caused or faced by third party importers, as well as conflicts between such importers and local governments or regulatory agencies. Our operations in some markets also may be adversely affected by political, economic and social instability in foreign countries.

Global economic conditions could harm our business.

Global economic conditions continue to be challenging and unpredictable. Consumer confidence and spending have declined in recent years and the global credit crisis has limited access to capital for many companies and consumers. The global economic downturn could adversely impact our business by causing a decline in demand for our products, particularly if the economic conditions are prolonged or worsen. In addition, poor global economic conditions may adversely impact access to capital for us and our suppliers, may decrease our independent distributors' ability to obtain or maintain credit, and may otherwise adversely impact our operations and overall financial condition.

If we are unable to maintain our level of internal controls, our shareholders could lose confidence in our financial reporting and our stock price could suffer.

We have implemented internal controls to help ensure the accuracy of our financial reporting and have implemented internal controls to comply with Section 404 of the Sarbanes-Oxley Act of 2002. We regularly audit our internal controls and various aspects of our business and we regularly assess the effectiveness of our internal controls. There can be no assurance, however, that these internal or external assessments and audits will identify all significant or material weaknesses in our internal controls. Any failure to correct a weakness in internal controls could result in the disclosure of a material weakness. If a material weakness results in a material misstatement in our financial results, we may also have to restate our financial statements.

If we are to expand our product offerings, we may need to raise additional capital.

Although we introduced additional products in fiscal 2014, we primarily depend on Protandim® for our revenue. We may decide to expand our product portfolio and may seek to do so by acquiring products by license or through product or company acquisitions. If cash generated from operations is insufficient to satisfy our requirements in this regard, we may need to raise additional capital, which may be dilutive to our existing shareholders. If we are unable to raise additional required capital in a timely manner, we could be forced to reduce our growth plans.

We could be exposed to certain environmental liabilities due to our past operations and property ownership.

During the 1990s, we owned mining properties in the Yaak River mining district of Montana. We never conducted any mining operations or ore processing on these properties, nor have we performed on-site environmental studies on these properties. The State of Montana Department of Environmental Quality believed that the properties may contain residues from past mining. We may be liable for material environmental liabilities associated with these properties.

In addition, until November 2004, we owned land in Lawrence, Colorado. We are not aware of any environmental liabilities with respect to this land. The party that acquired the land from us assumed any environmental liability related to the land. Nonetheless, a governmental agency or a private party could seek to hold us accountable for such environmental liabilities, if any.

Risk Factors Relating to our Business and Industry

We primarily depend on a single product for our revenue.

Although we generate revenue through the sale of Canine Health® and our line of LifeVantage TrueScience® skin care products, we primarily rely on the sale of Protandim® for our revenue. We do not have a broad portfolio of other products that we could rely on to support our operations if we were to experience any difficulty with the manufacture, marketing, sale or distribution of Protandim®. For example, our revenue was adversely impacted because sales of Protandim® slowed following our voluntary product recall during fiscal 2013. If we have similar problems in the future, our results could be negatively affected. In addition, we may be unable to sustain or increase the price or sales levels for Protandim®, which could harm our business.

If we are unable to retain our existing independent distributors or attract additional independent distributors, our revenue will not increase and may even decline.

Our independent distributors may terminate their services at any time and we can and have in the past terminated distributors for conduct violative of our policies and procedures. As such, like most direct selling companies, we have experienced and are likely to continue to experience turnover among independent distributors. The departure for any reason of one of our leading independent distributors can be a major disruption to other independent distributors and can have a significant negative impact on our operating results. Independent distributors who join our company to purchase our products for personal consumption or for short-term income goals may only stay with us for a short time. While we take steps to help train, motivate, and retain independent distributors, we cannot accurately predict the number or productivity of our independent distributors.

Our operating results will be harmed if we and our independent distributor leaders do not generate sufficient interest in our business to retain existing independent distributors and attract new independent distributors. The number and productivity of our independent distributors could be harmed by several factors, including:

- any adverse publicity regarding us, our products, our distribution channel, or our competitors;
- lack of interest in existing or new products or their failure to achieve desired results;
- lack of a compelling business opportunity sufficient to generate the interest and commitment of new independent distributors;
- any changes we might make to our independent distributor compensation plan;
- any negative public perception of our company or our products or their ingredients;
- any negative public perception of our independent distributors and direct selling businesses in general;
- our actions to enforce our policies and procedures;
- any efforts to sell our products through competitive channels;
- any regulatory actions or charges against us or others in our industry; and
- general economic and business conditions.

High quality material for our products may be difficult to obtain or expensive.

Raw materials account for a significant portion of our manufacturing costs and we rely on third-party suppliers to provide raw materials. Suppliers may be unable or unwilling to provide the raw materials our manufacturers need in the quantities requested, at a price we are willing to pay, or that meet our quality standards. We are also subject to potential delays in the delivery of raw materials caused by events beyond our control, including labor disputes, transportation interruptions and changes in government regulations. Our business could be adversely affected if we are unable to obtain a reliable source of any of the raw materials used in the manufacturing of our products that meets our quality standards. Additionally, if demand for our products exceeds our forecasts, we may have difficulties in obtaining additional raw materials in time to meet the excess demand. Any significant delay in or disruption of the supply of raw materials could, among other things, substantially increase the cost of such materials, require reformulation or repackaging of products, require the qualification of new suppliers, or result in our inability to meet customer demands.

Although our independent distributors are independent contractors, improper distributor actions that violate laws or regulations could harm our business.

Our independent distributors are not employees and act independent of us. However, activities by our independent distributors that violate applicable laws or regulations could result in government or third party actions against us, which could harm our business. Our independent distributors agree to abide by our strict policies and procedures designed to ensure our independent distributors will comply with legal requirements. We have a compliance department that addresses violations of our independent distributors when they become known to us. However, given the size of our independent distributor network, we experience problems with independent distributors violating our policies and procedures from time to time and are not always able to discover or remedy such violations.

One of our most significant areas of risk with respect to independent distributor activities relates to improper product claims and claims regarding the business opportunity of being an independent distributor. Any determination by the Federal Trade Commission, any state agency or other similar governmental agency outside the United States that we or our independent distributors are not in compliance with applicable laws could materially harm our business. Even if governmental actions do not

result in rulings or orders against us, they could create negative publicity that could detrimentally affect our efforts to recruit or motivate independent distributors and attract customers or lead to consumer lawsuits against us. As we experience growth in the number of our independent distributors, we have seen an increase in sales aids and promotional material being produced by distributors and distributor groups in some markets. This places an increased burden on us to monitor compliance of such materials and increases the risk that such materials could contain problematic product or marketing claims in violation of our policies and applicable regulations. As we expand internationally, our distributors sometimes attempt to anticipate additional new markets that we may enter in the future and begin marketing and sponsoring activities in markets where we are not qualified to conduct business. We could face fines or other legal action if our distributors violate applicable laws and regulations.

We are dependent upon third parties to manufacture our product.

We currently rely on third parties to manufacture the products we sell. We are dependent on the uninterrupted and efficient operation of third party manufacturers' facilities. We currently have multiple third party contractors who manufacture Protandim®, however we currently only have one third party contractor who manufacturers each of Canine Health® and our line of LifeVantage TrueScience® skin care products. If any of our current manufacturers are unable or unwilling to fulfill our manufacturing requirements or seek to impose unfavorable terms, we will likely have to seek out other manufacturers, which could disrupt our operations and we may not be successful in finding alternative manufacturing resources. In addition, competitors who perform their own manufacturing may have an advantage over us with respect to pricing, availability of product, and in other areas through their control of the manufacturing process.

Disruptions to transportation channels used to distribute our products may adversely affect our margins and profitability.

We generally rely on the uninterrupted and efficient operation of third party logistics companies to transport and deliver our products. These third party logistics companies may experience disruptions to the transportation channels used to distribute our products, including increased airport and shipping port congestion, a lack of transportation capacity, increased fuel expenses, and a shortage of manpower. Disruptions to the transportation channels experienced by our third party logistics companies may result in increased costs, including the additional use of airfreight to meet demand.

We are subject to risks related to product recalls.

We have implemented measures in our manufacturing process that are designed to prevent and detect defects in our products, including the inclusion of foreign contaminants. However, such measures may not prevent or reveal defects or detect contaminants in our products and such defects and contaminants may not become apparent until after our products have been sold into the market. Accordingly, there is a risk that product defects will occur, or that our products will contain foreign contaminants, and that such defects and contaminants will require a product recall. We do not maintain product recall insurance. In December 2012, we commenced a voluntary recall of certain lots of Protandim® to alleviate concerns that some tablets may have included small metal fragments. We discovered these small metal fragments in certain batches of turmeric extract, an ingredient in Protandim® we purchase from third party suppliers. Product recalls and subsequent remedial actions can be expensive to implement and could have a material adverse effect on our business, results of operations and financial condition. In addition, product recalls could result in negative publicity and public concerns regarding the safety of our products, either of which could harm the reputation of our products and our business and could cause the market value of our common stock to decline.

The events that lead to and followed our voluntary product recall in December 2012 strained our relationships with some of our third party manufacturers. Additionally, following the voluntary recall we implemented more stringent measures, including several redundant measures, in our manufacturing process to detect contaminates. Third party manufacturers may be reluctant to implement these redundant measures, may refuse to manufacture our products and these additional measures may increase our cost of goods sold and further strain our relationships with manufacturers.

Laws and regulations may prohibit or severely restrict direct selling and cause our revenue and profitability to decline, and regulators could adopt new regulations that negatively impact our business.

Various government agencies throughout the world regulate direct selling practices. The laws and regulations applicable to us and our independent distributors in Japan are particularly stringent. These laws and regulations are generally intended to prevent fraudulent or deceptive schemes, often referred to as "pyramid" schemes, which compensate participants primarily for recruiting additional participants without significant emphasis on the sale of product to end consumers. The laws and regulations in some of our markets impose cancellations, product returns, inventory buy-backs and cooling-off rights for our independent distributors and customers. Excessive refunds and/or product returns pursuant to local laws and regulations could have a negative impact on our operating results.

Complying with these rules and regulations can be difficult and requires the devotion of significant resources on our part. We may not be able to continue business in existing markets or commence operations in new markets if we are unable to comply with these laws or adjust to changes in these laws.

Unfavorable publicity could materially harm our business.

We are highly dependent upon consumers' perceptions of the safety, quality, and efficacy of our products, as well as competitive products distributed by other companies. In the past we have experienced negative publicity that has harmed our business. Critics of our industry and other individuals whose interests are not aligned with our interests, have in the past and may in the future utilize the Internet, the press and other means to publish criticism of the industry, our company, our products and our competitors, or make allegations regarding our business and operations, or the business and operations of our competitors. For instance, several prominent companies in our industry have been targeted by short sellers who profit if a company's stock price decreases. One such company has been targeted by a short seller who, after taking a significant short position, publicly made allegations regarding the legality of the company's direct selling model. Short sellers have an incentive to publicly criticize our industry and business model and any such criticism may adversely affect our stock price.

Future scientific research or publicity may not be favorable to our industry or any particular product, including Protandim®. Because of our dependence upon consumer perceptions, adverse publicity associated with illness or other adverse effects resulting or claimed to have resulted from the consumption or use of our products or any similar products distributed by other companies could have a material adverse impact on us. Such adverse publicity could arise even if the claims are unsubstantiated or if the adverse effects associated with such products resulted from failure to consume or use such products as directed. Adverse publicity could also increase our product liability exposure, result in increased regulatory scrutiny and lead to the initiation of private lawsuits.

Our direct selling program could be found to be not in compliance with current or newly adopted laws or regulations in one or more markets, which could prevent us from conducting our business in these markets and harm our financial condition and operating results.

Some of the legal and regulatory requirements concerning the direct selling business model are ambiguous and subject to interpretation. As a result, regulators and courts have discretion in their application of these laws and regulations, and the enforcement or interpretation of these laws and regulations by governmental agencies or courts can change. Recent allegations by short sellers regarding the legality of multi-level marketing companies generally have also created intense public scrutiny of our industry and could cause governmental agencies to change their enforcement and interpretation of applicable laws and regulations. The failure of our business to comply with current or newly adopted regulations or interpretations could negatively impact our business in a particular market or in general and may adversely affect our share price.

We may become involved in legal proceedings that are expensive, time consuming and, if adversely adjudicated or settled, could adversely affect our financial results.

Litigation claims can be expensive and time consuming to bring or defend against and could result in settlements or damages that could significantly affect our financial results. It is not possible to predict the final resolution of litigation which we may in the future become party to; the impact of certain of these matters on our business, results of operations and financial condition could be material.

We are currently involved in various lawsuits, both as a plaintiff and as defendant. While we believe the suits against us are without merit, they are quite costly to defend and we cannot be assured that we will ultimately prevail. If we do not prevail and are required to pay damages, it could harm our business.

Our business is subject to strict government regulations.

The manufacturing, packaging, labeling, advertising, sale and distribution of our products are subject to federal laws and regulation by one or more federal agencies, including, in the United States, the FDA, the FTC, the Consumer Product Safety Commission, the United States Department of Agriculture, and the Environmental Protection Agency. These activities are also regulated by various state, local, and international laws and agencies of the states and localities in which our products are sold. Government regulations may prevent or delay the introduction, or require the reformulation, of our products, which could result in lost revenues, increased costs and delay our expansion into new international markets. For instance, the FDA regulates, among other things, the composition, safety, labeling, and marketing of dietary supplements (including vitamins, minerals, herbs, and other dietary ingredients for human use).

The FDA may determine that a particular dietary supplement or ingredient is adulterated or misbranded or both, and may determine that a particular claim or statement of nutritional value that we make to support the marketing of a dietary supplement is an impermissible drug claim, is not substantiated, or is an unauthorized version of a “health claim.” Determining

whether a claim is improper frequently involves a degree of subjectivity. Any of these determinations by the FDA could prevent us from marketing that particular dietary supplement product, or making certain claims for that product. The FDA could also require us to remove a particular product from the market. Any future recall or removal would result in additional costs to us, including lost revenues from any product that we are required to remove from the market, which could be material. Any product recalls or removals could also lead to liability, substantial costs, and reduced growth prospects.

Additional or more stringent regulations of dietary supplements and other products have been considered from time to time. In recent years, there has been increased pressure in the United States and other markets to increase regulation of dietary supplements. New regulations could impose additional restrictions, including requiring reformulation of some products to meet new standards, recalls or discontinuance of some products not able to be reformulated, additional record-keeping requirements, increased documentation of the properties of some products, additional or different labeling, additional scientific substantiation, adverse event reporting, or other new requirements. Any of these developments could increase our costs significantly. In the United States, for example, some legislators and industry critics continue to push for increased regulatory authority by the FDA over nutritional supplements. Our business could be harmed if more restrictive legislation is successfully introduced and adopted in the future. In the United States, the FTC's Guides Concerning the Use of Endorsements and Testimonials in Advertising, or Guides, require disclosure of material connections between an endorser and the company they are endorsing and generally do not allow marketing using atypical results. Our independent distributors have historically used testimonials to market and sell our products. Producing marketing materials that conform to the requirements and restrictions of the Guides may diminish the impact of our marketing efforts and negatively impact our sales results. If we or our distributors fail to comply with these Guides, the FTC could bring an enforcement action against us and we could be fined and/or forced to alter our marketing materials. Our operations also could be harmed if new laws or regulations are enacted that restrict our ability to market or distribute nutritional supplements or impose additional burdens or requirements on nutritional supplement companies or require us to reformulate our products.

In addition, the Dietary Supplement and Nonprescription Drug Consumer Protection Act, which was passed by Congress in 2006, imposes significant regulatory requirements on dietary supplements, packers and distributors including the reporting of "serious adverse events" to the FDA and record keeping requirements. Complying with this legislation could raise our costs and negatively impact our business. We and our suppliers are also required to comply with FDA regulations with respect to current Good Manufacturing Procedures in manufacturing, packaging, or holding dietary ingredients and dietary supplements. These regulations require dietary supplements to be prepared, packaged, and held in compliance with procedures that we and our subcontractors must develop and make available for inspection by the FDA. These regulations could raise our costs and negatively impact our business. Additionally, our third-party suppliers or vendors may not be able to comply with these rules without incurring substantial expenses. If our third-party suppliers or vendors are not able to comply with these rules, we may experience increased cost or delays in obtaining certain raw materials and third-party products. In 2011, the FDA published draft guidance which is intended, among other things, to help manufacturers and distributors of dietary supplement products determine when they are required to file with the FDA a New Dietary Ingredient, or NDI, notification with respect to a dietary supplement product. In this draft guidance, the FDA highlighted the necessity for marketers of dietary supplements to submit NDI notifications as an important preventive control to ensure that consumers are not exposed to potential unnecessary public health risks in the form of new ingredients with unknown safety profiles. Although we do not believe that Protandim® contains an NDI, if the FDA were to conclude that we should have filed an NDI notification for Protandim®, then we could be subject to enforcement actions by the FDA. Such enforcement actions could include product seizures and injunctive relief being granted against us, any of which would harm our business.

Legislation known as the Dietary Supplement Labeling Act was recently introduced in the United States Senate. This proposed legislation purports to help consumers distinguish between dietary supplements that are safe and those that have potentially serious side-effects or drug interactions. The Dietary Supplement Labeling Act, if passed and enacted as law, would require dietary supplement manufacturers to disclose known ingredient risks and display mandatory warnings if a product contains an ingredient that could cause potentially serious adverse events. Although it is not currently known if, or in what form, the Dietary Supplement Labeling Act will be enacted, it could create additional regulatory burdens on our business, increase our costs and harm our operations.

Regulations governing the production and marketing of our skin care product could harm our business.

LifeVantage TrueScience®, our line of anti-aging skin care products, is subject to various domestic and foreign laws and regulations that regulate cosmetic products and set forth regulations for determining whether a product can be marketed as a "cosmetic" or requires further approval as a drug. A determination that our skin care products impact the structure or function of the human body, including due to improper marketing claims by our independent distributors may lead to a determination that the LifeVantage TrueScience® skin care products require pre-market approval as a drug. Such regulations in any given market can limit our ability to import products and can delay product launches as we go through the registration and approval process for those products. Furthermore, if we fail to comply with these regulations, we could face enforcement action against

us and we could be fined, forced to alter or stop selling our skin care products and/or be required to adjust our operations. Our operations also could be harmed if new laws or regulations are enacted that restrict our ability to market or distribute our skin care products or impose additional burdens or requirements on the contents of our personal care product or require us to reformulate our product.

We are subject to the risk of investigatory and enforcement action by the FTC.

We are subject to the risk of investigatory and enforcement action by the FTC based on our advertising claims and marketing practices. The FTC routinely reviews product advertising, including websites, to identify significant questionable advertising claims and practices. The FTC has brought many actions against dietary supplement companies based upon allegations that applicable advertising claims or practices were deceptive or not substantiated. If the FTC initiates an investigation, the FTC can initiate pre-complaint discovery that may be nonpublic in nature. Any investigation may be very expensive to defend and may result in an adverse ruling or in a consent decree.

Government authorities may question our tax positions or transfer pricing policies or change their laws in a manner that could increase our effective tax rate or otherwise harm our business.

As a U.S. company doing business in international markets through subsidiaries, we are subject to various tax and intercompany pricing laws, including those relating to the flow of funds between our company and our subsidiaries. From time to time, we are audited by tax regulators in the United States and in our foreign markets. If regulators challenge our tax positions, corporate structure, transfer pricing mechanisms or intercompany transfers, we may be subject to fines and payment of back taxes, our effective tax rate may increase and our operations may be harmed. Tax rates vary from country to country, and, if tax authorities determine that our profits in one jurisdiction may need to be increased, we may not be able to fully utilize all foreign tax credits that are generated, which will increase our effective tax rate. For example, our federal corporate income tax rate in the United States is 35%. If our profitability in a higher tax jurisdiction, such as Japan where our tax rate in fiscal 2014 was approximately 38%, increases disproportionately to the rest of our business, our effective tax rate may increase. The various customs, exchange control and transfer pricing laws are continually changing and are subject to the interpretation of government agencies. We may experience increased efforts by customs authorities in foreign countries to reclassify our products or otherwise increase the level of duties we pay on our products. Despite our efforts to be aware of and comply with such laws, and changes to and interpretations thereof, there is a risk that we may not continue to operate in compliance with such laws. We may need to adjust our operating procedures in response to such changes, and as a result, our business may suffer. In addition, due to the international nature of our business, we are subject from time to time to reviews and audits by foreign taxing authorities of other jurisdictions in which we conduct business throughout the world.

Non-compliance with anti-corruption laws could harm our business.

Our international operations are subject to anti-corruption laws, including the Foreign Corrupt Practices Act, also known as the FCPA. Any allegations that we are not in compliance with anti-corruption laws may require us to dedicate time and resources to an internal investigation of the allegations or may result in a government investigation. Any determination that our operations or activities are not in compliance with existing anti-corruption laws or regulations could result in the imposition of substantial fines, and other penalties. Although we have implemented anti-corruption policies and controls to protect against violation of these laws, we cannot be certain that these efforts will be effective.

The loss of or inability to attract key personnel could negatively impact our business.

Our future performance will depend upon our ability to attract, retain, and motivate our executive and senior management team and scientific staff. Our success depends to a significant extent both upon the continued services of our current executive and senior management team and scientific staff, as well as our ability to attract, hire, motivate, and retain additional qualified management and scientific staff in the future. Specifically, competition for executive and senior staff in the dietary supplement market is intense, and our operations could be adversely affected if we cannot attract and retain qualified personnel. Additionally, former members of our executive and senior management team could join or form companies that compete against us in the direct selling industry.

All of our employees are “at will” employees, which means any employee may quit at any time and we may terminate any employee at any time. We do not carry “key person” insurance covering members of senior management or our employees.

We may be held responsible for certain taxes or assessments relating to the activities of our independent distributors, which could harm our financial condition and operating results.

Our distributors are subject to taxation, and in some instances, legislation or governmental agencies impose an obligation on us to collect taxes, such as value added taxes, and to maintain appropriate records. In the event that local laws and regulations or the interpretation of local laws and regulations change to require us to treat our independent distributors as employees, or that

our distributors are deemed by local regulatory authorities in one or more of the jurisdictions in which we operate to be our employees rather than independent contractors under existing laws and interpretations, we may be held responsible for social security and related taxes in those jurisdictions, plus any related assessments and penalties, which could harm our financial condition and operating results. If our distributors were deemed to be employees rather than independent contractors, we would also face the threat of increased vicarious liability for their actions.

The dietary supplement market is highly competitive.

Our flagship product, Protandim®, competes in the dietary supplements market, which is large, highly competitive and fragmented. Participants include specialty retailers, supermarkets, drugstores, mass merchants, multi-level marketing organizations, on-line merchants, mail-order companies, and a variety of other smaller participants. Many of our competitors have greater financial and other resources available to them and possess better manufacturing, independent distribution and marketing capabilities than we do. We believe some of these competitors with greater resources are currently working on developing and releasing products that will compete directly with Protandim® and be marketed as Nrf2 activators. One or more of these products could significantly reduce the demand for Protandim® and have a material adverse effect on our revenue. We believe that the market is also highly sensitive to the introduction of new products, including various prescription drugs, which may rapidly capture a significant share of the market. Moreover, because of regulatory restrictions concerning claims about the efficacy of dietary supplements, we may have difficulty differentiating our products from our competitors' products, and competing products entering the dietary supplements market could harm our revenue. In the United States and Japan, we also compete for sales with heavily advertised national brands manufactured by large pharmaceutical and food companies, as well as other retailers. In addition, as some products become more mainstream, we experience increased competition for those products as more participants enter the market. Our international competitors include large international pharmacy chains, major international supermarket chains, and other large U.S.-based companies with international operations. We may not be able to compete effectively and our attempt to do so may result in increased pricing pressure, which may result in lower margins and have a material adverse effect on our results of operations and financial condition.

Our intellectual property rights are valuable, and any inability to protect them could reduce the value of our products and brand.

The loss of our intellectual property rights in our products could permit our competitors to manufacture their own version of our products. We have attempted to protect our intellectual property rights in our products through a combination of patents, patent applications, confidentiality agreements, non-compete agreements and other contractual protection mechanisms, and we will continue to do so. While we intend to defend against any threats to our intellectual property, our patents or various contractual protections may not adequately protect our intellectual property. In addition, we could be required to expend significant resources to defend our rights to proprietary information, and may not be successful in such defense.

Moreover, our intellectual property rights are more limited outside of the United States than they are in the United States. As such, we may not be successful in preventing third parties from copying or misappropriating our intellectual property. There can also be no assurance that pending patent applications owned by us will result in patents being issued to us, that patents issued to or licensed by us in the past or in the future will not be challenged or circumvented by competitors or that such patents will be found to be valid or sufficiently broad to protect our products or to provide us with any competitive advantage. Third parties could also obtain patents that may require us to negotiate to obtain licenses to conduct our business, and any required licenses may not be available on reasonable terms or at all. We also rely on confidentiality and non-compete agreements with certain employees, independent distributors, consultants and other parties to protect, in part, trade secrets and other proprietary rights. There can be no assurance that these agreements will not be breached, that we will have adequate remedies for any breach, that others will not independently develop substantially equivalent proprietary information or that third parties will not otherwise gain access to our trade secrets or proprietary knowledge.

Third parties might claim that we infringe on their intellectual property rights.

Although the dietary supplement industry has historically been characterized by products with naturally occurring ingredients, recently it is becoming more common for suppliers and competitors to apply for patents or develop proprietary technologies and processes. Third parties may assert intellectual property infringement claims against us despite our efforts to avoid such infringement. Such claims could prevent us from offering competitive products or result in litigation or threatened litigation.

Our business is susceptible to product liability claims.

The manufacture and sale of any product for human consumption raises the risk of product liability claims. These claims may derive from the product itself or a contaminant found in the product from the manufacturing, packaging, sales process or even due to tampering by unauthorized third parties. Our products consist of vitamins, minerals, herbs, and other ingredients that are classified as foods or dietary supplements and are not subject to pre-market regulatory approval in the United States. Our products could contain contaminated substances, and some of our products contain ingredients that do not have long histories of

human consumption. Previously unknown adverse reactions resulting from human consumption of these ingredients could occur. In addition, third-party manufacturers produce all of the products we sell. As a distributor of products manufactured by third parties, we may also be liable for various product liability claims for these products despite not manufacturing them. We may be subject to various product liability claims, including, among others, that our products include inadequate instructions for use or inadequate warnings concerning possible side effects and interactions with other substances. Any product liability claim against us could result in increased costs and could adversely affect our reputation with our customers, which in turn could adversely affect our revenues and operating income. Although we maintain insurance coverage, there is a risk that our insurance will not cover our potential exposure completely or would fail to cover a particular claim, in which case we may not have the financial resources to satisfy such claim. In addition, certain types of damages, such as punitive damages, are not covered by our insurance policy.

Economic, political, and other risks associated with our international operations could adversely affect our revenues and international growth prospects.

As part of our business strategy, we intend to continue to expand our international presence. Our international operations are subject to a number of risks inherent to operating in foreign countries, and any expansion of our international operations will increase the effects of these risks. These risks include, among others:

- political and economic instability of foreign markets;
- foreign governments' restrictive trade policies;
- lack of well-established or reliable legal systems in certain areas in which we operate;
- inconsistent product regulation or sudden policy changes by foreign agencies or governments;
- the imposition of, or increase in, duties, taxes, government royalties, or non-tariff trade barriers;
- difficulty in collecting international accounts receivable and potentially longer payment cycles;
- the possibility that a foreign government may limit our ability to repatriate cash;
- increased costs in maintaining international marketing efforts;
- problems entering international markets with different cultural bases and consumer preferences; and
- fluctuations in foreign currency exchange rates.

Any of these risks could have a material adverse effect on our international operations and our growth strategy.

Risks Related to Ownership of Our Common Stock

Our stock price may experience future volatility.

The trading price of our common stock has historically been subject to wide fluctuations. The price of our common stock may fluctuate in the future in response to quarter-to-quarter variations in operating results, material announcements by us or competitors, governmental regulatory action, conditions in the dietary supplement industry, or other events or factors, many of which are beyond our control, and some of which do not have a strong correlation to our operating performance.

Substantial sales of shares may impact the market price of our common stock.

If our shareholders sell substantial amounts of our common stock, the market price of our common stock may decline. These sales also might make it more difficult for us to sell equity or equity-related securities in the future at a time and price that we consider appropriate.

We would issue up to 9.4 million shares if the holders of our outstanding warrants and options exercise their securities for shares of common stock, which would materially dilute the voting power of our currently outstanding common stock and could cause our stock price to decline.

As of June 30, 2014, we had 102.2 million shares of common stock outstanding. As of June 30, 2014, we also had outstanding warrants that are exercisable for an aggregate of 4.2 million shares of common stock and stock options outstanding for an aggregate of 5.1 million shares of common stock. The issuance of these shares will dilute the voting power of our currently outstanding common stock and could cause our stock price to decline.

We have never paid dividends on our capital stock, and we do not currently anticipate paying any cash dividends in the foreseeable future.

We have paid no cash dividends on any of our classes of capital stock to date. Although during fiscal 2014 we paid an aggregate of $46.2 million to repurchase 19.6 million shares of our common stock, we currently intend to retain our future earnings, if any, to fund the development and growth of our business. Additionally, the Financing Agreement we entered into in October 2013 contains a customary covenant that restricts our ability to pay dividends. As a result, capital appreciation, if any, of our common stock is likely to be your sole source of gain for the foreseeable future.

ITEM 1B — UNRESOLVED STAFF COMMENTS

We do not have any unresolved comments issued by the SEC staff.

ITEM 2 — PROPERTIES

Corporate Offices

During fiscal year 2014 we moved into our corporate headquarters located at 9785 South Monroe Street, Suite 300, Sandy, Utah 84070. The lease for our corporate headquarters is for a term of ten years, with an option for us to terminate the lease in our discretion after seven years. The lease includes approximately 44,353 square feet with options to occupy additional space in the future if needed.

In April 2014 we amended the lease for our previous corporate headquarters located at 9815 South Monroe Street in Sandy, Utah to include only a small portion of that location of approximately 8,742 square feet. The lease for the 9815 South Monroe Street property expires in June 2017.

Our subsidiary, LifeVantage Japan K.K., leases approximately 10,400 square feet of office space in Tokyo, Japan. The term of the lease is for five years commencing on August 1, 2012.

Warehouse Facilities

Since fiscal year 2010, IntegraCore, LLC has provided fulfillment services to us, including services relating to procurement, warehousing, ordering, processing and shipping. In June 2014, we entered into an agreement under which IntegraCore, LLC agreed to continue to provide fulfillment services to us. We have also entered into arrangements to receive similar services in some of our international markets.

ITEM 3 — LEGAL PROCEEDINGS

On April 9, 2013, we were sued in the Third Judicial District Court for Salt Lake County, State of Utah. The plaintiff in the lawsuit is Ronald Jones, an independent distributor with our company. The lawsuit alleges that we entered into an agreement with Mr. Jones related to his distributor activities in Hong Kong and that we subsequently breached that agreement. It also alleges that we misappropriated trade secrets that purportedly belong to Mr. Jones. The lawsuit seeks over $20 million in damages. We believe the allegations made by Mr. Jones are completely without merit and we intend to vigorously defend the lawsuit.

On November 20, 2013, we filed a complaint in the United States District Court, District of Utah, Central Division naming Jason Domingo and Ovation Marketing Group, Inc. as defendants. Ovation Marketing Group, Inc. is a former distributor of our company. In the complaint, we allege defendants breached a contract and misappropriated our trade secrets. On January 21, 2014, the defendants filed an answer and counterclaim in response to our complaint. Defendants' answer and counterclaims allege defamation and tortious interference with economic relations, which the defendants claim resulted in damages of not less than $20 million. We believe the counterclaims alleged by the defendants are completely without merit and we intend to vigorously defend against them.

ITEM 4 — MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5 — MARKET FOR REGISTRANT’S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information and Holders

Our common stock began trading on the NASDAQ Capital Market ("NASDAQ") under the symbol "LFVN" in September 2012. Our common stock was previously quoted on the OTC Bulletin Board under the symbol “LFVN.”

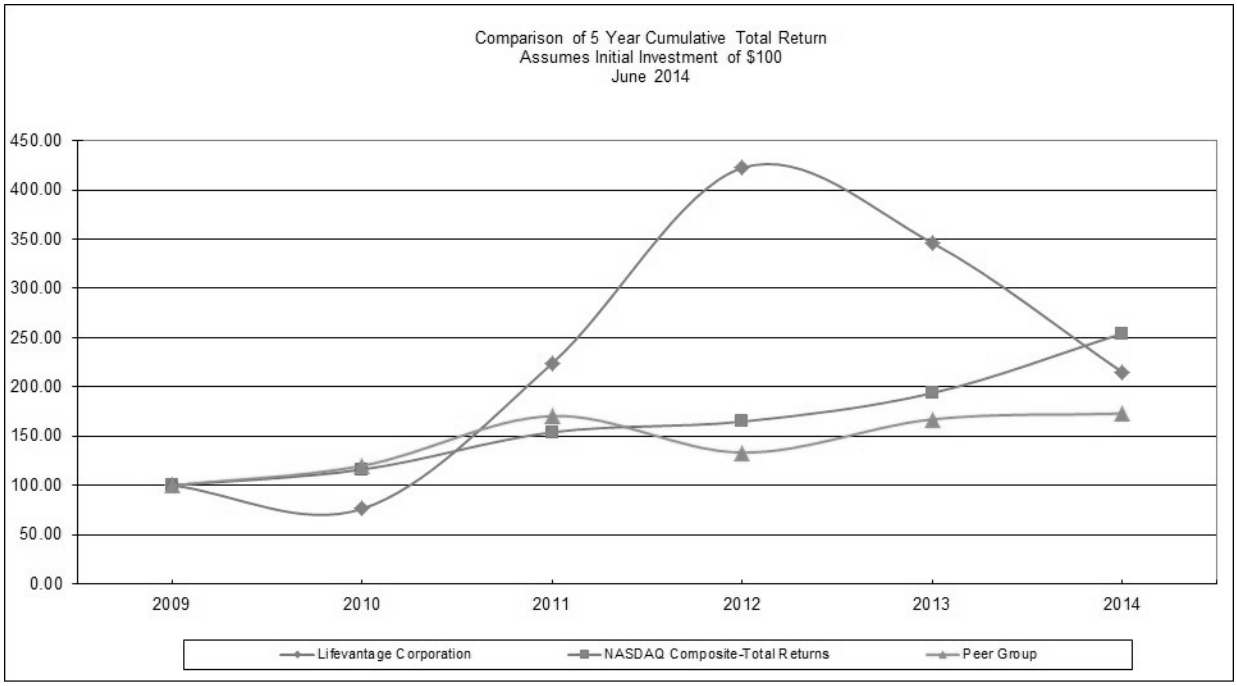
The table below sets forth, for the fiscal quarters indicated, the reported high and low prices of our common stock, as quoted on NASDAQ or the OTC Bulletin Board, as applicable. These prices were reported by an online service, reflect inter-dealer prices, without retail mark-up, mark-down or commission and may not represent actual transactions. Our fiscal year-end is June 30.

	Fiscal year			
	2014		2013	
	High	Low	High	Low
First Quarter	$ 2.68	$ 2.13	$ 3.85	$ 2.46
Second Quarter	$ 2.62	$ 1.37	$ 3.42	$ 1.60
Third Quarter	$ 1.67	$ 1.10	$ 3.07	$ 2.15
Fourth Quarter	$ 1.51	$ 1.22	$ 2.50	$ 2.04

Our common stock is issued in registered form and the following information is taken from the records of our current transfer agent, Computershare Trust Company, Inc., located in Golden, Colorado. As of June 30, 2014, we had 304 shareholders of record and 102.2 million shares of common stock outstanding. This does not include an unknown number of persons who hold shares in street name through brokers and dealers and who are not listed on our shareholder records.

Stock Performance Graph

The following line graph and table compares the cumulative total shareholder return on our common stock with the cumulative total return of (i) the NASDAQ Composite Index and (ii) a market-weighted index of publicly traded peer companies (the "Peer Group") for the period from June 30, 2009 through June 30, 2014. The data shown assumes an investment on June 30, 2009 of $100 and reinvestment of all dividends into additional shares of the same class of equity, if applicable, to the stock or index. There is no expectation that the rate of return achieved in the prior 5 years will be achievable in the upcoming years.



The Peer Group consists of the following companies, which compete in our industry and product categories: Nature's Sunshine Products, Inc., Nu Skin Enterprises, Inc., Mannatech, Incorporated, Herbalife LTD., Reliv International, Inc., Avon Products, Inc., USANA Health Sciences, Inc. and Tupperware Brands Corporation.

Measured Period	LFVN	NASDAQ Composite	Peer Group
June 30, 2009	$ 100.00	$ 100.00	$ 100.00
June 30, 2010	$ 76.12	$ 115.98	$ 119.87
June 30, 2011	$ 223.88	$ 153.93	$ 170.41
June 30, 2012	$ 422.39	$ 164.70	$ 133.24
June 30, 2013	$ 346.27	$ 193.69	$ 167.04
June 30, 2014	$ 214.93	$ 254.06	$ 172.87

Dividends

We have not declared any dividends on any class of our equity securities since incorporation and we do not currently anticipate declaring any dividends in the foreseeable future. Additionally, the Financing Agreement we entered into in October 2013 contains customary covenants that, among other things, restrict our ability to pay dividends.

Purchases of Equity Securities

During the three months ended June 30, 2014, we issued 0.1 million unregistered shares of our common stock upon the exercise of various warrants. The shares issued were exempt from registration under the Securities Act of 1933 pursuant to Section 3(a)(9) thereof.

The following table provides information with respect to purchases we made of shares of our common stock during the quarter ended June 30, 2014.

Period	(a) Total Number of Shares (or Units) Purchased (in thousands)	(b) Average Price Paid per Share (or Unit) (1)	(c) Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs (2)	(d) Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs (in thousands)
April 1, 2014 to April 30, 2014	372	$ 1.35	372	$ 2,498
May 1, 2014 to May 31, 2014	1,471	$ 1.41	1,471	$ 424
June 1, 2014 to June 30, 2014	307	$ 1.40	307	$ —
Total	2,150	$ 1.38	2,150	

(1) Average price paid per share of common stock repurchased is the execution price, including commissions paid to brokers.

(2) On March 11, 2014, we announced a share repurchase program authorizing us to repurchase up to $3 million in shares of our common stock. As part of that repurchase program, we entered into a pre-arranged stock repurchase plan that operated in accordance with guidelines specified under Rule 10b5-1 of the Securities Exchange. As of June 30, 2014 we had purchased the full $3 million in shares under this repurchase program.

During the three months ended June 30, 2014, we withheld 0.1 million shares to satisfy tax withholding obligations in connection with the partial vesting of restricted stock awards.

On June 3, 2014, we announced a share repurchase program authorizing us to repurchase up to $4 million in shares of our common stock. As part of that repurchase program, we entered into a pre-arranged stock repurchase plan that operated in accordance with guidelines specified under Rule 10b5-1 of the Securities Exchange. As of June 30, 2014, we had not made any purchases of our common stock pursuant to this repurchase program.

ITEM 6 — SELECTED FINANCIAL DATA

The following table summarizes certain historical financial information at the dates and for the periods indicated prepared in accordance with GAAP. The consolidated statement of operations data for each of the years ended June 30, 2014, 2013 and 2012, and the consolidated balance sheet data as of June 30, 2014, and 2013, have been derived from our consolidated financial statements audited by EKS&H LLLP, an independent registered public accounting firm, included elsewhere in this Annual

Report on Form 10-K. The consolidated statement of operations data for each of the years ended June 30, 2011 and 2010 and the consolidated balance sheet data as of June 30, 2012, 2011 and 2010 have been derived from our financial statements not included herein. The selected consolidated financial data should be read in conjunction with “Management's Discussion and Analysis of Financial Condition and Results of Operations” and the consolidated financial statements and notes thereto, which are included elsewhere in this Annual Report on Form 10-K. Our historical results are not necessarily indicative of operating results to be expected in the future.

	Years Ended June 30,				
	2014	**2013**	**2012**	**2011**	**2010**
(In thousands, except per share data)					
Statement of Operations Data:					
Revenue, net	$ 213,968	$ 208,178	$ 126,183	$ 38,919	$ 11,478
Cost of sales	33,194	31,845	18,052	5,917	1,906
Product recall costs	—	4,798	—	—	—
Gross profit	180,774	171,535	108,131	33,002	9,572
Operating expenses:					
Commission and incentives	104,525	101,737	57,955	17,132	4,635
Selling, general and administrative	56,801	57,730	28,719	12,168	12,259
Total operating expenses	161,326	159,467	86,674	29,300	16,894
Operating income (loss)	19,448	12,068	21,457	3,702	(7,322)
Other expense, net:					
Interest expense	(3,177)	(3)	(8)	(5,993)	(6,849)
Other income (expense), net	384	(912)	(36)	45	21
Change in fair value of derivative liabilities	—	—	(6,741)	(48,454)	3,102
Total other expense, net	(2,793)	(915)	(6,785)	(54,402)	(3,726)
Net income (loss) before income taxes	16,655	11,153	14,672	(50,700)	(11,048)
Income tax expense	(5,272)	(3,545)	(2,203)	(92)	—
Net income (loss)	$ 11,383	$ 7,608	$ 12,469	$ (50,792)	$ (11,048)
Net income (loss) per share:					
Basic	$ 0.11	$ 0.07	$ 0.12	$ (0.69)	$ (0.19)
Diluted	$ 0.10	$ 0.06	$ 0.11	$ (0.69)	$ (0.19)
Weighed average shares outstanding:					
Basic	105,791	112,276	102,696	73,173	57,373
Diluted	111,599	122,888	118,331	73,173	57,373

	As of June 30,				
	2014	**2013**	**2012**	**2011**	**2010**
(In thousands)					
Balance Sheet Data:					
Cash and cash equivalents	$ 20,387	$ 26,299	$ 24,648	$ 6,721	$ 1,978
Working capital	17,271	25,375	22,800	(3,105)	(2,104)
Total assets	53,999	55,484	44,528	12,499	6,227
Current liabilities	22,702	20,566	16,028	13,380	5,131
Derivative liabilities	—	—	—	19,905	17,123
Long-term debt, net of unamortized discount	25,073	—	—	—	—
Total liabilities	50,009	21,539	16,245	33,307	22,402
Total stockholders equity (deficit)	3,990	33,945	28,283	(20,808)	(16,175)

ITEM 7 — MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis in connection with our financial statements and related notes beginning on page F-1 following Part III of this report.

Overview

We are a company dedicated to helping people achieve their health, wellness and financial independence goals. We provide quality, scientifically validated products and a financially rewarding network marketing business opportunity to customers and independent distributors who seek a healthy lifestyle and financial freedom. We sell our products in the United States, Japan, Hong Kong, Australia, Canada, Philippines and Mexico primarily through a network of independent distributors, and to our preferred customers.

We also engage in the identification, research, development and distribution of advanced nutraceutical dietary supplements and skin care products, including, Protandim®, our scientifically-validated dietary supplement, LifeVantage TrueScience®, our line of anti-aging skin care products launched in fiscal 2014, and Canine Health®, our companion pet supplement formulated to fight oxidative stress in dogs.

Our revenue depends on the number and productivity of our independent distributors and the number of our preferred customers. When we are successful in attracting and maintaining independent distributors and preferred customers, it is largely because of:

- Our scientifically-validated products, including our patented dietary supplement, Protandim®, and our new line of skin care products, LifeVantage TrueScience®;
- Our compensation plan and other sales initiatives; and
- Our goal to deliver superior customer service.

As a result, it is vital to our continued growth that we leverage our product development resources to develop and introduce innovative products and provide opportunities for our independent distributors to sell these products in a variety of markets.

We introduced our line of skin care products containing proprietary Nrf2 technology in April 2014 under our LifeVantage TrueScience® brand. We also have other products in development, including nutritional supplements and performance products. Any delays or difficulties in introducing compelling products or attractive initiatives or tools into our markets may have a negative impact on our revenue growth and our ability to attract new independent distributors and preferred customers.

We have began selling our products in and attracting new independent distributors and preferred customers in several new markets since the beginning of our direct selling activities in 2009, including Japan, Australia, Canada, Mexico, Hong Kong and the Philippines, on a limited basis. Entering a new market requires a considerable amount of time, resources and continued support. If we are unable to properly support an existing or new market, our revenue growth will be negatively impacted.

Our Products

Our products are Protandim®, LifeVantage TrueScience® and Canine Health®. Protandim® contains a proprietary blend of ingredients and has been shown to combat oxidative stress by increasing the body's natural antioxidant protection at the genetic level, inducing the production of naturally-occurring protective antioxidant enzymes including superoxide dismutase, catalase, and glutathione synthase. Canine Health® is a supplement specially formulated to combat oxidative stress in dogs through Nrf2 activation.

We expanded our product offering significantly in April 2014 by introducing a full line of anti-aging skin care products under our LifeVantage TrueScience® brand. The line of skin care products includes TrueScience® Ultra Gentle Facial Cleanser, TrueScience® Perfecting Lotion, TrueScience® Eye Corrector Serum, and an enhanced version of our TrueScience® Anti-Aging Cream.

We sell Protandim®, Canine Health® and our line of LifeVantage TrueScience® skin care products primarily through a direct selling model to independent distributors and to our preferred customers.

Customers

Because we utilize a direct selling model for the distribution of our products, the success and growth of our business is primarily based on the effectiveness of our independent distributors in selling our products and on our ability to attract new and retain existing independent distributors. Changes in our product sales are typically the result of variations in product sales volume relating to fluctuations in the number of active independent distributors and preferred customers purchasing our products. The number of active independent distributors and preferred customers is, therefore, used by management as a key non-financial measure.

The following tables summarize the changes in our active customer base by geographic region. These numbers have been rounded to the nearest thousand as of the dates indicated. For purposes of this report, we only count as active customers those independent distributors and preferred customers who have purchased from us at any time during the most recent three-month period, either for personal use or for resale.

	Active Independent Distributors By Region					
	As of June 30, 2014		As of June 30, 2013		Change from Prior Year	Percent Change
Americas	44,000	64.7%	43,000	64.2%	1,000	2.3%
Asia/Pacific	24,000	35.3%	24,000	35.8%	—	—%
	68,000	100.0%	67,000	100.0%	1,000	1.5%

	Active Preferred Customers By Region					
	As of June 30, 2014		As of June 30, 2013		Change from Prior Year	Percent Change
Americas	107,000	83.6%	115,000	83.3%	(8,000)	(7.0)%
Asia/Pacific	21,000	16.4%	23,000	16.7%	(2,000)	(8.7)%
	128,000	100.0%	138,000	100.0%	(10,000)	(7.2)%

Income Statement Presentation

We report revenue in two geographic regions and we translate revenue from each market's local currency into U.S. dollars using weighted-average exchange rates. Revenue consists primarily of product sales, fee revenues, and shipping and handling fees net of applicable sales discounts. Revenue is recognized upon the passage of title and risk of loss to customers. Also reflected in revenue is a provision for product returns and allowances, which is estimated based on our historical experience. The following table sets forth net revenue information by region for the periods indicated. The following table should be reviewed in connection with the tables presented under "Results of Operations" (in thousands):

	For the years ended June 30,					
	2014		2013		2012	
Americas	$ 141,227	66.0%	$ 133,046	63.9%	$ 90,122	71.4%
Asia/Pacific	72,741	34.0%	75,132	36.1%	36,061	28.6%
Total	$ 213,968	100%	$ 208,178	100%	$ 126,183	100%

Cost of sales primarily consists of costs of products purchased from and manufactured by third-party vendors, costs of adjustments to inventory carrying value, and costs of sales materials which we sell to our sales force, as well as freight, duties and taxes that are associated with the import and export of our products. As our international sales increase, as a percentage of total revenue, cost of sales are increasingly affected by additional duties, freight, and other factors, such as changes in currency exchange rates.

Commission and incentive expenses are our most significant expenses and are classified as operating expenses. Commission and incentive expenses include sales commissions paid to our independent distributors, special incentives, costs for incentive trips and other rewards. Commission and incentive expenses do not include any amounts we pay to our independent distributors for personal purchases. Commissions paid to independent distributors on personal purchases are considered a sales discount and are reported as a reduction to our net revenue. Our global sales compensation plan, which we employ in all our markets, is an important factor in our ability to attract and retain our independent distributors. Under our global sales compensation plan, independent distributors can earn commissions for product sales to their preferred customers as well as the product sales made through the sales network they have developed and trained. We do not pay commissions on

sales materials, which are sold to our independent distributors. Commission and incentive expenses, as a percentage of revenue, may increase in connection with limited-time offers due to growth in the number of independent distributors qualifying for increased sales compensation and promotional incentives. From time to time, we make modifications and enhancements to our global sales compensation plan in an effort to help motivate our sales force and develop leadership characteristics, which can have an impact on commission and incentive expenses.

Selling, general and administrative expenses include wages and benefits, marketing and event costs, professional fees, rents and utilities, depreciation and amortization, research and development, travel costs, and other operating expenses. Wages and benefits represent the largest component of selling, general and administrative expenses. Marketing and event costs include costs of distributor conventions and events held in various markets worldwide, which we expense in the period in which they are incurred. Marketing and event costs also include expenses associated with our sponsorship of the Major League Soccer team, Real Salt Lake.

Sales to customers outside the United States are transacted in the respective local currencies and are translated to U.S. dollars at weighted-average currency exchange rates for each monthly accounting period to which they relate. Consequently, our net sales and earnings are affected by changes in currency exchange rates. In general, sales and gross profit are affected positively by a weakening U.S. dollar and negatively by a strengthening U.S. dollar. Currency fluctuations, however, have the opposite effect on our commissions paid to independent distributors and selling, and general and administrative expenses. In our revenue discussions that follow, we approximate the impact of currency fluctuations on revenue by translating current year revenue at the average exchange rates in effect during the comparable prior year periods.

Results of Operations

For the fiscal years ended June 30, 2014, 2013, and 2012, we generated net revenues of $214.0 million, $208.2 million and $126.2 million, respectively, recognized operating profit of $19.4 million, $12.1 million and $21.5 million, respectively, and recognized net income of $11.4 million, $7.6 million and $12.5 million, respectively.

The following table presents certain consolidated earnings data as a percentage of net revenue:

	For the years ended,		
	June 30, 2014	June 30, 2013	June 30, 2012
Revenue, net	100.0 %	100.0 %	100.0 %
Cost of sales	15.5	15.3	14.3
Product recall costs	—	2.3	—
Gross profit	84.5	82.4	85.7
Operating expenses:			
Commission and incentives	48.9	48.9	45.9
Selling, general and administrative	26.5	27.7	22.8
Total operating expenses	75.4	76.6	68.7
Operating income	9.1	5.8	17.0
Other expense, net:			
Interest expense	(1.5)	—	—
Other income (expense), net	0.2	(0.4)	—
Change in fair value of derivative liabilities	—	—	(5.4)
Total other expense, net	(1.3)	(0.4)	(5.4)
Net income before income taxes	7.8	5.4	11.6
Income tax expense	(2.5)	(1.7)	(1.7)
Net income	5.3 %	3.7 %	9.9 %

Comparison of Fiscal Years Ended June 30, 2014 and 2013

Revenue, net. We generated net revenue of $214.0 million and $208.2 million during the years ended June 30, 2014 and 2013, respectively. This included an increase in net revenue in the Americas region and a slight decline in net revenue in the Asia/Pacific region. Foreign currency fluctuations negatively impacted our net revenue $10.4 million or 5.0%, which is related primarily to our Asia/Pacific region. The increase in sales of $5.8 million in fiscal 2014 was primarily due to an increase of 2.3% in active independent distributors in the Americas as well as the successful introduction of a full line of anti-aging skin care products under our LifeVantage TrueScience® brand in fiscal 2014.

Americas. The following table sets forth revenue for the years ended June 30, 2014 and 2013 for the Americas region (in thousands):

	For the years ended June 30,		
	2014	2013	% change
United States	$ 136,758	$ 131,508	4.0%
Other	4,469	1,538	190.6%
Americas Total	$ 141,227	$ 133,046	6.1%

Revenue in the Americas region for the year ended June 30, 2014 increased $8.2 million or 6.1% . The increase in revenue during the year ended June 30, 2014 is due to an increased number of active independent distributors and higher volume of product sales in the region as compared to the prior year same period, including additional product purchases associated with the launch of our full line of anti-aging skin care products under our LifeVantage TrueScience® brand.

Asia/Pacific. The following table sets forth revenue for the years ended June 30, 2014 and 2013 for the Asia/Pacific region and its principal markets (in thousands):

	For the years ended June 30,		
	2014	2013	% change
Japan	$ 61,872	$ 69,491	(11.0)%
Hong Kong	7,347	2,478	196.5 %
Other	3,522	3,163	11.3 %
Asia/Pacific Total	$ 72,741	$ 75,132	(3.2)%

Revenue in the region for the year June 30, 2014 was negatively impacted approximately $10.1 million or 13.5%, by foreign currency exchange rate fluctuations.

Local currency revenue in Japan increased 3.2% in 2014 compared to 2013. During the year ended June 30, 2014 the Japanese yen weakened against the U.S. dollar, negatively impacting our revenue in this market by $9.7 million or 14.0%. The negative impact of foreign currency rate fluctuations was partially offset by an increase in volume of product sales in Japan and Hong Kong. Effective April 1, 2014 we implemented a price increase in our Japan market of 20% to offset the yen devaluation.

All of our sales and marketing efforts were directed toward building our network marketing sales. We expect revenues to increase moderately as we continue to focus on strengthening our sales and marketing efforts, product innovation, and expanding our geographic reach.

Gross Margin. Cost of sales were $33.2 million for the year ended June 30, 2014, and $36.6 million for the year ended June 30, 2013, resulting in a gross margin of $180.8 million, or 84%, and $171.5 million, or 82%, respectively. The increase in gross margin was primarily caused by our voluntary recall which occurred in the prior fiscal year, December 2012. We expect the gross margin percentage to be in the 84-85% range for the foreseeable future based on our expected inventory and manufacturing costs. Economic conditions and changes in the supply of raw materials, new products with differing raw material cost basis, and additional manufacturing process costs could negatively impact our gross margins in the future.

Operating Expenses. Total operating expenses for the year ended June 30, 2014 were $161.3 million as compared to operating expenses of $159.5 million for the year ended June 30, 2013. Operating expenses consist of commission and incentives expenses and selling, general and administrative expenses. The increase of $1.9 million in operating expenses is due to an increase in commissions and incentives expenses on our increased sales and partially offset by a reduction in selling, general and administrative expenses.

Primary factors that may cause our operating expenses to fluctuate in the future include changes in the number of employees, foreign exchange rates, and the impact of our variable compensation programs, which are driven by overall operating results. A fluctuation in our stock price may also impact our share-based compensation expense that is related to liability classified awards.

Commissions and Incentives. Commission and incentives expenses for the year ended June 30, 2014 were $104.5 million or 48.9% of revenue compared to $101.7 million or 48.9% of revenue for the fiscal year ended June 30, 2013. The increase in expense of $2.8 million in fiscal year 2014 was due primarily to commissions incurred on increased sales. We expect

commissions and incentive expenses to continue to increase as sales increase, but to remain relatively stable as a percentage of net sales.

Selling, General and Administrative. Selling, general and administrative expenses for the year ended June 30, 2014 were $56.8 million compared to $57.7 million for the fiscal year ended June 30, 2013. The decrease of $0.9 million was primarily due to a decrease in research and development costs that resulted from a reduction in salaries and benefits related to the retirement of Dr. McCord and partially offset by increased spending on product innovation and an increase in salaries and wages as a result of hiring additional key employees.

We expect selling, general and administrative expenses, as a percent of revenue, to increase as a result of our strategic initiatives around strengthening our sales and marketing efforts, product innovations, and expanding our geographic reach.

Other Expense, Net. We recognized net other expense for the year ended June 30, 2014 of $2.8 million as compared to $0.9 million for the year ended June 30, 2013. Net other expense for the year ended June 30, 2014 consisted primarily of interest expense of $3.2 million offset by income related to a business development incentive and impacts of changes in foreign currency exchange rates. As of June 30, 2014, we had no derivative liability instruments outstanding and do not expect to recognize expense or income relating to derivative liability in future periods.

The following table sets forth interest expense for the years ended June 30, 2014 and 2013 (in thousands):

	For the years ended June 30,	
	2014	2013
Contractual interest expense:		
2013 Term Loan	$ 2,732	$ —
Amortization of deferred financing fees:		
2013 Term Loan	158	—
Amortization of debt discount:		
2013 Term Loan	123	—
Other	164	3
Total interest expense	$ 3,177	$ 3

Income Tax Expense. Our income tax expense for the year ended June 30, 2014 was $5.3 million as compared to income tax expense of $3.5 million for the year ended June 30, 2013. Our provision for income taxes for the year ended June 30, 2014 consisted primarily of federal, state, and foreign tax on anticipated fiscal 2014 income which was partially offset by tax benefits related to research and development credits and a deduction for domestic production activities. We expect our income tax expense and effective tax rate to increase as our taxable income increases and our effective rate approaches normal statutory rates in future periods.

Net Income. As a result of the foregoing factors, net income increased to $11.4 million compared to $7.6 million in 2013.

Comparison of Fiscal Years Ended June 30, 2013 and 2012

Revenue. We generated net revenue of $208.2 million and $126.2 million during the years ended June 30, 2013 and 2012, respectively. The increase in sales of $82.0 million was primarily due to significant growth in the number of independent distributors and preferred customers and included an increase in sales in the Americas of $42.9 million and sales in Asia/Pacific of $39.1 million, primarily from the sale of our Protandim® and LifeVantage TrueScience® products.

Americas. The following table sets forth revenue for the years ended June 30, 2013 and 2012 for the Americas region (in thousands):

	For the years ended June 30,		
	2013	2012	% change
United States	$ 131,508	$ 89,230	47.4%
Other	1,538	892	72.4%
Americas Total	$ 133,046	$ 90,122	47.6%

Net revenue in the Americas region for the year ended June 30, 2013 increased $42.9 million or 47.6% . The increase in revenue during the year ended June 30, 2013 is due to higher volume of product sales in the United States and Canada as compared to the prior year.

Asia/Pacific. The following table sets forth revenue for the years ended June 30, 2013 and 2012 for the Asia/Pacific region and its principal markets (in thousands):

	For the years ended June 30,		
	2013	2012	% change
Japan	$ 69,491	$ 35,449	96.0%
Hong Kong	2,478	—	100.0%
Other	3,163	612	416.8%
Asia/Pacific Total	$ 75,132	$ 36,061	108.3%

Net revenue in the Asia/Pacific region for the year ended June 30, 2013 increased $39.1 million or 108.3% . The increase in revenue during the year ended June 30, 2013 is due to higher volume of product sales in Japan and Hong Kong as compared to the prior year.

Gross Margin. Cost of sales were $36.6 million for the year ended June 30, 2013, and $18.1 million for the year ended June 30, 2012, resulting in a gross margin of $171.5 million, or 82%, and $108.1 million, or 86%, respectively. The decrease in gross margin was caused by our voluntary recall which occurred in December 2012.

Operating Expenses. Total operating expenses for the year ended June 30, 2013 were $159.5 million as compared to operating expenses of $86.7 million for the year ended June 30, 2012. Operating expenses consist of commission and incentives expenses and selling, general and administrative expenses. The majority of the increase of $72.8 million in operating expenses was due to commission and incentive expenses on our increased sales and emphasis on increased infrastructure expenses and headcount to support our growth.

Commission and Incentives. Commission and incentives expenses for the year ended June 30, 2013 were $101.7 million compared to $58.0 million for the fiscal year ended June 30, 2012 representing an increase of $43.8 million in fiscal year 2013. This increase was due primarily to commissions incurred on increased sales as well as increased event and promotion costs.

Selling, General and Administrative. Our selling, general and administrative expenses for the year ended June 30, 2013 were $57.7 million compared to $28.7 million for the fiscal year ended June 30, 2012. The increase of $29.0 million was a direct result of infrastructure investment primarily due to increases in research and development expenses, depreciation and amortization costs, headcount-related costs as well as increased professional fees, lease, stock compensation expenses, insurance and travel.

Research and development expenses increased $1.6 million compared to 2012. The increase was primarily related to increases in headcount related costs. Depreciation and amortization expense increased $1.1 million compared to 2012. The increase related to depreciation associated with fixed asset purchases during the year ended June 30, 2013.

Net Other Expense. We recognized net other expense for the year ended June 30, 2013 of $0.9 million as compared to $6.8 million for the year ended June 30, 2012. Other expense decreased by $5.9 million, primarily due to a decrease in fair value expense related to derivative liabilities as the instruments were either exercised or the derivative provision was removed during the year ended June 30, 2012.

Income Tax Expense. Our income tax expense for the year ended June 30, 2013 was $3.5 million as compared to income tax expense of $2.2 million for the year ended June 30, 2012. The increase in tax expense is primarily due to the release of our valuation allowance against deferred tax assets in the second quarter of the year ended June 30, 2012.

Net Income. As a result of the foregoing factors, net income decreased to $7.6 million compared to $12.5 million in 2012.

Liquidity and Capital Resources

Liquidity

Our primary liquidity and capital resource requirements are to finance the cost of our planned operating expenses and working capital (principally inventory purchases), as well as capital expenditures, stock repurchases, and to service our debt.

We have generally relied on cash flow from operations to fund operating activities, and we have at times, incurred long-term debt in order to fund strategic transactions and stock repurchases.

At June 30, 2014, our cash and cash equivalents were $20.4 million. This represented a decrease of $5.9 million from the $26.3 million in cash and cash equivalents as of June 30, 2013. During the fiscal year ended June 30, 2014, our net cash provided by operating activities was $12.1 million as compared to net cash provided by operating activities of $10.7 million during the fiscal year ended June 30, 2013. The increase in cash provided by operating activities during the fiscal year ended June 30, 2014 is primarily due to an increase in net operating income for the fiscal year ended June 30, 2014.

During the fiscal year ended June 30, 2014, our net cash used in investing activities was $2.2 million, primarily due to capital expenditures. During the fiscal year ended June 30, 2013, our net cash used in investing activities was $5.1 million, primarily due to purchases of fixed assets to support our growth.

Cash used in financing activities during the fiscal year ended June 30, 2014 was $15.8 million, compared to $4.0 million during the fiscal year ended June 30, 2013. Cash used in financing activities during the fiscal year ended June 30, 2014 included increases in cash related to proceeds from the 2013 Term Loan and exercises of stock options and warrants, which were offset by $46.2 million of repurchases of shares of our common stock and $16.2 million in principal payments on the Term Loan entered into in October 2013. Cash used in financing activities during the fiscal year ended June 30, 2013 was primarily due to the repurchases of shares of our common stock partially offset by proceeds from exercises of options and warrants.

At June 30, 2014 and 2013, the total amount of our foreign subsidiary cash was $2.8 million and $4.2 million, respectively. For earnings considered to be indefinitely reinvested, we have not accrued taxes. If we were to remit the cash and cash equivalents from our foreign subsidiaries to our U.S. consolidated group for the purpose of repatriation of undistributed earnings, we would need to accrue and pay taxes. As of June 30, 2014, our U.S. consolidated group had approximately $0.1 million of permanently reinvested unremitted earnings from our subsidiaries, and if these earnings were remitted, the impact of any tax consequences on our overall liquidity position would not be material. We do not have any plans to repatriate these unremitted earnings to our parent; therefore, we do not have any liquidity concerns relating to these unremitted earnings and related cash and cash equivalents.

At June 30, 2014, we had working capital (current assets minus current liabilities) of $17.3 million compared to working capital of $25.4 million at June 30, 2013. The decrease in working capital was due primarily to decreases in cash, income tax receivable, and inventory as well as an increase in short term debt. These decreases to certain current assets were partially offset by a decrease in accounts payable and an increase in prepaid expenses. We believe that our cash and cash equivalents balances and our ongoing cash flow from operations will be sufficient to satisfy our cash requirements for at least the next 12 months. The majority of our historical expenses have been variable in nature, and as such, a potential reduction in the level of revenue would reduce our cash flow needs. In the event that our current cash balances and future cash flow from operations are not sufficient to meet our obligations or strategic needs, we would consider raising additional funds in the debt or equity markets. However, we may be unable to raise additional capital on the terms would be advantageous to shareholders, or at all. Additionally, we would consider realigning our strategic plans including a reduction in expenses and capital spending.

Capital Resources

On October 18, 2013, we entered into a Financing Agreement providing for a term loan facility in an aggregate principal amount of $47 million (the “Term Loan”) and a delayed draw term loan facility in an aggregate principal amount not to exceed $20 million (the “Delayed Draw Term Loan” and collectively with the Term Loan, the “Credit Facility”). The Delayed Draw Term Loan will be available for borrowing in specified minimum amounts from time to time beginning after the effective date (as defined in the Financing Agreement) until October 18, 2014 or until the Delayed Draw Term Loan is reduced to zero, if earlier. As of June 30, 2014 we had not borrowed any amounts under the Delayed Draw Term Loan.

The Credit Facility contains customary negative covenants that, among other things, restrict us from undertaking specified corporate actions such as creation of liens, incurrence of additional indebtedness, making certain investments with affiliates, changes of control, having excess foreign cash, issuance of equity, repurchasing our equity securities, and making certain restricted payments, including dividends, without prior approval from the lender. At June 30, 2014 we were in compliance with the applicable non-financial and restrictive covenants under the Term Loan. Additionally, management anticipates that in the normal course of operations, we will be in compliance with the non-financial and restrictive covenants during the ensuing year.

The Credit Facility also contains various financial covenants that require us to maintain a certain consolidated EBITDA, certain leverage and fixed charges ratios as well as a minimum level of liquidity. Specifically, we must:

- Have a consolidated EBITDA (as defined in the Financing Agreement) amount greater than $14.9 million for the three consecutive fiscal quarters ending June 30, 2014. Our consolidated EBITDA requirement increases over time to $25.6 million for the four consecutive fiscal quarters ending June 30, 2016 and each period of four consecutive fiscal quarters ending each September 30, December 31, March 31, and June 30, thereafter.
- Have a total leverage ratio (as defined in the Financing Agreement) of less than 2.08 to 1.00 for the quarter ended June 30, 2014. Our leverage ratio requirement decreases over time to 1.25 to 1.00 for the quarter ended June 30, 2016, and remains level thereafter;
- Have a fixed charge ratio (as defined in the Financing Agreement) of greater than 1.20 to 1.00 for the three consecutive fiscal quarters ending June 30, 2014. Our fixed charge requirement remains level through the quarter ended December 31, 2014, after which it increases to 1.25 to 1.00 thereafter; and
- Have no less than $10 million in unrestricted cash and cash equivalents at any time when the total leverage ratio is greater than 1.25 to 1.00.

At June 30, 2014, we were in compliance with the applicable financial covenants under the Credit Facility. Additionally, management anticipates that in the normal course of operations, we will be in compliance with the financial covenants during the ensuing year. During the year ended June 30, 2014, we made voluntary principal payments against outstanding indebtedness of $13.8 million under the Term Loan.

Commitments and Obligations

The following table summarizes our contractual payment obligations and commitments as of June 30, 2014 (in thousands):

	Payments due by period				
Contractual Obligations	**Total**	**Less than 1 year**	**1-3 years**	**3-5 years**	**Thereafter**
Long-term debt obligations	$ 30,825	$ 4,700	$ 14,100	$ 12,025	$ —
Interest on long-term debt obligations	8,306	2,619	5,361	326	—
Operating lease obligations	15,886	2,320	5,925	3,870	3,771
Total	$ 55,017	$ 9,639	$ 25,386	$ 16,222	$ 3,771

Off-Balance Sheet Arrangements

At June 30, 2014 and 2013, we had no off-balance sheet arrangements.

Critical Accounting Policies

We prepare our financial statements in conformity with accounting principles generally accepted in the United States of America. As such, we are required to make certain estimates, judgments, and assumptions that we believe are reasonable based upon the information available. These estimates and assumptions affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the periods presented. Actual results could differ from these estimates. Our significant accounting policies are described in Note 2 to our financial statements. Certain of these significant accounting policies require us to make difficult, subjective, or complex judgments or estimates. We consider an accounting estimate to be critical if (1) the accounting estimate requires us to make assumptions about matters that were highly uncertain at the time the accounting estimate was made and (2) changes in the estimate that are reasonably likely to occur from period to period, or use of different estimates that we reasonably could have used in the current period, would have a material impact on our financial condition or results of operations.

There are other items within our financial statements that require estimation, but are not deemed critical as defined above. Changes in estimates used in these and other items could have a material impact on our financial statements. Management has discussed the development and selection of these critical accounting estimates with our board of directors, and the audit committee has reviewed the disclosures noted below.

Allowances for Product Returns

We record allowances for product returns at the time we ship the product based on estimated return rates. Customers may return unopened product to us within 30 days of purchase for a refund of the purchase price less shipping and handling. As of June 30, 2014, our shipments of products sold totaling approximately $17.7 million were subject to our return policy. In addition, we allow terminating distributors to return up to 30% of unopened, unexpired product that they purchased within the prior twelve months.

We monitor our return estimate on an ongoing basis and revise the allowances to reflect our experience. Our allowance for product returns was $0.6 million at June 30, 2014, compared with $0.6 million at June 30, 2013. To date, product expiration dates have not played any role in product returns, and we do not expect they will in the future because it is unlikely that we will ship product with an expiration date earlier than the latest allowable product return date.

Inventory Valuation

We value our inventory at the lower of cost or market value on a first-in, first-out basis. Accordingly, we reduce our inventories for the diminution of value resulting from product obsolescence, damage or other issues affecting marketability equal to the difference between the cost of the inventory and its estimated market value. Factors utilized in the determination of estimated market value include (i) current sales data and historical return rates, (ii) estimates of future demand, (iii) competitive pricing pressures, (iv) new production introductions, (v) product expiration dates, and (vi) component and packaging obsolescence.

We have recorded $0.8 million of obsolescence costs for the year ended June 30, 2014. As of June 30, 2013 we had recorded $3.9 million of inventory write-downs primarily related to our voluntary recall in December 2012.

Revenue Recognition

We ship the majority of our product directly to the consumer and receive substantially all payment for these sales in the form of credit card receipts. Revenue from direct product sales to customers is recognized upon passage of title and risk of loss.

Stock-Based Compensation

We use the fair value approach to account for stock-based compensation in accordance with current accounting guidance. We recognize compensation costs for awards with performance conditions when we conclude it is probable that the performance conditions will be achieved. We reassess the probability of vesting at each balance sheet date and adjust compensation costs based on our probability assessment.

Research and Development Costs

We expense as incurred all our costs related to research and development activities.

Recently Issued Accounting Standards

Refer to “Item 8. Financial Statements and Supplementary Data” and Note 2 to our consolidated financial statements included in Item 15 of this report for discussion regarding the impact of accounting standards that were recently issued but not yet effective, on our consolidated financial statements.

ITEM 7A — QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We conduct business in several countries and intend to continue to grow our international operations. Net revenue, operating, and net income are affected by fluctuations in currency exchange rates and other uncertainties in doing business and selling products in more than one currency. In addition, our operations are exposed to risks associated with changes in social, political and economic conditions inherent in international operations, including changes in the laws and policies that govern international investment in countries where we have operations, as well as, to a lesser extent, changes in U. S. laws and regulations relating to international trade and investment.

Foreign Currency Risk

During the year ended June 30, 2014, approximately 36% of our net revenue was realized outside of the United States. The local currency of each international subsidiary is generally the functional currency. All revenues and expenses are translated at weighted average exchange rates for the periods reported. Therefore, our reported revenue and earnings will be positively impacted by a weakening of the U.S. dollar and will be negatively impacted by a strengthening of the U.S. dollar. Currency fluctuations, however, have the opposite effect on our expenses incurred outside the U.S. Given the large portion of our business derived from Japan, any weakening of the Japanese Yen will negatively impact our reported revenue and profits,

whereas a strengthening of the Japanese Yen will positively impact our reported revenue and profits. Because of the uncertainty of exchange rate fluctuations, it is difficult to predict the effect of these fluctuations on our future business, product pricing and results of operations or financial condition. Changes in various currency exchange rates affect the relative prices at which we sell our products. We regularly monitor our foreign currency risks and periodically take measures to reduce the risk of foreign exchange rate fluctuations on our operating results. Additionally, we may seek to reduce our exposure to fluctuations in foreign currency exchange rates through the use of foreign currency exchange contracts. We do not use derivative financial instruments for trading or speculative purposes. At June 30, 2014, we did not have any derivative instruments. A 10% strengthening of the U.S. Dollar compared to all of the foreign currencies in which we transact business would have resulted in a 3.3% decrease of our 2014 fiscal year revenue, in the amount of $7.0 million.

Following are the average currency exchange rates of U.S. $1 into local currency for each of our international or foreign markets:

	Year ended June 30, 2014				Year ended June 30, 2013			
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Japan	98.93	100.41	102.83	102.15	78.70	81.04	92.25	98.77
Australia	1.09	1.08	1.12	1.07	0.96	0.96	0.96	1.01
Hong Kong	7.76	7.75	7.76	7.75	7.75	7.75	7.76	7.76
Mexico	12.91	13.02	13.24	13.00	13.17	12.95	12.65	12.47
Canada	1.04	1.05	1.10	1.09	0.99	0.99	1.01	1.02

Interest Rate Risks

As of June 30, 2014, we had $30.8 million in variable rate debt issued pursuant to the Financing Agreement we entered into in October 2013. Based on the amount of our variable debt as of June 30, 2014, a hypothetical 100 basis point increase or decrease in interest rates on our variable rate debt would increase or decrease our annual interest expense by approximately $0.3 million. This change in market risk exposure was driven by our borrowings in connection with our repurchase of shares of our common stock under the Tender Offer.

ITEM 8 — FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The information required by this Item 8 is set forth in the consolidated financial statements included in Item 15 of this report and is incorporated into this Item 8 by reference.

ITEM 9 — CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A — CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

We conducted an evaluation under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures as of the end of the period covered by this report. The term disclosure controls and procedures, as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934 (the “Exchange Act”), means controls and other procedures of a company that are designed to ensure that information required to be disclosed by the company in the reports it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time period specified by the SEC’s rules and forms. Disclosure controls and procedures also include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company’s management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, our management recognized that any controls and procedures, no matter how well designed and operated, can only provide reasonable assurance of achieving the desired control objectives, and in reaching a reasonable level of assurance, our management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures were effective as of the end of the period covered by this report.

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as defined under the Exchange Act. Our internal control over financial reporting is designed 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. Our internal control over financial reporting includes those policies and procedures that:

1. pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of our assets;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP, and that our receipts and expenditures are being made only in accordance with the authorization of our management and directors; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting as of June 30, 2014. Such evaluation was based on the framework set forth in the report entitled *Internal Control — Integrated Framework* (1992 framework) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). The COSO framework summarizes each of the components of a company's internal control system, including (i) the control environment, (ii) risk assessment, (iii) control activities, (iv) information and communication, and (v) monitoring. Based on this evaluation, our management, including our Chief Executive Officer and Chief Financial Officer has concluded that our internal control over financial reporting was effective as of June 30, 2014.

The effectiveness of our internal control over financial reporting as of the end of the period covered by this report has been audited by EKS&H LLLP, an independent registered public accounting firm, as stated in their report which appears herein.

Changes in Internal Control over Financial Reporting

There was no change in our internal control over financial reporting identified in connection with the evaluation required by Exchange Act Rules 13a-15(d) or 15d-15(d) that occurred during our most recently completed fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B — OTHER INFORMATION

None.

PART III

Certain information required by Part III of this report is omitted from this report pursuant to General Instruction G(3) of Form 10-K because we will file a definitive proxy statement pursuant to Regulation 14A for our 2014 annual meeting of shareholders (the "Proxy Statement") not later than 120 days after the end of the fiscal year covered by this report, and the information included in the Proxy Statement that is required by Part III of this report is incorporated herein by reference.

ITEM 10 — DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Incorporated herein by reference to the information to be set forth in the Proxy Statement.

ITEM 11 — EXECUTIVE COMPENSATION

Incorporated herein by reference to the information to be set forth in the Proxy Statement.

ITEM 12 — SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS.

Incorporated herein by reference to the information to be set forth in the Proxy Statement.

ITEM 13 — CERTAIN RELATIONSHIP AND RELATED TRANSACTIONS, AND DIRECTORS INDEPENDENCE

Incorporated herein by reference to the information to be set forth in the Proxy Statement.

ITEM 14 — PRINCIPAL ACCOUNTING FEES AND SERVICES

Incorporated herein by reference to the information to be set forth in the Proxy Statement.

PART IV

ITEM 15 — EXHIBITS, FINANCIAL STATEMENT SCHEDULES

The following documents are being filed as part of this report:

Financial Statements

See the information beginning on page F-1 of this report.

Exhibits

See the Exhibit Index following the signature page of this report.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

LifeVantage Corporation.
a Colorado corporation

By: /s/ Douglas C. Robinson
Douglas C. Robinson
Its: President and Chief Executive Officer
Date: September 10, 2014

Each person whose individual signature appears below hereby constitutes and appoints Douglas C. Robinson, David S. Colbert and Robert H. Cutler, and each of them, with full power of substitution and resubstitution and full power to act without the other, as his or her true and lawful attorney-in-fact and agent to act in his or her name, place and stead and to execute in the name and on behalf of each person, individually and in each capacity stated below, and to file any and all amendments to this report, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing, ratifying and confirming all that said attorneys-in-fact and agents or any of them or their or his substitute or substitutes may lawfully do or cause to be done by virtue thereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Date	Title
/s/ Douglas C. Robinson Douglas C. Robinson	September 10, 2014	President and Chief Executive Officer; Director (Principal Executive Officer)
/s/ David S. Colbert David S. Colbert	September 10, 2014	Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)
/s/ Garry Mauro Garry Mauro	September 10, 2014	Chairman of the Board
/s/ Michael A. Beindorff Michael A. Beindorff	September 10, 2014	Director
/s/ Dave Manovich Dave Manovich	September 10, 2014	Director
/s/ George E. Metzger George E. Metzger	September 10, 2014	Director
/s/ Richard Okumoto Richard Okumoto	September 10, 2014	Director

EXHIBIT INDEX

Exhibit No.	Document Description	Filed Herewith or Incorporated by Reference From
3.1	Amended and Restated Articles of Incorporation	Exhibit to Form 10-K for the fiscal year ended June 30, 2011 filed on September 28, 2011.
3.2(a)	Amended and Restated Bylaws	Exhibit to Form 10-K for the fiscal year ended June 30, 2011, filed on September 28, 2011.
3.2(b)	First Amendment of the Amended and Restated Bylaws	Exhibit to Form 8-K filed on May 31, 2012.
4.1	Form of Warrant issued in connection with November 2009 Financing	Exhibit to Form 8-K filed on November 18, 2009.
4.2	Amendment to Debentures and Warrants, dated as of December 11, 2009	Exhibit to Form 10-Q for the fiscal quarter ended December 31, 2010 filed on February 16, 2010.
4.3	Form of Restated Warrant issued pursuant to Amended and Restated Securities Purchase Agreement dated December 11, 2009	Exhibit to Form 10-Q for the fiscal quarter ended December 31, 2009 filed on February 16, 2010.
4.4	Form of Common Stock Purchase Warrant issued on each of December 31, 2009, January 20, 2010, February 4, 2010 and February 26, 2010	Exhibit to Form 10-Q for the fiscal quarter ended March 31, 2010 filed on May 14, 2010.
4.5	Form of LifeVantage Corporation Amendment to Warrant	Exhibit to Schedule TO filed on November 29, 2011.
10.1	Manufacturing and Supply Agreement dated July 1, 2008 between Cornerstone Research and Development and LifeVantage Corporation	Exhibit to Form 10-K/A for the fiscal year ended June 30, 2009 filed October 28, 2009.
10.2#	LifeVantage Distributor Compensation Plan	Exhibit to Form 10-K for the fiscal year ended June 30, 2010 filed on September 15, 2010.
10.3#	Form of Securities Purchase Agreement entered into in connection with November 2009 Financing	Exhibit to Form 8-K filed on November 18, 2009.
10.4	Form of Amended and Restated Securities Purchase Agreement originally dated December 11, 2009	Exhibit to Form 10-Q for the fiscal quarter ended December 31, 2009 filed on February 16, 2010.
10.5	Amended and Restated Securities Purchase Agreement dated December 31, 2009, among LifeVantage Corporation and the purchaser parties thereto	Exhibit to Form 10-Q for the fiscal quarter ended March 31, 2010 filed on May 14, 2010.
10.6	Amended and Restated Securities Purchase Agreement dated January 20, 2010, among LifeVantage Corporation and the purchaser parties thereto	Exhibit to Form 10-Q for the fiscal quarter ended March 31, 2010 filed on May 14, 2010.
10.7	Amended and Restated Securities Purchase Agreement dated February 4, 2010, among LifeVantage Corporation and the purchaser parties thereto	Exhibit to Form 10-Q for the fiscal quarter ended March 31, 2010 filed on May 14, 2010.
10.8	Amended and Restated Securities Purchase Agreement dated February 26, 2010, among LifeVantage Corporation and the purchaser parties thereto	Exhibit to Form 10-Q for the fiscal quarter ended March 31, 2010 filed on May 14, 2010.

Exhibit No.	Document Description	Filed Herewith or Incorporated by Reference From
10.9#	LifeVantage Corporation 2007 Long-Term Incentive Plan	Appendix B to Proxy Statement filed on Schedule 14A filed on October 20, 2006.
10.10(a)#	LifeVantage Corporation 2010 Long-Term Incentive Plan effective as of September 27, 2010 and as amended on January 10, 2012	Exhibit to Form 8-K filed on January 17, 2012.
10.10(b)#	Form of Nonstatutory Stock Option Agreement for the LifeVantage Corporation 2010 Long-Term Incentive Plan	Exhibit to Registration Statement on Form S-8 (File No. 333-175104) filed on June 23, 2011.
10.10(c)#	Form of Incentive Stock Option Agreement for the LifeVantage Corporation 2010 Long-Term Incentive Plan	Exhibit to Registration Statement on Form S-8 (File No. 333-175104) filed on June 23, 2011.
10.11#	LifeVantage Corporation FY 2014 Annual Incentive Plan	Exhibit to Form 10-K for the fiscal year ended June 30, 2013 filed on September 12, 2013.
10.12#	LifeVantage Corporation FY 2014 Sales Incentive Plan	Exhibit to Form 10-K for the fiscal year ended June 30, 2013 filed on September 12, 2013.
10.13#	LifeVantage Corporation FY2015 Annual Incentive Plan	Filed herewith.
10.14#	LifeVantage Corporation FY2015 Sales Incentive Plan	Filed herewith.
10.15#	LifeVantage Corporation Cash Settled Performance-Based Long Term Incentive Plan	Exhibit to Form 10-K for the fiscal year ended June 30, 2013 filed on September 12, 2013.
10.16#	Form of Performance Unit Agreement	Exhibit to Form 10-K for the fiscal year ended June 30, 2013 filed on September 12, 2013.
10.17#	Separation Agreement and General Release effective as of June 18, 2013 between LifeVantage Corporation and Dr. Joe McCord	Exhibit to Form 8-K filed on June 25, 2013.
10.18#	Amended and Restated Employment Agreement between LifeVantage Corporation and Douglas C. Robinson dated effective March 24, 2014	Exhibit to Form 10-Q for the fiscal quarter ended March 31, 2014 filed on May 6, 2014.
10.19#	Employment Agreement between David Colbert and Lifevantage Corporation effective August 1, 2012	Exhibit to Form 8-K filed on August 6, 2012.
10.20#	Employment Agreement by and between Robert Urban and Lifevantage Corporation effective as of May 29, 2012	Exhibit to Form 8-K filed on May 31, 2012.
10.21#	Employment Agreement by and between Rob Cutler and LifeVantage Corporation effective March 21, 2012	Exhibit to Form 10-K for the fiscal year ended June 30, 2013 filed on September 12, 2013.

Exhibit No.	Document Description	Filed Herewith or Incorporated by Reference From
10.22#	Key Executive Benefit Package by and between Kirby Zenger and LifeVantage Corporation effective as of October 2, 2012	Exhibit to Form 8-K filed on October 3, 2012.
10.23	Lease dated September 22, 2011 between Sandy Park I L.L.C. and LifeVantage Corporation	Exhibit to Form 10-Q for the fiscal quarter ended September 30, 2011 filed on November 14, 2011.
10.24	Lease dated September 20, 2012 between Sandy Park II L.L.C. and LifeVantage Corporation	Exhibit to Form 10-Q for the fiscal quarter ended September 30, 2012 filed on November 8, 2012.
10.25	First Amendment to Lease entered into as of March 24, 2014 between Sandy Park II L.L.C. and LifeVantage Corporation	Exhibit to Form 10-Q for the fiscal quarter ended March 31, 2014 filed on May 6, 2014.
10.26**	Commercial Supply Agreement dated January 31, 2014 between LifeVantage Corporation and Deseret Laboratories, Inc.	Exhibit to Form 10-Q for the fiscal quarter ended March 31, 2014 filed on May 6, 2014.
10.27**	Software Service Agreement with JIA, Inc. dated September 28, 2012	Exhibit to Form 10-Q/A for the fiscal quarter ended March 31, 2013 filed on May 24, 2013.
10.28**	Software Service Agreement with JIA, Inc. dated September 28, 2012	Exhibit to Form 10-Q/A for the fiscal quarter ended March 31, 2013 filed on May 24, 2013.
10.29***	Service Agreement entered into as of June 1, 2014 between IntegraCore, LLC and LifeVantage	Filed herewith.
10.30***	Commercial Supply Agreement entered into as of May 30, 2014 between LifeVantage Corporation and Wasatch Product Development	Filed herewith.
21.1	List of Subsidiaries.	Filed herewith.
23.1	Consent of Ehrhardt Keefe Steiner & Hottman PC.	Filed herewith.
24.1	Power of Attorney	Signature page to this report
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	Filed herewith.
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	Filed herewith.
32.1	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	Furnished herewith.
32.2	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	Furnished herewith.

Exhibit No.	Document Description	Filed Herewith or Incorporated by Reference From
101*	The following financial information from the registrant's Annual Report on Form 10-K for the year ended June 30, 2014 formatted in XBRL (eXtensible Business Reporting Language): (i) Condensed Consolidated Balance Sheets; (ii) Condensed Consolidated Statements of Operations and Other Comprehensive Income; (iii) Condensed Consolidated Statement of Stockholders' Deficit; (iv) Condensed Consolidated Statements of Cash Flows; and (v) Notes to Condensed Consolidated Financial Statements, tagged as blocks of text.	Furnished herewith.

Management contract or compensatory plan.

* Users of this data are advised that pursuant to Rule 406T of Regulation S-T, this XBRL information is being furnished and not filed herewith for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and Sections 11 or 12 of the Securities Act of 1933, as amended, and is not to be incorporated by reference into any filing, or part of any registration statement or prospectus, of LifeVantage Corporation, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

** Confidential treatment has been granted by the SEC with respect to certain portions of these exhibits.

*** The Company has requested confidential treatment for portions of this agreement. Accordingly, certain portions of this agreement have been omitted in the version filed with this report and such confidential portions have been filed with the SEC.

LIFEVANTAGE CORPORATION

Index to Consolidated Financial Statements

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Stockholders
LifeVantage Corporation
Sandy, Utah

We have audited the accompanying consolidated balance sheets of LifeVantage Corporation and subsidiaries (the “Company”) as of June 30, 2014 and 2013, and the related consolidated statements of operations and comprehensive income, changes in stockholders' equity, and cash flows for each of the years in the three-year period ended June 30, 2014. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of LifeVantage Corporation and subsidiaries as of June 30, 2014 and 2013, and the consolidated results of their operations and their cash flows for each of the years in the three-year period ended June 30, 2014, in conformity with accounting principles generally accepted in the United States of America.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), LifeVantage Corporation and subsidiaries internal control over financial reporting as of June 30, 2014, based on criteria established in *Internal Control - Integrated Framework (1992)* issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated September 10, 2014 expressed an unqualified opinion.

EKS&H LLLP
Denver, Colorado
September 10, 2014

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Stockholders
LifeVantage Corporation
Sandy, Utah

We have audited LifeVantage Corporation and subsidiaries' (the "Company") internal control over financial reporting as of June 30, 2014, based on criteria established in *Internal Control - Integrated Framework* (1992) issued by the Committee of Sponsoring Organizations of the Treadway Commission (the "COSO criteria"). The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed by, or under the supervision of, the Company's principal executive and principal financial officers, or persons performing similar functions, and effected by the Company's board of directors, management, and other personnel 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, LifeVantage Corporation and subsidiaries maintained, in all material respects, effective internal control over financial reporting as of June 30, 2014, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements as of and for the year ended June 30, 2014 of the Company, and our report dated September 10, 2014, expressed an unqualified opinion on those financial statements.

EKS&H LLLP
Denver, Colorado
September 10, 2014

LIFEVANTAGE CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

(In thousands, except per share data)	June 30, 2014	June 30, 2013
ASSETS		
Current assets		
Cash and cash equivalents	$ 20,387	$ 26,299
Accounts receivable	1,317	1,789
Income tax receivable	4,681	2,150
Inventory	8,826	10,524
Current deferred income tax asset	158	2,885
Prepaid expenses and deposits	4,604	2,294
Total current assets	39,973	45,941
Property and equipment, net	6,941	5,692
Intangible assets, net	2,014	1,747
Deferred debt offering costs, net	1,353	—
Long-term deferred income tax asset	1,285	730
Other long-term assets	2,433	1,374
TOTAL ASSETS	$ 53,999	$ 55,484
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	$ 2,854	$ 5,171
Commissions payable	7,594	7,564
Other accrued expenses	7,554	7,831
Current portion of long-term debt	4,700	—
Total current liabilities	22,702	20,566
Long-term debt		
Principal amount	26,125	—
Less: unamortized discount	(1,052)	—
Long-term debt, net of unamortized discount	25,073	—
Other long-term liabilities	2,234	973
Total liabilities	50,009	21,539
Commitments and contingencies- Note 11		
Stockholders' equity		
Preferred stock — par value $0.001, 50,000 shares authorized, no shares issued or outstanding	—	—
Common stock — par value $0.001, 250,000 shares authorized and 102,173 and 117,088 issued and outstanding as of June 30, 2014 and 2013, respectively	102	121
Additional paid-in capital	115,244	110,413
Accumulated deficit	(111,240)	(76,476)
Accumulated other comprehensive loss	(116)	(113)
Total stockholders' equity	3,990	33,945
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 53,999	$ 55,484

The accompanying notes are an integral part of these consolidated financial statements.

LIFEVANTAGE CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME

	For the years ended June 30,		
	2014	2013	2012
(In thousands, except per share data)			
Revenue, net	$ 213,968	$ 208,178	$ 126,183
Cost of sales	33,194	31,845	18,052
Product recall costs	—	4,798	—
Gross profit	180,774	171,535	108,131
Operating expenses:			
Commission and incentives	104,525	101,737	57,955
Selling, general and administrative	56,801	57,730	28,719
Total operating expenses	161,326	159,467	86,674
Operating income	19,448	12,068	21,457
Other expense, net			
Interest expense	(3,177)	(3)	(8)
Other income (expense), net	384	(912)	(36)
Change in fair value of derivative liabilities	—	—	(6,741)
Total other expense, net	(2,793)	(915)	(6,785)
Net income before income taxes	16,655	11,153	14,672
Income tax expense	(5,272)	(3,545)	(2,203)
Net income	$ 11,383	$ 7,608	$ 12,469
Net income per share:			
Basic	$ 0.11	$ 0.07	$ 0.12
Diluted	$ 0.10	$ 0.06	$ 0.11
Weighted-average shares outstanding:			
Basic	105,791	112,276	102,696
Diluted	111,599	122,888	118,331
Other comprehensive income (loss), net of tax:			
Foreign currency translation adjustment	(3)	(92)	38
Other comprehensive income (loss), net of tax:	(3)	(92)	38
Comprehensive income	$ 11,380	$ 7,516	$ 12,507

The accompanying notes are an integral part of these consolidated financial statements.

LIFEVANTAGE CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)
For the years ended June 30, 2014, 2013, and 2012

(In thousands)	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total
Balances, June 30, 2011	**98,794**	**$ 99**	**$ 67,606**	**$ (88,454)**	**$ (59)**	**$ (20,808)**
Stock-based compensation	—	—	1,323	—	—	1,323
Exercise of options and warrants	11,909	12	19,747	—	—	19,759
Issuance of shares related to restricted stock	149	—	—	—	—	—
Repurchase of company stock	(678)	—	—	(976)	—	(976)
Reclassification of liability warrants	—	—	16,478	—	—	16,478
Currency translation adjustment	—	—	—	—	38	38
Net income	—	—	—	12,469	—	12,469
Balances, June 30, 2012	**110,174**	**$ 111**	**$ 105,154**	**$ (76,961)**	**$ (21)**	**$ 28,283**
Stock-based compensation	—	—	2,169	—	—	2,169
Exercise of options and warrants	7,270	7	3,093	—	—	3,100
Issuance of shares related to restricted stock	2,616	3	(3)	—	—	—
Repurchase of company stock	(2,972)	—	—	(7,123)	—	(7,123)
Currency translation adjustment	—	—	—	—	(92)	(92)
Net income	—	—	—	7,608	—	7,608
Balances, June 30, 2013	**117,088**	**$ 121**	**$ 110,413**	**$ (76,476)**	**$ (113)**	**$ 33,945**
Stock-based compensation	—	—	2,606	—	—	2,606
Exercise of options and warrants	5,185	5	2,225	—	—	2,230
Issuance of shares related to restricted stock	225	—	—	—	—	—
Shares canceled or surrendered as payment of tax withholding	(686)	—	—	—	—	—
Repurchase of company stock	(19,639)	(24)	—	(46,147)	—	(46,171)
Currency translation adjustment	—	—	—	—	(3)	(3)
Net income	—	—	—	11,383	—	11,383
Balances, June 30, 2014	**102,173**	**$ 102**	**$ 115,244**	**$ (111,240)**	**$ (116)**	**$ 3,990**

The accompanying notes are an integral part of these consolidated financial statements.

LIFEVANTAGE CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)	For the years ended June 30, 2014	2013	2012
Cash Flows from Operating Activities:			
Net income	$ 11,383	$ 7,608	$ 12,469
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	2,118	1,659	521
Loss on disposal of equipment	—	—	37
Stock-based compensation	2,953	2,169	1,323
Amortization of deferred financing fees	159	—	—
Amortization of debt discount	122	—	—
Impairment of inventory	—	3,923	—
Deferred income tax	2,172	(892)	(2,723)
Change in fair value of derivative liabilities	—	—	6,741
Changes in operating assets and liabilities:			
Decrease/(increase) in receivables	(2,044)	(3,653)	609
Decrease/(increase) in inventory	1,646	(3,356)	(9,228)
Increase in prepaid expenses and deposits	(2,318)	(1,065)	(762)
Increase in long-term assets	(1,045)	(1,168)	(310)
Increase/(decrease) in accounts payable	(2,384)	1,593	2,936
Increase/(decrease) in accrued expenses	(537)	3,403	7,581
Increase/(decrease) in other long-term liabilities	(120)	441	195
Net Cash Provided by Operating Activities	**12,105**	**10,662**	**19,389**
Cash Flows from Investing Activities:			
Redemption of marketable securities	—	—	350
Purchase of equipment	(1,898)	(5,080)	(2,194)
Purchase of intangible assets	(350)	—	(52)
Net Cash Used in Investing Activities	**(2,248)**	**(5,080)**	**(1,896)**
Cash Flows from Financing Activities:			
Proceeds from term loan	45,825	—	—
Payment of deferred financing fees	(1,511)	—	—
Net payments on revolving line of credit and accrued interest	—	—	(434)
Excess tax benefits from stock-based compensation	655	1,406	388
Repurchase of company stock	(46,171)	(7,123)	(976)
Payment on term loan	(16,175)	—	—
Exercise of options and warrants	1,573	1,694	1,768
Net Cash Provided by (Used in) Financing Activities	**(15,804)**	**(4,023)**	**746**
Foreign Currency Effect on cash	35	92	38
Increase (Decrease) in cash and cash equivalents	**(5,912)**	**1,651**	**18,277**
Cash and Cash Equivalents — beginning of period	26,299	24,648	6,371
Cash and Cash Equivalents — end of period	**20,387**	**26,299**	**24,648**

The accompanying notes are an integral part of these consolidated financial statements.

LIFEVANTAGE CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the years ended June 30,		
	2014	2013	2012
Non Cash Investing and Financing Activities:			
Exercise of warrant liabilities	$ —	$ —	$ 17,604
Increase in property and equipment/other long-term liabilities	$ 1,386	$ 359	$ —
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION			
Cash paid for interest	$ 2,758	$ 3	$ —
Cash paid for income taxes	$ 4,879	$ 6,090	$ 3,701
Common stock shares issued upon cashless warrant exercises	2,698	3,793	10,297
Total cashless exercise price of warrants	$ 1,615	$ 2,147	$ 5,995
Gross warrants underlying cashless exercises	3,409	4,564	12,563

The accompanying notes are an integral part of these consolidated financial statements.

Note 1 — The Company

LifeVantage Corporation is a company dedicated to helping people achieve their health, wellness and financial independence goals. We provide quality, scientifically-validated products and a financially rewarding network marketing business opportunity to customers and independent distributors who seek a healthy lifestyle and financial freedom. We sell our products in the United States, Japan, Hong Kong, Australia, Canada, Philippines, and Mexico primarily through a network of independent distributors, and to preferred customers.

We engage in the identification, research, development and distribution of advanced nutraceutical dietary supplements and skin care products, including Protandim®, our scientifically-validated dietary supplement, LifeVantage TrueScience®, our line of anti-aging skin care products launched in fiscal 2014, and Canine Health®, our companion pet supplement formulated to combat oxidative stress in dogs.

We were incorporated in Colorado in June 1988 under the name Andraplex Corporation. We changed our corporate name to Yaak River Resources, Inc. in January 1992, and subsequently changed it again in October 2004 to Lifeline Therapeutics, Inc. In October 2004 and March 2005, we acquired all of the outstanding common stock of Lifeline Nutraceuticals Corporation. In November 2006, we changed our name to LifeVantage Corporation.

Note 2 — Summary of Significant Accounting Policies

Consolidation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All significant intercompany accounts and transactions are eliminated in consolidation. During fiscal 2014, the Company combined the line items sales and marketing, general and administrative, research and development, and depreciation and amortization into two line items on the consolidated statements of operations and comprehensive income, namely, commissions and incentives and selling, general and administrative to have a presentation that is more comparable to that of the Company's peers. The Company reclassified prior period line items to conform to the current period presentation. Certain other prior period balances have also been reclassified to conform to the current period presentation.

Use of Estimates

We prepare our consolidated financial statements and related disclosures in conformity with accounting principles generally accepted in the United States of America (GAAP). In preparing these statements, we are required to use estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ materially from those estimates and assumptions. On an ongoing basis, we review our estimates, including those related to inventory obsolescence, sales returns, income taxes and tax valuation reserves, share-based compensation, derivative liabilities and loss contingencies.

Fair Value of Financial Instruments

Accounting guidance on fair value measurements and disclosures requires disclosures about the fair value for all financial instruments, whether or not recognized, for financial statement purposes. Disclosures about fair value of financial instruments are based on pertinent information available to management as of June 30, 2014 and 2013. Accordingly, the estimates presented in these consolidated financial statements are not necessarily indicative of the amounts that could be realized on disposition of the financial instruments.

Management has estimated the fair values of cash and cash equivalents, accounts receivable, accounts payable, and accrued expenses to approximate their respective carrying values reported in these consolidated financial statements because of their short maturities.

Cash and Cash Equivalents

The Company considers only its monetary liquid assets with original maturities of three months or less to be cash and cash equivalents.

Accounts Receivable

The Company's accounts receivable for the years ended June 30, 2014 and 2013 consist primarily of credit card receivables. Based on the Company's verification process for customer credit cards and historical information available, management has determined that an allowance for doubtful accounts on credit card sales related to its customer sales as of June 30, 2014 is not necessary. No bad debt expense has been recorded for the years ended June 30, 2014, 2013, and 2012.

Inventory

As of June 30, 2014 and 2013, inventory consisted of (in thousands):

	June 30,	
	2014	2013
Finished goods	$ 4,749	$ 5,273
Raw materials	4,077	5,251
Total inventory	$ 8,826	$ 10,524

Inventories are carried and depicted above at the lower of cost or market, using the first-in, first-out method, which includes a reduction in inventory values of $0.7 million at June 30, 2014 related to obsolete and slow-moving inventory and $3.9 million at June 30, 2013, primarily related to our voluntary recall in December 2012.

Property and Equipment

Property and equipment are recorded at cost and depreciated using the straight-line method over the following useful lives:

	Years
Equipment (includes computer hardware and software)	3
Furniture and fixtures	5
Leasehold improvements	*
Vehicles	5

*Leasehold improvements are depreciated over the shorter of estimated useful life of the related asset or the lease term.

The cost of normal maintenance and repairs is charged to expense as incurred. When an asset is sold or otherwise disposed of, the cost and associated accumulated depreciation are removed from the accounts and the resulting gain or loss is recognized in the Consolidated Statements of Operations and Comprehensive Income. Significant expenditures that increase the useful life of an asset are capitalized and depreciated over the estimated useful life of the asset. Property and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. An impairment loss is recognized if the carrying amount of the asset exceeds its fair value.

Intangible Assets

Intangible assets are stated at cost less accumulated amortization. Definite-lived intangible assets are amortized over their related useful lives, using a straight-line method, consistent with the underlying expected future cash flows related to the specific intangible asset. Definite-lived intangible assets are reviewed for impairment whenever events or changes in circumstances exist that indicate the carrying amount of an asset may not be recoverable. When indicators of impairment exist, an estimate of undiscounted net cash flows is used in measuring whether the carrying amount of the asset or related asset group is recoverable. Measurement of the amount of impairment, if any, is based upon the difference between the asset's carrying value and estimated fair value.

Indefinite-lived intangible assets are not amortized; however, they are tested at least annually for impairment or more frequently if events or changes in circumstances exist that may indicate impairment. An impairment loss is recognized if the carrying amount of the asset exceeds its fair value. Annual impairment tests were completed resulting in no impairment charges for any of the periods shown.

Impairment of Long-Lived Assets

Pursuant to guidance established for impairment or disposal of assets, the Company assesses impairment whenever events or changes in circumstances indicate that the carrying amount of a long-lived asset may not be recoverable. When an

assessment for impairment of long-lived assets, long-lived assets to be disposed of, and certain identifiable intangibles related to those assets is performed, the Company is required to compare the net carrying value of long-lived assets on the lowest level at which cash flows can be determined on a consistent basis to the related estimates of future undiscounted net cash flows for such assets. If the net carrying value exceeds the net cash flows, then an impairment is recognized to reduce the carrying value to the estimated fair value, generally equal to the future discounted net cash flow. For the years ended June 30, 2014 and 2013 management has concluded that there are no indications of impairment.

Concentration of Credit Risk

Accounting guidance for financial instruments requires disclosure of significant concentrations of credit risk regardless of the degree of such risk. Financial instruments with significant credit risk include cash and cash equivalents. At June 30, 2014, the Company had $17.6 million in cash accounts at one financial institution and $2.8 million in other financial institutions. As of June 30, 2014 and 2013 and throughout the year the Company’s cash balances exceeded federally insured limits.

Revenue Recognition

The Company ships the majority of its product directly to the consumer and receives substantially all payment for these sales in the form of credit card receipts. Revenue from direct product sales to customers is recognized upon passage of title and risk of loss. Estimated returns are recorded when product is shipped. The Company’s return policy is to provide a full refund for product returned within 30-days if the returned product is unopened or defective. After 30 days, the Company generally does not issue refunds to direct sales customers for returned product. The Company allows terminating distributors to return up to 30% of unopened, unexpired product that they have purchased within the prior twelve months for a full refund, less a 10% restocking fee. The Company establishes the returns reserve based on historical experience. The returns reserve is evaluated on a quarterly basis. As of June 30, 2014 and 2013, the Company’s reserve balance for returns and allowances was $0.6 million and $0.6 million, respectively.

Commission and Incentives

Commission and incentive expenses are the Company’s most significant expenses and are classified as operating expenses. Commission and incentive expenses include sales commissions paid to our independent distributors, special incentives, costs for incentive trips and other rewards. Commission and incentive expenses do not include any amounts we pay to our independent distributors for personal purchases. Commissions paid to independent distributors on personal purchases are considered a sales discount and are reported as a reduction to our net revenue.

Shipping and Handling

Shipping and handling costs associated with inbound freight and freight out to customers including independent distributors, are included in cost of sales. Shipping and handling fees charged to all customers are included in sales.

Research and Development Costs

The Company expenses all costs related to research and development activities as incurred. Research and development expenses for the years ended June 30, 2014, 2013, and 2012 were $2.0 million, $2.9 million, and $1.4 million respectively.

Stock-Based Compensation

The Company recognizes stock-based compensation by measuring the cost of services to be rendered based on the grant date fair value of the equity award. The Company recognizes stock-based compensation, net of any estimated forfeitures, over the period an employee is required to provide service in exchange for the award, generally referred to as the requisite service period.

The Black-Scholes option pricing model is used to estimate the fair value of stock options. The determination of the fair value of stock options is affected by the Company's stock price and a number of assumptions, including expected volatility, expected life, risk-free interest rate and expected dividends. The Company uses historical volatility as the expected volatility assumption required in the Black-Scholes model. The Company utilizes a simplified method for estimating the expected life of the options. The Company uses this method because it believes that it provides a better estimate than the Company’s historical data as post vesting exercises have been limited. The risk-free interest rate assumption is based on observed interest rates appropriate for the expected terms of the stock options.

The fair value of restricted stock grants is based on the closing market price of the Company's stock on the date of grant less the Company's expected dividend yield. The fair value of performance-based awards to be paid in cash, accounted for as liabilities, is remeasured at the end of each reporting period and is based on the closing market price of the Company’s stock on the last day of the reporting period. The Company recognizes compensation costs for awards with performance conditions

when it concludes it is probable that the performance conditions will be achieved. The Company reassesses the probability of vesting at each balance sheet date and adjusts compensation costs accordingly.

Income Taxes

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carry-forwards. Deferred tax assets and liabilities are measured using statutory tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities from a change in tax rates is recognized in income in the period that includes the effective date of the change.

The Company recognizes tax benefits from an uncertain position only if it is more likely than not that the position will be sustained upon examination by taxing authorities based on the technical merits of the issue. The amount recognized is the largest benefit that the Company believes has greater than a 50% likelihood of being realized upon settlement.

Income Per Share

Basic income per share is computed by dividing the net income by the weighted-average number of common shares outstanding during the period, less unvested restricted stock awards. Diluted income per common share is computed by dividing net income by the weighted-average common shares and potentially dilutive common share equivalents using the treasury stock method.

The effects of approximately 0.3 million common shares issuable upon exercise of options and non-vested shares of restricted stock outstanding as of June 30, 2014 are not included in the computations as their effect was anti-dilutive.

The following is a reconciliation of earnings per share and the weighted-average common shares outstanding for purposes of computing basic and diluted net income per share (in thousands, except per share amounts):

	Year ended June 30,		
	2014	2013	2012
Numerator:			
Net income	$ 11,383	$ 7,608	$ 12,469
Denominator:			
Basic weighted-average common shares outstanding	105,791	112,276	102,696
Effect of dilutive securities:			
Stock awards and options	2,652	3,832	5,516
Warrants	3,156	6,780	10,119
Diluted weighted-average common shares outstanding	111,599	122,888	118,331
Basic	$ 0.11	$ 0.07	$ 0.12
Diluted	$ 0.10	$ 0.06	$ 0.11

Foreign Currency Translation

A portion of the Company’s business operations occurs outside the United States. The local currency of each of the Company’s subsidiaries is generally its functional currency. All assets and liabilities are translated into U.S. dollars at exchange rates existing at the balance sheet dates, revenue and expenses are translated at weighted-average exchange rates and stockholders’ equity is recorded at historical exchange rates. The resulting foreign currency translation adjustments are recorded as a separate component of stockholders’ equity in the consolidated balance sheets and transaction gains and losses are included in other income (expense), net in the consolidated financial statements.

Segment Information

The Company operates in a single operating segment by selling products to a global network of independent distributors that operates in an integrated manner from market to market. Commission and incentives expenses are the Company's largest expense comprised of the commissions paid to its worldwide independent distributors. The Company manages its business primarily by managing its global network of independent distributors. The Company reports revenue in two geographic regions, Americas and Asia/Pacific. Revenues by geographic area are as follows (in thousands):

	Years ended June 30,		
	2014	2013	2012
Americas	$ 141,227	$ 133,046	$ 90,122
Asia/Pacific	72,741	75,132	36,061
Total revenues	$ 213,968	$ 208,178	$ 126,183

Additional information as to the Company's revenue from operations in the most significant geographical areas is set forth below (in thousands):

	Years ended June 30,		
	2014	2013	2012
United States	$ 136,758	$ 131,508	$ 89,230
Japan	$ 61,872	$ 69,492	$ 35,449

As of June 30, 2014 long-lived assets were $9.8 million in the U.S. and $2.3 million in Japan. As of June 30, 2013 long-lived assets were $4.8 million in the U.S. and $3.0 million in Japan.

New Accounting Pronouncements

In May 2014, the FASB issued ASC 606, *Revenue from Contracts with Customer*, which supersedes the revenue recognition requirements in ASC 605, *Revenue Recognition*. The core principle of the new standard is for companies to recognize revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration it expects to receive in exchange for those goods or services. ASC 606 will be effective for the Company in the first quarter of fiscal 2018. The Company has not yet determined the potential effects of the adoption of ASC 606 on its consolidated financial statements.

Note 3 — Property and Equipment

Property and equipment consist of (in thousands):

	June 30,	
	2014	2013
Equipment (includes computer hardware and software)	$ 6,354	$ 5,501
Furniture and fixtures	1,428	976
Leasehold improvements	3,095	1,220
Vehicles	142	142
Accumulated depreciation	(4,078)	(2,147)
Total property and equipment, net	$ 6,941	$ 5,692

Depreciation expense totaled $2.0 million, $1.5 million, and $0.4 million for the years ended June 30, 2014, 2013, and 2012, respectively.

Note 4 — Intangible Assets

Intangible assets consist of (in thousands):

	June 30,	
	2014	2013
Patent costs	$ 2,330	$ 2,321
Accumulated amortization	(911)	(776)
Total definite-lived intangible assets, net	$ 1,419	$ 1,545
Trademarks and other indefinite-lived intangible assets	$ 595	$ 202
Total intangible assets, net	$ 2,014	$ 1,747

Amortization expense totaled $0.1 million, $0.1 million, and $0.1 million for the years ended June 30, 2014, 2013, and 2012 respectively. Annual estimated amortization expense is expected to approximate $0.1 million for each of the five succeeding fiscal years.

Note 5 — Other Accrued Expenses

Other accrued expenses consist of (in thousands):

	June 30,	
	2014	2013
Accrued severance	$ 150	$ 1,602
Accrued incentives and promotions to distributors	829	1,122
Accrued payroll and other employee expenses	1,382	1,387
Deferred revenue	887	545
Accrued payable to vendors	910	352
Other taxes payable	1,894	944
Reserve for sales returns	635	648
Accrued other expenses	867	1,231
Total other accrued expenses	$ 7,554	$ 7,831

Note 6 — Long-Term Debt

On October 18, 2013 the Company entered into a Financing Agreement providing for a term loan facility in an aggregate principal amount of $47 million (the “Term Loan”) and a delayed draw term loan facility in an aggregate principal amount not to exceed $20 million (the “Delayed Draw Term Loan” and collectively with the Term Loan, the “Credit Facility”). The Delayed Draw Term Loan is available for borrowing in specified minimum amounts from time to time beginning after the effective date (as defined in the Financing Agreement) until October 18, 2014 or until the Delayed Draw Term Loan is reduced to zero, if earlier. As of June 30, 2014 the Company had not borrowed any amounts under the Delayed Draw Term Loan.

The principal amount of the Term Loan is payable in consecutive quarterly installments beginning with the calendar quarter ended March 31, 2014 and matures on the earlier of October 18, 2018 or such date as the outstanding loans become payable in accordance with the terms of the Financing Agreement (the “Final Maturity Date”). In the event the Company borrows under the Delayed Draw Term Loan, the outstanding principal will be payable in consecutive quarterly installments beginning with the calendar quarter ending December 31, 2014 through the Final Maturity Date. Each of the loans will bear interest at a rate equal to 7.5% per annum plus the greater of (i) 1.25% or (ii) LIBOR, or at the Company’s option, a reference rate (as defined in the Financing Agreement) plus 6.5% per annum, with such interest payable monthly. For the year ended June 30, 2014 the average interest rate was 8.75%.

The Company’s obligations under the Credit Facility are secured by a security interest in substantially all of the Company’s assets. Loans outstanding under the Credit Facility (1) must be prepaid based on certain cash flow metrics and with any net proceeds of certain permitted asset sales and (2) may be prepaid in whole or in part at any time, with any prepayments made prior to the first anniversary of the effective date subject to a prepayment premium. Any principal amount of the loans

which is prepaid or repaid may not be re-borrowed. During the year ended June 30, 2014, the Company made voluntary principal payments against the outstanding indebtedness of $13.8 million million under the Term Loan.

The Credit Facility contains customary negative covenants that, among other things, restrict the Company from undertaking specified corporate actions such as creation of liens, incurrence of additional indebtedness, making certain investments with affiliates, changes of control, having excess foreign cash, issuance of equity, repurchasing the Company's equity securities, and making certain restricted payments, including dividends, without prior approval from the lender. The Credit Facility also contains various financial covenants that require the Company to maintain a certain consolidated EBITDA, certain leverage and fixed charges ratios as well as a minimum level of liquidity. Additionally, the Credit Facility contains cross-default provisions, whereby a default pursuant to the terms and conditions of certain indebtedness will cause a default on the remaining indebtedness under the Credit Facility. At June 30, 2014, the Company was in compliance with the applicable covenants under the Credit Facility.

The Company incurred transaction costs associated with the Credit Facility totaling $2.7 million, of which $0.3 million was recorded in interest expense during the year ended June 30, 2014. The remaining $2.4 million consists of unamortized deferred debt offering costs and debt discount included in the accompanying consolidated balance sheet and are amortized to interest expense using the interest method.

The Company’s book value for the Credit Facility approximates the fair value. Aggregate future principal payments required in accordance with the terms of the Credit Facility are as follows (in thousands):

Year ending June 30,	Amount
2015	$ 4,700
2016	4,700
2017	4,700
2018	4,700
2019	4,700
Thereafter	7,325
	$ 30,825

Note 7 — Stockholders’ Equity

During the years ended June 30, 2014, 2013, and 2012, the Company issued 5.2 million, 7.3 million, and 11.9 million shares, respectively, of common stock as a result of the exercise of options and warrants and during the years ended June 30, 2014, 2013, and 2012, the Company issued 0.2 million, 2.6 million, and 0.1 million shares, respectively, of restricted common stock. During the year ended June 30, 2014, 0.7 million shares of restricted stock were canceled or surrendered as payment of tax withholding upon vesting.

On June 3, 2014, the Company announced a share repurchase program authorizing it to repurchase up to $4.0 million in shares of the Company's common stock. As part of that repurchase program, the Company entered into a pre-arranged stock repurchase plan that operates in accordance with guidelines specified under Rule 10b5-1 of the Securities Exchange. As of June 30, 2014 the Company had not made any purchases of its common stock pursuant to this repurchase program.

On March 11, 2014 the Company announced a share repurchase program authorizing it to repurchase up to $3 million of shares of the Company's common stock. As part of that repurchase program, the Company entered into a pre-arranged stock repurchase plan that operated in accordance with guidelines specified under Rule 10b5-1 of the Securities Exchange Act of 1934. As of June 30, 2014, the Company had purchased 2.2 million shares of its common stock at an aggregate purchase price of $3 million under this repurchase program.

On November 1, 2013, the Company accepted for payment an aggregate of 16.3 million shares of its common stock at an aggregate purchase price of $40 million as a result of its modified Dutch auction tender offer (the "Tender Offer") that expired October 25, 2013. The Company incurred transaction costs of $0.3 million related to the Tender Offer. The Company entered into the Credit Facility to finance this repurchase. (see Note 6).

On March 22, 2013 the Company announced a share repurchase program authorizing it to repurchase up to $5 million of shares of the Company's common stock. As part of that repurchase program, the Company entered into a pre-arranged stock repurchase plan that operated in accordance with guidelines specified under Rule 10b5-1 of the Securities Exchange Act of 1934. During July 2013, the Company repurchased 1.2 million shares under this repurchase authorization. As of June 30, 2014, the Company had purchased the full $5 million in shares authorized under this repurchase program.

The Company's Articles of Incorporation authorize the issuance of preferred shares. However, as of June 30, 2014, none have been issued nor have any rights or preferences been assigned to the preferred shares by the Company's Board of Directors.

Note 8 — Share-Based Compensation

Long-Term Incentive Plans

The Company adopted and the shareholders approved the Company's 2007 Long-Term Incentive Plan (the "2007 Plan"), effective November 21, 2006, to provide incentives to certain employees, directors and consultants. A maximum of 10 million shares of the Company's common stock can be issued under the 2007 Plan in connection with the grant of awards. Awards to purchase common stock have been granted pursuant to the 2007 Plan and are outstanding to various employees, officers, directors, Scientific Advisory Board members and independent distributors at prices between $0.21 and $1.50 per share, with initial vesting periods of one to three years. Awards expire in accordance with the terms of each award and the shares subject to the award are added back to the 2007 Plan upon expiration of the award. The contractual term of stock options granted is generally ten years. As of June 30, 2014 there were awards outstanding, net of awards expired, for the purchase in aggregate of 2.2 million shares of the Company's common stock.

The Company adopted and the shareholders approved the 2010 Long-Term Incentive Plan (the "2010 Plan"), effective September 27, 2010, as amended on January 10, 2012, to provide incentives to certain employees, directors and consultants who contribute to the strategic and long-term performance objectives and growth of the Company. A maximum of 6.9 million shares of the Company's common stock can be issued under the 2010 Plan in connection with the grant of awards. Awards to purchase common stock have been granted pursuant to the 2010 Plan and are outstanding to various employees, officers and directors. Outstanding stock options awarded under the 2010 Plan have exercise prices between $0.63 and $3.53 per share, and vest over one to four year vesting periods. Awards expire in accordance with the terms of each award and the shares subject to the award are added back to the 2010 Plan upon expiration of the award. The contractual term of stock options granted is generally ten years. As of June 30, 2014 there were awards outstanding, net of awards expired, for an aggregate of 3.0 million shares of the Company's common stock.

The Company adopted a Performance Incentive Plan (the "Performance Plan"), effective July 1, 2013, to provide selected employees an opportunity to earn performance-based cash bonuses whose value is based upon the Company's stock value and to encourage such employees to provide services to the Company and to attract new individuals with outstanding qualifications. The Performance Plan seeks to achieve this purpose by providing for awards in the form of performance share units (the "Units"). No shares will be issued under the Performance Plan. Awards may be settled only with cash and will be paid subsequent to award vesting. The fair value of share-based compensation awards, that include performance shares, are accounted for as liabilities. Vesting for the Units is subject to achievement of both service-based and performance-based vesting requirements. Performance-based vesting occurs in three installments if the Company meets certain performance criteria generally set for each year of a three-year performance period. The service-based vesting criteria occurs in three annual installments which are achieved at the end of a given fiscal year only if the participant has continuously remained in service from the date of award through the end of that fiscal year. The fair value of these awards is based on the trading price of our common stock and is remeasured at each reporting period date until settlement.

Stock-Based Compensation

In accordance with accounting guidance on stock-based compensation, payments in equity instruments for goods or services are accounted for by the fair value method. For the fiscal years ended June 30, 2014, 2013, and 2012, stock-based compensation of $2.6 million, $2.2 million and $1.3 million, respectively, was reflected as an increase to additional paid in capital and $0.3 million was reflected as an increase to other accrued expenses for the fiscal year ended June 30, 2014. There were no increases to other accrued expenses related to stock-based compensation for the fiscal years ended June 30, 2013, and 2012. For the fiscal years ended June 30, 2014 and 2013, all stock-based compensation was employee related. Of the $1.3 million stock-based compensation for the fiscal year ended June 30, 2012, $1.2 million was employee related and $0.1 million was non-employee related.

At June 30, 2014 there was $4.1 million of unrecognized compensation cost related to nonvested share-based compensation arrangements under the 2010 Plan, based on management's estimate of the shares that will ultimately vest. The Company expects to recognize such costs over a weighted-average period of 2.5 years.

Stock Options

The weighted-average grant-date fair value of stock options granted during the fiscal years ended June 30, 2013 and 2012 were $2.49 and $1.63, respectively. There were no stock option grants during the fiscal year ended June 30, 2014.

The fair value of stock option awards was estimated using the Black-Scholes option-pricing model with the following assumptions and weighted-average fair values:

	June 30,		
	2014	2013	2012
Risk-free interest rate	N/A	0.82%	0.59% - 1.41%
Dividend yield	N/A	—%	—%
Expected life in years	N/A	5.0- 6.08	3.0 - 6.65
Expected volatility	N/A	127%	119% - 137%

The following is a summary of stock option activity for the years ended June 30, 2014, 2013, and 2012:

	Options (in thousands)	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (in thousands)
Outstanding at June 30, 2011	10,498	$ 0.64		
Granted	2,086	$ 1.89		
Exercised	(1,612)	0.45		$ 2,038
Forfeited	(27)	1.36		
Expired or Cancelled	—	—		
Outstanding at June 30, 2012	10,945	0.91		
Granted	152	$ 2.82		
Exercised	(3,319)	0.49		$ 7,128
Forfeited	(768)	1.54		
Expired or Cancelled	—	—		
Outstanding at June 30, 2013	7,010	1.08		
Granted	—	$ —		
Exercised	(1,400)	0.69		$ 2,282
Forfeited	(469)	1.84		
Expired or Cancelled	—	—		
Outstanding at June 30, 2014	5,141	1.18	6.07	$ 2,417
Exercisable at June 30, 2014	4,795	$ 1.08	6.17	$ 2,411

Restricted Shares

The following is a summary of restricted shares granted during the years ended June 30, 2014, 2013, and 2012:

Nonvested Shares	Shares (in thousands)	Weighted Average Grant Date Fair Value
Nonvested at June 30, 2011	—	—
Granted	164	$ 3.34
Vested	—	—
Forfeited	(2)	3.36
Nonvested at June 30, 2012	162	3.34
Vested at June 30, 2012	—	—
Granted	2,808	$ 2.62
Vested	(37)	3.34
Forfeited	(196)	3.25
Nonvested at June 30, 2013	2,737	2.61
Vested at June 30, 2013	—	—
Granted	225	$ 1.79
Vested	(760)	2.65
Forfeited	(478)	2.55
Nonvested at June 30, 2014	1,724	2.46
Vested at June 30, 2014	—	—

The total vesting date fair value of restricted shares that vested during the years ended June 30, 2014 and 2013 was $1.2 million and $0.1 million, respectively. There were no restricted shares that vested during the year ended June 30, 2012.

Performance Share Units

The following is a summary of performance share units granted during the year ended June 30, 2014:

	Number of Units (in thousands)	Weighted Average Grant Date Fair Value
Outstanding at June 30, 2013, nonvested	—	$ —
Granted	245	1.48
Vested	(214)	—
Forfeited	(31)	1.51
Outstanding at June 30, 2014, nonvested	—	

The fair value of vested awards under the Performance Plan as of June 30, 2014 was $0.3 million. No payments were made to settle vested performance share units during the year ended June 30, 2014.

Warrants

As of June 30, 2014, the Company had outstanding warrants which were issued in conjunction with convertible debentures between November 2009 and February 2010.

The following is a summary of the warrant activity for the years ended June 30, 2014, 2013, and 2012 (in thousands):

	Common Stock Warrants
Outstanding and exercisable, June 30, 2011	25,460
Issued	270
Cancelled	—
Exercised	(12,563)
Expired	(203)
Outstanding and exercisable at June 30, 2012	12,964
Issued	—
Cancelled	—
Exercised	(4,723)
Expired	—
Outstanding and exercisable at June 30, 2013	8,241
Issued	—
Cancelled	—
Exercised	(3,996)
Expired	—
Outstanding and exercisable at June 30, 2014	4,245

As of June 30, 2014, 2013, and 2012, the Company had no warrants classified as derivative liabilities.

Note 9 — Other Income (Expense), net

Other income (expense), net consists of the following (in thousands):

	Year ended June 30,		
	2014	2013	2012
Business development incentive, net	$ 666	$ 695	$ —
Foreign currency transaction loss, net	(194)	(1,689)	(102)
Gain on settlement of forward contract	8	42	—
Other income (expense), net	(96)	40	66
Total other income (expense), net	$ 384	$ (912)	$ (36)

In January 2013, the Company began operations of a foreign subsidiary that qualified for a government-sponsored business development incentive. Under the incentive program, the Company's foreign subsidiary was allowed to retain certain non-income based taxes during the twelve month period ending December 31, 2013, rather than remit such taxes to the tax authorities.

Note 10 — Income Taxes

As of June 30, 2014, the Company had a Federal net operating loss ("NOL") carry-forward of approximately $1.4 million. The net operating losses expire by June 30, 2024 and are subject to review by the Internal Revenue Service, and are subject to U.S. Internal Revenue Code Section 382 limitations. As of June 30, 2014, state NOLs were $9.7 million and foreign NOLs were $0.8 million. The income tax expense for the years ended June 30, 2014, 2013, and 2012 consists of the following (in thousands):

	2014	2013	2012
Income / (Loss) Before Income Taxes:			
Domestic	$ 13,894	$ 11,250	$ 14,556
International	2,761	(97)	116
	$ 16,655	$ 11,153	$ 14,672
Current Taxes:			
Federal	$ 2,010	$ 4,087	$ 3,758
State	72	383	1,121
Foreign	1,018	(33)	47
Total Current Income Tax Provision	$ 3,100	$ 4,437	$ 4,926
Deferred Taxes:			
Federal	2,299	(706)	(2,110)
State	83	(77)	(601)
Foreign	(210)	(109)	(12)
Total Deferred Income Tax Provision	$ 2,172	$ (892)	$ (2,723)
Net Income Tax Provision	$ 5,272	$ 3,545	$ 2,203

The effective income tax rate for the years ended June 30, 2014, 2013, and 2012 differs from the U.S. Federal statutory income tax rate due to the following:

	2014	2013	2012
Federal statutory income tax rate	35.0 %	35.0 %	35.0 %
State income taxes, net of federal benefit	1.9 %	1.8 %	5.5 %
Tax return to provision true-up	(3.0)%	(2.5)%	(1.0)%
Permanent differences:			
— change in derivative liability	0.0 %	0.0 %	16.1 %
— stock based compensation	1.3 %	0.8 %	0.3 %
— domestic production activities deduction	(1.8)%	(2.7)%	0.0 %
— credit for increasing research activities	(1.5)%	(0.7)%	0.0 %
— other	(0.5)%	0.0 %	(0.4)%
Change in valuation allowance	0.1 %	0.0 %	(39.5)%
Net income tax provision	31.5 %	31.7 %	16.0 %

The components of the deferred tax assets and liabilities as of June 30, 2014 and 2013 are as follows (in thousands):

	2014	2013
Deferred tax assets:		
Federal, state, and foreign net operating loss carryovers	$ 1,016	$ 1,768
Stock option compensation	1,353	1,212
Accrued vacation, allowance for returns, bonuses & other	572	2,493
Gross deferred tax asset	$ 2,941	$ 5,473
Deferred tax liabilities:		
Patents and trademarks	(500)	(536)
Change in tax accounting methods	(198)	(297)
Property & equipment	(583)	(824)
Gross deferred tax liabilities	(1,281)	(1,657)
Less: valuation allowance	(217)	(201)
Deferred tax assets, net	$ 1,443	$ 3,615

The Company has adopted accounting guidance for uncertain tax positions which provides that in order to recognize an uncertain tax benefit, the taxpayer must be more likely than not of sustaining the position, and the measurement of the benefit is calculated as the largest amount that is more than 50% likely to be realized upon recognition of the benefit. We believe the Company has no material uncertain tax positions and do not expect significant changes within the next twelve months in the amount of unrecognized tax benefits. Accordingly, we have not reserved for interest or penalties. The tax years open for examination by the Internal Revenue Service (“IRS”) include returns for fiscal years June 30, 2011 through present and the open tax years by state tax authorities include returns for fiscal years June 30, 2010 through present. In addition, the IRS and state tax authorities may examine NOLs for any previous years if utilized by the Company.

The total recognized tax benefit from settlement of stock-based awards for the period ending June 30, 2014 was $1.0 million.

The Company conducts its business globally. As a result, the Company and its subsidiaries file income tax returns in the U.S. federal jurisdiction and various state and foreign jurisdictions, and are subject to examination for the open tax years of June 30, 2010 through June 30, 2013.

Note 11 — Commitments and Contingencies

Operating Leases

The Company leases its facilities under non-cancelable operating leases, which expire at various dates through 2024. The facilities' leases contain renewal options and are subject to cost increases. Future minimum annual payments under non-cancelable operating leases at June 30, 2014 are as follows (in thousands):

Year ending June 30,	Amount
2015	$ 2,320
2016	2,323
2017	2,320
2018	1,282
2019	1,246
Thereafter	6,395
Total future minimum lease payments	$ 15,886

Rent expense totaled $1.9 million, $1.8 million, and $0.4 million for the years ended June 30, 2014, 2013, and 2012, respectively.

Contingencies

The Company is occasionally involved in lawsuits and disputes arising in the normal course of business. In the opinion of management, based upon advice of counsel, the likelihood of an adverse outcome against the Company in any litigation currently pending against the Company is remote. As such, management currently believes that the ultimate outcome of these lawsuits will not have a material impact on the Company's financial position or results of operations.

Note 12 — Interim Financial Results (Unaudited)

The following summarizes selected quarterly financial information for quarterly periods during the years ended June 30, 2014 and 2013:

LIFEVANTAGE CORPORATION AND SUBSIDIARY
CONDENSED CONSOLIDATED QUARTERLY RESULTS
(in thousands except per share data)

	Fiscal Quarter				Year ended June 30, 2014
	First	Second	Third	Fourth	
Revenue, net	$ 51,328	$ 51,538	$ 55,064	$ 56,038	$ 213,968
Gross profit	43,519	43,594	46,605	47,056	180,774
Net income	$ 3,256	$ 3,282	$ 2,494	$ 2,351	$ 11,383
Per common share:					
Income per share, basic	$ 0.03	$ 0.03	$ 0.02	$ 0.02	$ 0.11
Income per share diluted	$ 0.03	$ 0.03	$ 0.02	$ 0.02	$ 0.10

	Fiscal Quarter				Year ended June 30, 2013
	First	Second	Third	Fourth	
Revenue, net	$ 52,859	$ 53,438	$ 50,370	$ 51,511	$ 208,178
Gross profit	45,052	38,760	43,501	44,222	171,535
Net income (loss)	$ 4,165	$ 209	$ 3,416	$ (182)	$ 7,608
Per common share:					
Income (loss) per share, basic	$ 0.04	$ 0.00	$ 0.03	$ 0.00	$ 0.07
Income (loss) per share, diluted	$ 0.03	$ 0.00	$ 0.03	$ 0.00	$ 0.06

LIFEVANTAGE CORPORATION
FY2015 ANNUAL INCENTIVE PLAN

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LIFEVANTAGE CORPORATION

FY2015 ANNUAL INCENTIVE PLAN

SECTION 1. INTRODUCTION.

The Board adopted this LifeVantage Corporation FY2015 Annual Incentive Plan as of the Adoption Date.

The purpose of this Plan is to provide appropriate incentives to Participants to grow the Company's Earnings Per Share (EPS) and to manage Company department investment and expense and achieve employee developmental and strategic personal goals.

The Plan seeks to achieve its purpose by granting Awards which provide for discretionary Performance Bonus payments for the Fiscal Year that are based on the respective achievements of Company Performance Metrics and Individual Performance Metrics. Performance Bonus amounts will be determined by a percent-of-goal approach and measured and paid after the end of the Fiscal Year. Performance Bonus payments may only be made with cash. No Shares will ever be issued under this Plan.

Capitalized terms shall have the meaning provided in Section 2 unless otherwise provided in this Plan or any applicable Award Agreement.

SECTION 2. DEFINITIONS. If a Participant's Award Agreement (or other written agreement executed by and between Participant and the Company) expressly includes defined terms that expressly are different from and/or conflict with the defined terms contained in this Plan then the defined terms contained in the Award Agreement (or other written agreement executed by and between Participant and the Company) shall govern and shall supersede the definitions provided in this Plan.

(a) "Adoption Date" means June 30, 2014.

(b) "Affiliate" means any entity other than a Subsidiary, if the Company and/or one or more Subsidiaries own not less than 50% of such entity. For purposes of determining an individual's "Service," this definition shall include any entity other than a Subsidiary, if the Company, a Parent and/or one or more Subsidiaries own not less than 50% of such entity.

(c) "Award" means an opportunity for a Participant to earn discretionary cash Performance Bonus for the Fiscal Year. No payment underlying an Award is earned until it has been paid to the Participant and all payments remain subject to the Committee's discretion at all times based on all relevant factors, including but not limited to business conditions, performance issues, employment status, and/or any equitable considerations. A Participant may have at most one outstanding Award under the Plan. A Participant's Award will cease to be outstanding once the Participant is no longer an Eligible Employee.

(d) "Award Agreement" means an agreement between the Company and a Participant evidencing an Award.

(e) “Base Salary” means, with respect to a Participant, the annual base salary that such Participant is receiving as of July 1, 2014.

(f) “Board” means the Board of Directors of the Company, as constituted from time to time.

(g) “Change in Control” means the occurrence of any one or more of the following: (i) any merger, consolidation or business combination in which the shareholders of the Company immediately prior to the merger, consolidation or business combination do not own at least a majority of the outstanding equity interests of the surviving parent entity, (ii) the sale of all or substantially all of the Company's assets, (iii) the acquisition of beneficial ownership or control of (including, without limitation, power to vote) a majority of the outstanding Shares by any person or entity (including a "group" as defined by or under Section 13(d)(3) of the Exchange Act), (iv) the dissolution or liquidation of the Company, (v) a contested election of directors, as a result of which or in connection with which the persons who were directors of the Company before such election or their nominees cease to constitute a majority of the Board, or (vi) any other event specified by the Board or the Committee.

A transaction shall not constitute a Change in Control if its sole purpose is to change the state of the Company's incorporation or to create a holding company that will be owned in substantially the same proportions by the persons who held the Company's securities immediately before such transactions.

(h) “Code” means the Internal Revenue Code of 1986, as amended, and the regulations and interpretations promulgated thereunder.

(i) “Committee” means the Compensation Committee of the Board.

(j) “Company” means LifeVantage Corporation, a Colorado corporation.

(k) “Company Performance Metric” means the Company financial performance goal for the Fiscal Year, which consists of EPS and comprises 70% of a Participant’s Performance Bonus opportunity. The Company Performance Metrics will have multiple hurdle levels and corresponding hurdle EPS amounts which will be reflected in the Performance Bonus Schedule. The Company Performance Metric shall be subject to reduction by the Reduction Percentage. The hurdle dollar amounts will be appropriately adjusted by the Committee if a Change in Control occurs during the Fiscal Year.

(l) “Department Budget” means the department budget established for the Fiscal Year for a Participant. All of the Company’s Department Budgets collectively are referred to in this Plan as the “Company Department Budgets”. Department Budgets can be adjusted by the Company during the first eleven (11) months of the Fiscal Year to accommodate changes in business needs provided the aggregate budget amount for Company Department Budgets does not change from the Company’s approved Fiscal Year plan as of July 1, 2014.

(m) “Eligible Employee” means an Employee who:

(i) is not on a leave of absence for any reason for ninety calendar days or more in the Fiscal Year;

(ii) is not on any type of corrective action plan; and

(iii) is not a participant in the Company’s FY2015 Sales Incentive Plan.

(n) “Employee” means any individual who is a common-law employee of the Company, or of a Parent, or of a Subsidiary or of an Affiliate.

(o) “EPS” means diluted income per common share as set forth in the Company's audited financial statements for the Fiscal Year.

(p) “Exchange Act” means the Securities Exchange Act of 1934, as amended.

(q) “Fiscal Year” means the Company’s fiscal year for 2015 which runs from July 1, 2014 through June 30, 2015.

(r) “Individual Performance Metrics” means the specific, measureable developmental objectives for a Participant established in writing by a Participant’s supervisor before October 2014 (or within 30 days of the Eligible Employee becoming a Participant if such participation in the Plan commences after July 1, 2014). Achievement of Individual Performance Metrics will comprise 30% of a Participant’s Performance Bonus opportunity.

For all Participants, the Performance Bonus amount for the Individual Performance Metrics will be based upon the Participant’s supervisor’s written assessment of the Participant’s performance in the Fiscal Year and the degree of Participant’s achievement of his/her Individual Performance Metrics. This assessment of performance must be reviewed and concurred with by the supervisor’s manager prior to review with the Participant. The Participant’s immediate supervisor and his/her supervisor will determine the magnitude of the Participant’s Individual Performance Metrics Performance Bonus based on the Participant’s individual performance and subject to the limits on payment imposed by the Performance Bonus Schedule. No individual Performance Bonus payment amount will be communicated or paid to the Participant until the review process is completed and the Participant, his/her supervisor, and the next level manager have acknowledged their review of the performance assessment document in writing.

In addition, the Individual Performance Metrics will have hurdle levels and corresponding maximum percentages of payout achievable as reflected in the Performance Bonus Schedule. The objective performance metrics will be appropriately adjusted by the Committee if a Change in Control occurs during the Fiscal Year.

(s) “Parent” means any corporation (other than the Company) in an unbroken chain of corporations ending with the Company, if each of the corporations other than the Company owns stock possessing fifty percent (50%) or more of the total combined voting power of all classes of stock in one of the other corporations in such chain. A corporation that attains the status of a Parent on a date after the Adoption Date shall be considered a Parent commencing as of such date.

(t) “Participant” means an Eligible Employee who has been selected by the Committee to participate in this Plan and receive an Award. An individual will cease to be a Participant once such individual is no longer an Eligible Employee.

(u) “Performance Bonus” means the discretionary cash incentive bonuses that a Participant can separately earn for achievement of Company Performance Metrics and Individual Performance Metrics pursuant to his/her Award.

(v) “Performance Bonus Percentage” means, except as expressed otherwise in an Award Agreement, the percentages identified in the Performance Bonus Schedule which are based on the Participant’s job level and the degree of actual achievement of the Performance Metrics. In no case

can a Participant's Performance Bonus amount for a Performance Metric exceed the product of the Performance Bonus Percentage obtained from the Performance Bonus Schedule multiplied by the Participant's Base Salary.

(w) "Performance Bonus Schedule" means the schedule (in the form shown in the attached Exhibit A or such other form that the Committee adopts) that the Committee will establish for each Participant which will specify the hurdle dollar amounts for each of the three hurdle levels along with the Performance Bonus Percentages for each hurdle level.

(x) "Performance Metrics" means the Company Performance Metrics and the Individual Performance Metrics. Each of the various Performance Metrics will be evaluated and measured separately and each can generate a potential Performance Bonus payment based on the respective degrees of achievement of each.

(y) "Plan" means this LifeVantage Corporation FY2015 Annual Incentive Plan as it may be amended by the Board in its discretion.

(z) "Reduction Percentage" means the reduction that may be applied to a Participant's Performance Bonus portion for Company Performance Metrics. For Senior Staff Participants, the Performance Bonus portion for Company Performance Metrics shall be reduced by 5% for every 10% that Company Department Budgets exceed their Fiscal Year budget plan. For Participants who are not Senior Staff, the Performance Bonus portion for Company Performance Metrics shall be reduced by 5% for every 10% that the Participant's Department Budget exceeds its Fiscal Year budget plan.

(aa) "Senior Staff" means the Company's Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Chief Science Officer, General Counsel, most senior Human Resources executive, and any other senior management position designated by the Committee.

(ab) "Separation From Service" has the meaning provided to such term under Code Section 409A and the regulations promulgated thereunder.

(ac) "Service" means uninterrupted service as an Employee. Service will be deemed terminated as soon as the entity to which Service is being provided is no longer either (i) the Company, (ii) a Parent, (iii) a Subsidiary or (iv) an Affiliate.

(ad) "Share" means a share of Company common stock (which has a par value of $0.001 per Share).

(ae) "Specified Employee" means a Participant who is considered a "specified employee" within the meaning of Code Section 409A.

(af) "Subsidiary" means any corporation (other than the Company) in an unbroken chain of corporations beginning with the Company, if each of the corporations other than the last corporation in the unbroken chain owns stock possessing fifty percent (50%) or more of the total combined voting power of all classes of stock in one of the other corporations in such chain. A corporation that attains the status of a Subsidiary on a date after the Adoption Date shall be considered a Subsidiary commencing as of such date.

SECTION 3. ADMINISTRATION.

(a) Committee Composition. A Committee shall administer the Plan. Unless the Board provides otherwise, the Board's Compensation Committee (or a comparable committee of the Board)

shall be the Committee. The Board may also at any time terminate the functions of the Committee and reassume all powers and authority previously delegated to the Committee.

(b) Authority of the Committee. Subject to the provisions of the Plan, the Committee shall have full authority and discretion to take any actions it deems necessary or advisable for the administration of the Plan. Such actions shall include without limitation:

(i) determining Eligible Employees who are to receive Awards under the Plan and the amount of payments provided to a Participant (if any) with respect to an Award;

(ii) determining the terms, conditions, Performance Metrics (or other objective/subjective goals (if any)) and their degree of satisfaction, and other features and conditions of such Awards, and amending such Awards;

(iii) correcting any defect, supplying any omission, or reconciling or clarifying any inconsistency in the Plan or any Award Agreement;

(iv) waiving restrictions of Awards at any time and under such terms and conditions as it deems appropriate;

(v) interpreting any extenuating circumstances and modifying the Plan or Award Agreement in its discretion as needed;

(vi) accepting or canceling an order or discontinuing service to a customer;

(vii) disallowing sales that are determined not to be in the normal course of business;

(viii) interpreting the Plan and any Award Agreements;

(ix) making such modifications to the Plan as are necessary to effectuate the intent of the Plan as a result of any changes in applicable laws or accounting treatment;

(x) modifying, amending or revoking the Plan, or discontinuing (either temporarily or permanently) the distribution of any payment at any time and for any reason and making appropriate adjustments to EPS or compensation targets due to favorable or unfavorable events unrelated to a Participant’s efforts of performance; and

(xi) making all other decisions relating to the operation of the Plan;

(xii) granting Awards to Eligible Employees who are foreign nationals on such terms and conditions different from those specified in the Plan, which may be necessary or desirable to foster and promote achievement of the purposes of the Plan, and adopting such modifications, procedures, and/or sub plans (with any such sub plans attached as appendices to the Plan) and the like as may be necessary or desirable to comply with provisions of the laws or regulations of other countries or jurisdictions to ensure the viability of the benefits from Awards granted to Participants employed in such countries or jurisdictions, or to meet the requirements that permit the Plan to operate in a qualified or tax efficient manner, and/or comply with applicable foreign laws or regulations.

The Committee may adopt such rules or guidelines, as it deems appropriate to implement the Plan. The Committee’s determinations under the Plan shall be final, conclusive and binding on all persons. The Committee’s decisions and determinations need not be uniform and may be made

selectively among Participants in the Committee's sole discretion. The Committee's decisions and determinations will be afforded the maximum deference provided by applicable law.

The Company shall effect the granting of Awards under the Plan in accordance with the determinations made by the Committee, by execution of instruments in writing in such form as approved by the Committee.

(c) Indemnification. To the maximum extent permitted by applicable law, each member of the Committee, or of the Board, or any persons (including without limitation Employees and officers) who are delegated by the Board or Committee to perform administrative functions in connection with the Plan, shall be indemnified and held harmless by the Company against and from (i) any loss, cost, liability, or expense that may be imposed upon or reasonably incurred by him or her in connection with or resulting from any claim, action, suit, or proceeding to which he or she may be a party or in which he or she may be involved by reason of any action taken or failure to act under the Plan or any Award Agreement, and (ii) from any and all amounts paid by him or her in settlement thereof, with the Company's approval, or paid by him or her in satisfaction of any judgment in any such claim, action, suit, or proceeding against him or her, provided he or she shall give the Company an opportunity, at its own expense, to handle and defend the same before he or she undertakes to handle and defend it on his or her own behalf. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such persons may be entitled under the Company's Articles of Incorporation or Bylaws, by contract, as a matter of law, or otherwise, or under any power that the Company may have to indemnify them or hold them harmless.

SECTION 4. GENERAL.

(a) General Eligibility. Only Eligible Employees shall be eligible for designation as Participants.

(b) No Rights as a Shareholder. A Participant shall have no rights as a shareholder with respect to any Award.

(c) Termination of Service. Except as otherwise provided in the applicable Award Agreement, a Participant's outstanding Award shall terminate without consideration upon termination of such Participant's Service.

(d) Code Section 409A. Notwithstanding anything in the Plan to the contrary, the Plan and Awards granted hereunder are intended to be exempt from the requirements of Code Section 409A and shall be interpreted in a manner consistent with such intention. In the event that any provision of the Plan or an Award Agreement is determined by the Committee to not comply with the applicable requirements of Code Section 409A or the applicable regulations and other guidance issued thereunder, the Committee shall have the authority to take such actions and to make such changes to the Plan or an Award Agreement as the Committee deems necessary to comply with such requirements. Any payment made pursuant to any Award shall be considered a separate payment and not one of a series of payments for purposes of Code Section 409A.

Notwithstanding the foregoing or anything elsewhere in the Plan or an Award Agreement to the contrary, if upon a Participant's Separation From Service he/she is then a Specified Employee, then solely to the extent necessary to comply with Code Section 409A and avoid the imposition of taxes under Code Section 409A, the Company shall defer payment of "nonqualified deferred compensation"

subject to Code Section 409A payable as a result of and within six (6) months following such Separation From Service under this Plan until the earlier of (i) the first business day of the seventh month following the Participant's Separation From Service, or (ii) ten (10) days after the Company receives written confirmation of the Participant's death. Any such delayed payments shall be made without interest.

While it is intended that all payments and benefits provided under the Plan or an Award will be exempt from (or comply with) Code Section 409A, the Company makes no representation or covenant to ensure that the payments under the Plan or an Award are exempt from or compliant with Code Section 409A. In no event whatsoever shall the Company be liable if a payment or benefit under the Plan or an Award is challenged by any taxing authority or for any additional tax, interest or penalties that may be imposed on a Participant by Code Section 409A or any damages for failing to comply with Code Section 409A. The Participant will be entirely responsible for any and all taxes on any benefits payable to such Participant as a result of the Plan or an Award.

(e) Electronic Communications. Subject to compliance with applicable law and/or regulations, an Award Agreement or other documentation or notices relating to the Plan and/or Awards may be communicated to Participants (and executed by Participants) by electronic media.

(f) Unfunded Plan. The Plan shall be unfunded. Although bookkeeping accounts may be established with respect to Participants who are granted Awards under this Plan, any such accounts will be used merely as a bookkeeping convenience. The Company shall not be required to segregate any assets which may at any time be represented by Awards, nor shall this Plan be construed as providing for such segregation, nor shall the Company or the Board or Committee be deemed to be a trustee of cash to be awarded under the Plan.

(g) Liability of Company. The Company (or members of the Board or Committee) shall not be liable to a Participant or other persons as to any unexpected or adverse tax consequence or any tax consequence expected, but not realized, by any Participant or other person due to the grant, receipt, or settlement of any Award granted hereunder.

(h) Reformation. In the event any provision of this Plan shall be held illegal or invalid for any reason, such provisions will be reformed by the Board if possible and to the extent needed in order to be held legal and valid. If it is not possible to reform the illegal or invalid provisions then the illegality or invalidity shall not affect the remaining parts of this Plan, and this Plan shall be construed and enforced as if the illegal or invalid provision had not been included.

(i) Successor Provision. Any reference to a statute, rule or regulation, or to a section of a statute, rule or regulation, is a reference to that statute, rule, regulation, or section as amended from time to time, both before and after the Adoption Date and including any successor provisions.

(j) Governing Law. This Plan and (unless otherwise provided in the Award Agreement) all Awards shall be construed in accordance with and governed by the laws of the State of Utah, but without regard to its conflict of law provisions. The Committee may provide that any dispute as to any Award shall be presented and determined in such forum as the Committee may specify, including through binding arbitration. Unless otherwise provided in the Award Agreement, recipients of an Award under the Plan are deemed to submit to the exclusive jurisdiction and venue of the federal or state courts of

Utah to resolve any and all issues that may arise out of or relate to the Plan or any related Award Agreement.

(k) Assignment or Transfer of Awards. No Award shall be transferable by the Participant. No Award or interest therein may be transferred, assigned, pledged or hypothecated by the Participant during his or her lifetime, whether by operation of law or otherwise, nor may an Award be anticipated, assigned, attached, garnished, optioned, transferred or made subject to any creditor's process, whether voluntarily, involuntarily or by operation of law, nor may an Award be made subject to execution, attachment or similar process. Any act in violation of this Section 4(k) shall be null and void.

(l) Company Rights. The Company reserves the right at any time to assign accounts, or remove accounts, or to accept or reject orders from customers, and to refrain from paying incentive on draw fees the Company receives, freight charges to customers or with respect to similar or dissimilar transactions.

SECTION 5. TERMS AND CONDITIONS OF AWARDS.

(a) Award Agreement. Each grant of an Award under the Plan shall be evidenced by an executed Award Agreement between the Participant and the Company in the form attached as Exhibit A or such other form that the Committee adopts. Such Award shall be subject to all applicable terms of the Plan and may be subject to any other terms that are not inconsistent with the Plan. The provisions of the various Award Agreements entered into under the Plan need not be identical.

(b) Eligibility for Payments. An individual must be a Participant on the date of any Performance Bonus payment in order to receive such payment.

(c) Determination of Performance Bonus Amounts. After the Fiscal Year (or within 15 days before a Change in Control that occurs during the Fiscal Year), the Committee will determine the actual Company EPS for the Fiscal Year (in the case of a Change in Control, the actual Company EPS will be measured as of through the end of the month prior to the month of the Change in Control). The achieved Performance Bonus Percentages will then be multiplied by the Participant's Base Salary to determine the potential Performance Bonus amount for each of the Company Performance Metrics and Individual Performance Metrics. The Performance Bonus amount for the Company Performance Metrics will then be reduced by the Reduction Percentage if applicable as described in Section 2(z). The Performance Bonus amount for the Individual Performance Metrics will then be reduced by the Participant's supervisor if applicable as described in Section 2(r). The Committee may also apply its discretion to reduce any Participant's Performance Bonus. After taking into account the forgoing process of this Section 5(c) and subject to the other terms of this Plan and the Award Agreement, a Participant will then be eligible to receive the resulting Performance Bonus amounts for the Company Performance Metrics and/or Individual Performance Metrics in accordance with Section 5(d).

(d) Form and Time of Settlement of Awards. Payment of any Performance Bonuses shall be made solely in the form of cash and in the time frames set forth in this Section 5(d). Subject to the following sentence, any Performance Bonuses shall be paid out to Participants during the first 2.5 months after the end of the Fiscal Year. Notwithstanding the foregoing, all Performance Bonuses payments will be paid earlier upon the consummation of a Change in Control (and performance will be measured on a pro-rated basis).

(e) Creditors' Rights. A holder of an Award shall have no rights other than those of a general creditor of the Company. Awards represent an unfunded and unsecured obligation of the Company.

SECTION 6. ADJUSTMENTS.

Notwithstanding satisfaction of any Company Performance Metrics or Individual Performance Metrics, the value of a Participant's Award or Performance Bonus or any other benefits granted, issued, retainable, vested and/or to be paid under an Award on account of satisfaction of such Performance Metrics may be reduced by the Committee on the basis of such further considerations as the Committee in its sole discretion shall determine. In other words, this Plan is a discretionary plan and a Participant has no rights to any payment and has not earned any payment under this Plan unless and until the Company has actually provided the Participant with the applicable payment.

SECTION 7. LIMITATIONS ON RIGHTS.

(a) Retention Rights. Neither the Plan nor any Award granted under the Plan shall be deemed to give any individual a right to remain in Service or to continued participation in the Plan. The Company and its Parents and Subsidiaries and Affiliates reserve the right to terminate the Service of any person at any time, and for any reason, subject to applicable laws, the Company's Articles of Incorporation and Bylaws, and a written employment agreement (if any).

(b) Other Company Benefit and Compensation Programs. Payments and other benefits received by a Participant under an Award made pursuant to the Plan shall not be deemed a part of a Participant's regular, recurring compensation for purposes of the termination indemnity or severance pay law of any state. Furthermore, such benefits shall not be included in, nor have any effect on, the determination of benefits under any other employee benefit plan or similar arrangement provided by the Company or a Subsidiary or Affiliate unless expressly so provided by such other plan or arrangement, or except where the Committee expressly determines that inclusion of an Award or portion of an Award should be included. Awards under the Plan may be made in combination with or in addition to, or as alternatives to, grants, awards or payments under any other Company or Subsidiary or Affiliate plans. The Company or any Subsidiary or any Affiliate may adopt such other compensation programs and additional compensation arrangements (in addition to this Plan) as it deems necessary to attract, retain, and motivate officers, directors, employees or independent contractors for their service with the Company and its Subsidiaries and its Affiliates.

(c) Clawback Policy. The Company may (i) cause the cancellation of any Award, (ii) require reimbursement of any Award by a Participant and (iii) effect any other right of recoupment of equity or other compensation provided under this Plan or otherwise in accordance with Company policies as may be adopted and/or modified from time to time by the Company and/or applicable law (each, a "Clawback Policy"). In addition, a Participant may be required to repay to the Company certain previously paid compensation, whether provided under this Plan or an Award Agreement or otherwise, in accordance with the Clawback Policy. By accepting an Award, a Participant is also agreeing to be bound by the Company's Clawback Policy which may be amended from time to time by the Company in its discretion (including without limitation to comply with applicable laws or stock exchange requirements) and is further agreeing that all of the Participant's Awards may be unilaterally amended by the Company to the extent needed to comply with the Clawback Policy.

SECTION 8. TAXES.

A Participant shall make arrangements satisfactory to the Company for the satisfaction of any withholding tax obligations (including without limitation federal, state, local and foreign taxes) that arise in connection with his or her Award. The Company shall not be required to make any payment under the Plan until such obligations are fully satisfied and the Company shall, to the maximum extent permitted by law, have the right to deduct any such taxes from any payment of any kind otherwise due to the Participant.

SECTION 9. DURATION AND AMENDMENTS.

(a) Term of the Plan. The Plan is effective on July 1, 2014 and may be terminated by the Board on any date pursuant to Section 9(b). No further Awards may be granted after the earlier of the Board's termination of the Plan under Section 9(b), the date of a Change in Control, or June 30, 2015. This Plan will terminate after the Company has provided all payments (if any) to Participants. This Plan will not in any way affect outstanding awards that were issued under any other Company compensation plans.

(b) Right to Amend or Terminate the Plan. The Board may amend or terminate the Plan or any outstanding Awards at any time and for any reason. In the event of any conflict in terms between the Plan and any Award Agreement, the terms of the Plan shall prevail and govern.

SECTION 10. EXECUTION.

To record the adoption of this Plan by the Board, the Company has caused its duly authorized officer to execute this Plan on behalf of the Company.

LIFEVANTAGE CORPORATION

By: _____

Title:

EXHIBIT A

LIFEVANTAGE CORPORATION FY2015 ANNUAL INCENTIVE PLAN

AWARD AGREEMENT

Pursuant to the LifeVantage Corporation FY2015 Annual Incentive Plan ("AIP"), the Company hereby informs the Participant named below that he/she has been selected to be a Participant subject to Participant timely executing and delivering to the Company this Award Agreement (the "Agreement"). The governing terms and conditions of Participant's participation in the AIP are set forth herein and in the AIP and Participant agrees to be bound by such terms and conditions. The entire text of the AIP is incorporated in this Agreement by reference. Certain capitalized terms used in this Agreement are defined in the AIP. This Agreement and the AIP and its exhibits constitute the entire understanding between the Participant and the Company regarding this incentive compensation opportunity. Any prior agreements, commitments or negotiations concerning this incentive compensation opportunity are superseded except as provided in the AIP. As a condition of participation in the AIP and receiving payments under the AIP and notwithstanding any obligation that the Company has to make certain public disclosures about the AIP and its Awards, Participant agrees never to disclose any information regarding the existence or contents of the AIP or this Agreement or Participant's participation in the AIP to any third party (including without limitation other Company employees) except for Participant's spouse, Participant's financial/tax advisors, and/or Participant's legal counsel, each of whom will be informed by Participant of the foregoing confidentiality obligations and each of whom will similarly agree to also maintain such confidentiality.

Name of Participant: _____

Date of Becoming Participant: _____, 201_

Job Level: _____

Annual Base Salary: _____

Name of Department: _____

Individual Performance Metrics:

LIFEVANTAGE CORPORATION

FY2015 SALES INCENTIVE PLAN

LIFEVANTAGE CORPORATION

FY2015 SALES INCENTIVE PLAN

SECTION 1. INTRODUCTION.

The Board adopted this LifeVantage Corporation FY2015 Sales Incentive Plan as of the Adoption Date.

The purpose of this Plan is to align Company sales personnel with the Company's business strategy and key objectives. Specifically, the Plan is designed to:

- Ensure alignment of expectations between the sales organization and individual Participants;
- Focus on growth in enrollment and Company revenues;
- Support reductions in distributor attrition; and
- Ensure a pay for performance philosophy where a Participant is recognized and rewarded for achieving results.

The Plan seeks to achieve its purpose by granting Awards which provide for discretionary Performance Bonus payments that are based on achievement of Performance Metrics and with actual payment of any earned bonus determined as a percentage of a Participant's Base Salary. Annual performance targets (from the Company's approved Fiscal Year 2015 Plan) have been divided into quarterly performance expectations for three discrete Performance Metrics. Annual incentives paid will be determined by a percent-of-goal approach and measured and paid on a quarterly basis. No Shares will ever be issued under this Plan. Award payments may only be made with cash.

Capitalized terms shall have the meaning provided in Section 2 unless otherwise provided in this Plan or any applicable Award Agreement.

SECTION 2. DEFINITIONS. If a Participant's Award Agreement (or other written agreement executed by and between Participant and the Company) expressly includes defined terms that expressly are different from and/or conflict with the defined terms contained in this Plan then the defined terms contained in the Award Agreement (or other written agreement executed by and between Participant and the Company) shall govern and shall supersede the definitions provided in this Plan.

(a) "Adoption Date" means June 30, 2014.

(b) "Affiliate" means any entity other than a Subsidiary, if the Company and/or one or more Subsidiaries own not less than 50% of such entity. For purposes of determining an individual's "Service," this definition shall include any entity other than a Subsidiary, if the Company, a Parent and/or one or more Subsidiaries own not less than 50% of such entity.

(c) "Award" means an opportunity for a Participant to earn a discretionary cash Performance Bonus for each Quarter that the Award remains outstanding based on achievement of Performance Metrics for such Quarter. No payment underlying an Award is earned until it has been paid to the

Participant and all payments remain subject to the Committee's discretion at all times based on all relevant factors, including but not limited to business conditions, performance issues, employment status, and/or any equitable considerations. A Participant may have at most one outstanding Award under the Plan. A Participant's Award will cease to be outstanding once the Participant is no longer an Eligible Employee.

(d) "Award Agreement" means an agreement between the Company and a Participant evidencing an Award. The Award Agreement may specify the terms and conditions for one or more Quarters, including for the entire Fiscal Year.

(e) "Base Salary" means, with respect to a Participant, the annual base salary that such Participant is receiving as of July 1, 2014.

(f) "Board" means the Board of Directors of the Company, as constituted from time to time.

(g) "Cause" means, except as may otherwise be provided in a Participant's Award Agreement, (i) dishonesty or fraud, (ii) serious willful misconduct, (iii) unauthorized use or disclosure of confidential information or trade secrets, (iv) conviction or confession of a felony, or (v) any other act or omission by a Participant that, in the opinion of the Company, could reasonably be expected to adversely affect the Company's or a Subsidiary's or an Affiliate's business, financial condition, prospects and/or reputation. In each of the foregoing subclauses (i) through (v), whether or not a "Cause" event has occurred will be determined by the Committee whose determination shall be final, conclusive and binding. A Participant's Service shall be deemed to have terminated for Cause if, after the Participant's Service has terminated, facts and circumstances are discovered that would have justified a termination for Cause, including, without limitation, violation of material Company policies or breach of confidentiality or other restrictive covenants that may apply to the Participant.

(h) "Change in Control" means the occurrence of any one or more of the following: (i) any merger, consolidation or business combination in which the shareholders of the Company immediately prior to the merger, consolidation or business combination do not own at least a majority of the outstanding equity interests of the surviving parent entity, (ii) the sale of all or substantially all of the Company's assets, (iii) the acquisition of beneficial ownership or control of (including, without limitation, power to vote) a majority of the outstanding Shares by any person or entity (including a "group" as defined by or under Section 13(d)(3) of the Exchange Act), (iv) the dissolution or liquidation of the Company, (v) a contested election of directors, as a result of which or in connection with which the persons who were directors of the Company before such election or their nominees cease to constitute a majority of the Board, or (vi) any other event specified by the Board or the Committee.

A transaction shall not constitute a Change in Control if its sole purpose is to change the state of the Company's incorporation or to create a holding company that will be owned in substantially the same proportions by the persons who held the Company's securities immediately before such transactions.

(i) "Code" means the Internal Revenue Code of 1986, as amended, and the regulations and interpretations promulgated thereunder.

(j) "Committee" means the committee described in Section 3.

(k) "Company" means LifeVantage Corporation, a Colorado corporation.

(l) "Compensation Committee" means the Compensation Committee of the Board.

(m) "Eligible Employee" means an Employee who:

(i) is responsible for sales targets within the sales organization (must be an account manager or sales manager or above);

(ii) is not on a leave of absence for any reason for thirty calendar days or more in a Quarter;

(iii) is not on any type of corrective action plan; and

(iv) is not a participant in the Company's FY2015 Annual Incentive Plan.

(n) "Employee" means any individual who is a common-law employee of the Company, or of a Parent, or of a Subsidiary or of an Affiliate.

(o) "Exchange Act" means the Securities Exchange Act of 1934, as amended.

(p) "Fiscal Year" means the Company's fiscal year for 2015 which runs from July 1, 2014 through June 30, 2015.

(q) "GAAP" means United States generally accepted accounting principles as established by the Financial Accounting Standards Board.

(r) "Parent" means any corporation (other than the Company) in an unbroken chain of corporations ending with the Company, if each of the corporations other than the Company owns stock possessing fifty percent (50%) or more of the total combined voting power of all classes of stock in one of the other corporations in such chain. A corporation that attains the status of a Parent on a date after the Adoption Date shall be considered a Parent commencing as of such date.

(s) "Participant" means an Eligible Employee who has been selected by the Committee to participate in this Plan and receive an Award. An individual will cease to be a Participant once such individual is no longer an Eligible Employee.

(t) "Performance Bonus" means the discretionary cash incentive bonuses that a Participant can earn pursuant to his/her Award.

(u) "Performance Expectation" means, with respect to a Performance Metric, the target quantitative expected performance that is enumerated in a Participant's Award Agreement.

(v) "Performance Metrics" means the three separate performance goals in each Quarter for an Award and these three goals consist of (i) Company revenue, (ii) enrollment, and (iii) distributor attrition rate as described further below.

Performance Metrics	Description
Revenue	Based on achievement of Company revenue goals for assigned geographic/territory/accounts
Enrollment	Based on achievement of enrollment goals for assigned geography/territory/accounts
Distributor Attrition Rate	Based on achievement of attrition rate goals assigned by management for assigned geography

(w) "Performance Metric Measurement" means, except as otherwise provided in an Award Agreement, the following potential payments for a Performance Metric based on the below degree of achievement of the Performance Metric in a Quarter. The degree of achievement of each Performance Metric shall be determined by the Committee in accordance with GAAP and/or internal Company financial reporting to the extent applicable. Each Performance Metric, and its related payment that can be earned, is measured and evaluated separately in each Quarter. The threshold level of performance in order to be eligible for a quarterly payment for a Performance Metric is 90% of Performance Expectation. However, after the Fiscal Year, the Committee may in its discretion provide for additional compensation for a Participant with respect to a Performance Metric if there was below 90% achievement of the Performance Expectation in one or more Quarters for such Performance Metric but the overall annual Performance Expectation for the Performance Metric was exceeded.

Degree of Achievement	Potential Payment for Performance Metric
Less than guidance of Performance Expectation	None
Between Guidance and 90% and 100% of target of Performance Expectation	Proportionate scaling between 30% and 100% of Target Amount
Between 90% and 100% of Performance Expectation	Proportionate scaling between 50% and 100% of Target Amount
Above 100% of Performance Expectation	Proportionate scaling such that for each additional 1% achievement over Performance Expectation, potential payment increases by 4% of Target Amount

(x) "Plan" means this LifeVantage Corporation FY2015 Sales Incentive Plan as it may be amended by the Board in its discretion.

(y) "Quarter" means a fiscal quarter that is contained within the Fiscal Year. There are four Quarters in the Fiscal Year.

(z) "Relative Weight" means a percentage between 0% and 100% that is assigned to each Performance Metric in an Award Agreement to determine the relative weight of a Performance Metric. The sum of the Relative Weights in each Award shall equal 100%.

(aa) "Separation From Service" has the meaning provided to such term under Code Section 409A and the regulations promulgated thereunder.

(ab) "Service" means uninterrupted service as an Employee. Service will be deemed terminated as soon as the entity to which Service is being provided is no longer either (i) the Company, (ii) a Parent, (iii) a Subsidiary or (iv) an Affiliate.

(ac) "Share" means a share of Company common stock (which has a par value of $0.001 per Share).

(ad) "Specified Employee" means a Participant who is considered a "specified employee" within the meaning of Code Section 409A.

(ae) "Subsidiary" means any corporation (other than the Company) in an unbroken chain of corporations beginning with the Company, if each of the corporations other than the last corporation in the unbroken chain owns stock possessing fifty percent (50%) or more of the total combined voting power of all classes of stock in one of the other corporations in such chain. A corporation that attains the status of a Subsidiary on a date after the Adoption Date shall be considered a Subsidiary commencing as of such date.

(af) "Target Amount" means, except as expressed otherwise in an Award Agreement, the following target payment amounts for the Fiscal Year for a Performance Metric,. The Target Amount would be attained, for example, if 100% of a Performance Metric's Performance Expectation was achieved in each of the four Quarters. The below figures are for the full Fiscal Year but the Award Agreement will apportion such amounts to each Quarter (and such allocation need not be uniform between the Quarters and will be further adjusted if an Eligible Employee is not a Participant for the entire Fiscal Year).

Participant Job Level	Annual Target Amount in Dollars
Senior Vice President or above	50% multiplied by Relative Weight multiplied by Base Salary
Vice President	35% multiplied by Relative Weight multiplied by Base Salary
Below Vice President	20% multiplied by Relative Weight multiplied by Base Salary

(ag) "Termination Date" means the date on which a Participant's Service terminates.

SECTION 3. ADMINISTRATION.

(a) Committee Composition. A Committee shall administer the Plan. Unless the Board or the Compensation Committee provides otherwise (which either may do in their discretion), the Company's Chief Executive Officer shall constitute the "Committee" for purposes of this Plan. The Board may also at any time terminate the functions of the Committee and reassume all powers and authority previously delegated to the Committee.

(b) Authority of the Committee. Subject to the provisions of the Plan, the Committee shall have full authority and discretion to take any actions it deems necessary or advisable for the administration of the Plan. Such actions shall include without limitation:

(i) determining Eligible Employees who are to receive Awards under the Plan and the amount of payments provided to a Participant (if any) with respect to an Award;

(ii) determining the terms, conditions, Performance Metrics (or other objective/subjective goals (if any)) and their degree of satisfaction, and other features and conditions of such Awards, and amending such Awards;

(iii) correcting any defect, supplying any omission, or reconciling or clarifying any inconsistency in the Plan or any Award Agreement;

(iv) waiving restrictions of Awards at any time and under such terms and conditions as it deems appropriate;

(v) interpreting any extenuating circumstances and modifying the Plan or Award Agreement in its discretion as needed;

(vi) accepting or canceling an order or discontinuing service to a customer;

(vii) disallowing sales that are determined not to be in the normal course of business;

(viii) interpreting the Plan and any Award Agreements;

(ix) making such modifications to the Plan as are necessary to effectuate the intent of the Plan as a result of any changes in applicable laws or accounting treatment;

(x) modifying, amending or revoking the Plan, or discontinuing (either temporarily or permanently) the distribution of any payment at any time and for any reason and making appropriate adjustments to sales or compensation targets due to favorable or unfavorable events unrelated to a Participant's efforts of performance; and

(xi) making all other decisions relating to the operation of the Plan;

(xii) granting Awards to Eligible Employees who are foreign nationals on such terms and conditions different from those specified in the Plan, which may be necessary or desirable to foster and promote achievement of the purposes of the Plan, and adopting such modifications, procedures, and/or subplans (with any such subplans attached as appendices to the Plan) and the like as may be necessary or desirable to comply with provisions of the laws or regulations of other countries or jurisdictions to ensure the viability of the benefits from Awards granted to Participants employed in such countries or jurisdictions, or to meet the requirements that permit the Plan to operate in a qualified or tax efficient manner, and/or comply with applicable foreign laws or regulations.

The Committee may adopt such rules or guidelines, as it deems appropriate to implement the Plan. The Committee's determinations under the Plan shall be final, conclusive and binding on all persons. The Committee's decisions and determinations need not be uniform and may be made selectively among Participants in the Committee's sole discretion. The Committee's decisions and determinations will be afforded the maximum deference provided by applicable law.

The Company shall effect the granting of Awards under the Plan in accordance with the determinations made by the Committee, by execution of instruments in writing in such form as approved by the Committee.

(c) Indemnification. To the maximum extent permitted by applicable law, each member of the Committee, or of the Board, or any persons (including without limitation Employees and officers) who are delegated by the Board or Committee to perform administrative functions in connection with the Plan, shall be indemnified and held harmless by the Company against and from (i) any loss, cost, liability, or expense that may be imposed upon or reasonably incurred by him or her in connection with or resulting from any claim, action, suit, or proceeding to which he or she may be a party or in which he or she may be involved by reason of any action taken or failure to act under the Plan or any Award Agreement, and (ii) from any and all amounts paid by him or her in settlement thereof, with the Company's approval, or paid by him or her

in satisfaction of any judgment in any such claim, action, suit, or proceeding against him or her, provided he or she shall give the Company an opportunity, at its own expense, to handle and defend the same before he or she undertakes to handle and defend it on his or her own behalf. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such persons may be entitled under the Company's Articles of Incorporation or Bylaws, by contract, as a matter of law, or otherwise, or under any power that the Company may have to indemnify them or hold them harmless.

SECTION 4. GENERAL.

(a) General Eligibility. Only Eligible Employees shall be eligible for designation as Participants.

(b) No Rights as a Shareholder. A Participant shall have no rights as a shareholder with respect to any Award.

(c) Termination of Service. Except as otherwise provided in this Plan or in the applicable Award Agreement, a Participant's outstanding Award shall terminate without consideration upon termination of such Participant's Service.

(d) Code Section 409A. Notwithstanding anything in the Plan to the contrary, the Plan and Awards granted hereunder are intended to be exempt from the requirements of Code Section 409A and shall be interpreted in a manner consistent with such intention. In the event that any provision of the Plan or an Award Agreement is determined by the Committee to not comply with the applicable requirements of Code Section 409A or the applicable regulations and other guidance issued thereunder, the Committee shall have the authority to take such actions and to make such changes to the Plan or an Award Agreement as the Committee deems necessary to comply with such requirements. Any payment made pursuant to any Award shall be considered a separate payment and not one of a series of payments for purposes of Code Section 409A.

Notwithstanding the foregoing or anything elsewhere in the Plan or an Award Agreement to the contrary, if upon a Participant's Separation From Service he/she is then a Specified Employee, then solely to the extent necessary to comply with Code Section 409A and avoid the imposition of taxes under Code Section 409A, the Company shall defer payment of "nonqualified deferred compensation" subject to Code Section 409A payable as a result of and within six (6) months following such Separation From Service under this Plan until the earlier of (i) the first business day of the seventh month following the Participant's Separation From Service, or (ii) ten (10) days after the Company receives written confirmation of the Participant's death. Any such delayed payments shall be made without interest.

While it is intended that all payments and benefits provided under the Plan or an Award will be exempt from (or comply with) Code Section 409A, the Company makes no representation or covenant to ensure that the payments under the Plan or an Award are exempt from or compliant with Code Section 409A. In no event whatsoever shall the Company be liable if a payment or benefit under the Plan or an Award is challenged by any taxing authority or for any additional tax, interest or penalties that may be imposed on a Participant by Code Section 409A or any damages for failing to comply with Code Section 409A. The Participant will be entirely responsible for any and all taxes on any benefits payable to such Participant as a result of the Plan or an Award.

(e) Electronic Communications. Subject to compliance with applicable law and/or regulations, an Award Agreement or other documentation or notices relating to the Plan and/or Awards may be communicated to Participants (and executed by Participants) by electronic media.

(f) Unfunded Plan. The Plan shall be unfunded. Although bookkeeping accounts may be established with respect to Participants who are granted Awards under this Plan, any such accounts will be used merely as a bookkeeping convenience. The Company shall not be required to segregate any assets which may at any time be represented by Awards, nor shall this Plan be construed as providing for such segregation, nor shall the Company or the Board or Committee be deemed to be a trustee of cash to be awarded under the Plan.

(g) Liability of Company. The Company (or members of the Board or Committee) shall not be liable to a Participant or other persons as to any unexpected or adverse tax consequence or any tax consequence expected, but not realized, by any Participant or other person due to the grant, receipt, or settlement of any Award granted hereunder.

(h) Reformation. In the event any provision of this Plan shall be held illegal or invalid for any reason, such provisions will be reformed by the Board if possible and to the extent needed in order to be held legal and valid. If it is not possible to reform the illegal or invalid provisions then the illegality or invalidity shall not affect the remaining parts of this Plan, and this Plan shall be construed and enforced as if the illegal or invalid provision had not been included.

(i) Successor Provision. Any reference to a statute, rule or regulation, or to a section of a statute, rule or regulation, is a reference to that statute, rule, regulation, or section as amended from time to time, both before and after the Adoption Date and including any successor provisions.

(j) Governing Law. This Plan and (unless otherwise provided in the Award Agreement) all Awards shall be construed in accordance with and governed by the laws of the State of Utah, but without regard to its conflict of law provisions. The Committee may provide that any dispute as to any Award shall be presented and determined in such forum as the Committee may specify, including through binding arbitration. Unless otherwise provided in the Award Agreement, recipients of an Award under the Plan are deemed to submit to the exclusive jurisdiction and venue of the federal or state courts of Utah to resolve any and all issues that may arise out of or relate to the Plan or any related Award Agreement.

(k) Assignment or Transfer of Awards. No Award shall be transferable by the Participant. No Award or interest therein may be transferred, assigned, pledged or hypothecated by the Participant during his or her lifetime, whether by operation of law or otherwise, nor may an Award be anticipated, assigned, attached, garnished, optioned, transferred or made subject to any creditor’s process, whether voluntarily, involuntarily or by operation of law, nor may an Award be made subject to execution, attachment or similar process. Any act in violation of this Section 4(k) shall be null and void.

(l) Company Rights. The Company reserves the right at any time to assign accounts, or remove accounts, or to accept or reject orders from customers, and to refrain from paying incentive on draw fees the Company receives, freight charges to customers or with respect to similar or dissimilar transactions. The Company further reserves the right to adjust quotas under the Plan as it deems appropriate.

SECTION 5. TERMS AND CONDITIONS OF AWARDS.

(a) Award Agreement. Each grant of an Award under the Plan shall be evidenced by an executed Award Agreement between the Participant and the Company. Such Award shall be subject to all applicable terms of the Plan and may be subject to any other terms that are not inconsistent with the Plan. The provisions of the various Award Agreements entered into under the Plan need not be identical.

(b) Eligibility for Payments. An individual must generally be a Participant on the date of any Award payment in order to receive such payment. However, the Committee may in its discretion provide a Participant, whose Termination Date preceded the date of payment for a Performance Metric(s), with a pro-rated payment (based on the amount of time in the Quarter(s) that the Participant was providing Service) if such Participant was terminated for any reason other than by the Company for Cause and if the threshold for the Performance Metric(s) was exceeded. Similarly, if a Participant's job level or position changes during a Quarter then the Committee shall address such circumstance on a case-by-case basis and the Committee may in its discretion determine that the Participant continues to be eligible for certain payments under this Plan if threshold performance for a Performance Metric(s) in the applicable Quarter was exceeded.

(c) Form and Time of Settlement of Awards. Payment of any Performance Bonuses shall be made solely in the form of cash and in the time frames set forth in this section. Performance Bonuses for Awards covering the first three Quarters of the Fiscal Year shall be paid out to Participants within 45 days after the end of the Quarter. Performance Bonuses for Awards covering the last Quarter of the Fiscal Year shall be paid out to Participants during the first 2.5 months after the end of the Fiscal Year. Notwithstanding the foregoing, all Performance Bonus payments will be made earlier upon the consummation of a Change in Control (and performance will be measured by the Committee on a pro-rated basis for the Quarter in which the Change in Control occurred).

(d) Creditors' Rights. A holder of an Award shall have no rights other than those of a general creditor of the Company. Awards represent an unfunded and unsecured obligation of the Company.

SECTION 6. ADJUSTMENTS.

Notwithstanding satisfaction of any Performance Metric(s), the value of a Participant's Award or Performance Bonus or any other benefits granted, issued, retainable, vested and/or to be paid under an Award on account of satisfaction of such Performance Metrics may be reduced by the Committee on the basis of such further considerations as the Committee in its sole discretion shall determine. In other words, this Plan is a discretionary plan and a Participant has no rights to any payment and has not earned any payment under this Plan unless and until the Company has actually provided the Participant with the applicable payment.

SECTION 7. LIMITATIONS ON RIGHTS.

(a) Retention Rights. Neither the Plan nor any Award granted under the Plan shall be deemed to give any individual a right to remain in Service or to continued participation in the Plan. The Company and its Parents and Subsidiaries and Affiliates reserve the right to terminate the Service of any person at any time, and for any reason, subject to applicable laws, the Company's Articles of Incorporation and Bylaws, and a written employment agreement (if any).

(b) Other Company Benefit and Compensation Programs. Payments and other benefits received by a Participant under an Award made pursuant to the Plan shall not be deemed a part of a Participant's regular, recurring compensation for purposes of the termination indemnity or severance pay law of any state. Furthermore, such benefits shall not be included in, nor have any effect on, the determination of benefits under any other employee benefit plan or similar arrangement provided by the Company or a Subsidiary or Affiliate unless expressly so provided by such other plan or arrangement, or except where the Committee expressly determines that inclusion of an Award or portion of an Award should be included. Awards under the Plan may be made in combination with or in addition to, or as alternatives to, grants, awards or payments under any other Company or Subsidiary or Affiliate plans. The Company or any Subsidiary or any Affiliate may adopt such other compensation programs and additional compensation arrangements (in addition to this Plan) as it deems necessary to attract, retain, and motivate officers, directors, employees or independent contractors for their service with the Company and its Subsidiaries and its Affiliates.

(c) Clawback Policy. The Company may (i) cause the cancellation of any Award, (ii) require reimbursement of any Award by a Participant and (iii) effect any other right of recoupment of equity or other compensation provided under this Plan or otherwise in accordance with Company policies as may be adopted and/or modified from time to time by the Company and/or applicable law (each, a "Clawback Policy"). In addition, a Participant may be required to repay to the Company certain previously paid compensation, whether provided under this Plan or an Award Agreement or otherwise, in accordance with the Clawback Policy. By accepting an Award, a Participant is also agreeing to be bound by the Company's Clawback Policy which may be amended from time to time by the Company in its discretion (including without limitation to comply with applicable laws or stock exchange requirements) and is further agreeing that all of the Participant's Awards may be unilaterally amended by the Company to the extent needed to comply with the Clawback Policy.

SECTION 8. TAXES.

A Participant shall make arrangements satisfactory to the Company for the satisfaction of any withholding tax obligations (including without limitation federal, state, local and foreign taxes) that arise in connection with his or her Award. The Company shall not be required to make any payment under the Plan until such obligations are fully satisfied and the Company shall, to the maximum extent permitted by law, have the right to deduct any such taxes from any payment of any kind otherwise due to the Participant.

SECTION 9. DURATION AND AMENDMENTS.

(a) Term of the Plan. The Plan is effective on July 1, 2014 and may be terminated by the Board on any date pursuant to Section 10(b). No further Awards may be granted after the earlier of the Board's termination of the Plan under Section 10(b), the date of a Change in Control, or June 30, 2015. This Plan will terminate after the Company has provided all payments (if any) to Participants. This Plan will not in any way affect outstanding awards that were issued under any other Company compensation plans.

(b) Right to Amend or Terminate the Plan. The Board may amend or terminate the Plan or any outstanding Awards at any time and for any reason. In the event of any conflict in terms between the Plan and any Award Agreement, the terms of the Plan shall prevail and govern.

SECTION 10. EXECUTION.

To record the adoption of this Plan by the Board, the Company has caused its duly authorized officer to execute this Plan on behalf of the Company.

LIFEVANTAGE CORPORATION

By: _____

Title:

SERVICES AGREEMENT
INTEGRACORE, LLC – LIFEVANTAGE CORPORATION

THIS SERVICES AGREEMENT (this "Agreement") is dated for reference purposes only as of the 1st day of June, 2014 (the "Effective Date") by and between IntegraCore, LLC., a Utah limited liability company ("IntegraCore") and LifeVantage, a Colorado Corporation ("Client") (collectively the "Parties", and individually a "Party") with reference to the following:

RECITALS

A. IntegraCore is in the business of supply chain management, and provides various Services to its customers, including fulfillment, procurement, warehousing, ordering, processing, and shipping (collectively the "Services").

B. Client desires to engage IntegraCore to provide certain Services as defined herein.

C. IntegraCore is willing to provide the Services in accordance with and subject to the terms and conditions of this Agreement.

NOW THEREFORE, in consideration of the foregoing facts and for other good and valuable consideration, the legal sufficiency of which are hereby acknowledged, Client and IntegraCore hereby agree as follows:

1. Services, Pricing and Payment. The Services to be provided by IntegraCore to Client hereunder, along with the pricing and payment for services are set forth in the Statement of Work attached as Schedule A, attached hereto and incorporated and made a part of this Agreement by this reference. In the event of a conflict between the terms of this Agreement and Schedule A, the terms of this Agreement shall control.
    a. Except as expressly provided in the Statement of Work or otherwise in this Agreement, IntegraCore shall provide all equipment necessary to perform the Services in accordance with this Agreement and shall have the right to perform the Services in the manner and using the means IntegraCore deems necessary and appropriate in its sole discretion.
    b. In the event that any provision or term set forth in the Statement of Work contradicts any provision or term of the body of this Agreement, the provision or term set forth in the Statement of Work shall supersede and replace such contradictory provision or term.
    c. Client is solely responsible for all international fees and costs as set forth in the Statement of Work. Furthermore, Client is solely responsible for tax liabilities, duties, product identification, product valuation, and product registration for any and all international shipments.

2. Term, Option and Renewal. This Agreement shall run from the Effective Date to the last date of the month thirty six (36) months following the Effective Date. The term of this Agreement shall automatically renew month to month at the expiration of the 36 month term unless either Party gives prior written notice forty five (45) days before the expiration of the initial term or the renewal term.

3. Offer Only; Effective Date. Execution of this Agreement by Client shall constitute only an offer for services which shall not be binding unless signed and executed by only those individuals authorized to accept this Agreement on behalf of IntegraCore. IntegraCore's sales and service representatives do not have the authority to bind IntegraCore to this Agreement. This Agreement becomes effective to bind both

[***] Confidential portions of this document have been redacted and filed separately with the Securities and Exchange Commission

IntegraCore and Client ON THE DATE THIS AGREEMENT IS EXECUTED BY IntegraCore (the "Effective Date"). The date listed near the heading of this page, if any, is for reference purposes only.

4. Confidentiality. Both Parties acknowledge and agree to the Confidentiality and Non-Disclosure Agreement attached hereto as Exhibit B and will execute said document, if not already signed by both Parties, in conjunction with the execution of this Agreement. Said Exhibit is made incorporated herein as if fully set forth by this reference.

5. Ownership of Intellectual Property; No License. Each Party acknowledges that it may have access to certain intellectual property owned or licensed by the other Party in connection with this Agreement. Each of IntegraCore and Client agrees that no license or any other property right in any such intellectual property is granted to the other Party by the other as a result of this Agreement.

6. Intentionally Omitted.

7. Events of Default. The occurrence of any of the following shall constitute an event of default by either Client or IntegraCore ("Event of Default") hereunder:
    a. The default in the prompt and complete payment or performance of any obligation of Client or IntegraCore now or hereinafter arising under this Agreement where such default is not cured within thirty (30) days after written notice thereof from the other Party.
    b. If, pursuant to or within the meaning of the United States Bankruptcy Code or any other federal or state law relating to insolvency or relief of debtors (a "Bankruptcy Law"), Client or IntegraCore shall (i) commence a voluntary case or proceeding; (ii) consent to the entry of an order for relief against it in an involuntary case; (iii) consent to the appointment of a trustee, receiver, assignee, liquidator or similar official; (iv) make an assignment for the benefit of its creditors; (v) admit in writing its inability to pay its debts as they become due, or (vi) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that (a) is for relief against CLIENT or IntegraCore in an involuntary case; (b) appoints a trustee, receiver, assignee, liquidator or similar official; or (c) orders the liquidation, and in each case, the order or decree is not dismissed within sixty (60) days.
    c. The initiation of steps by any third party to obtain a lien, levy or writ of attachment or garnishment upon any or all of the Collateral or substantially all of any of the other property of Client or any guarantor of any Secured Obligation or to affect any of the Collateral or any such other property by other legal process not in the ordinary course of business by the Client, unless the same is dismissed within thirty (30) days after the initiation thereof.
    d. Should any representation or warranty by either Party be false.
    e. If either Party has a reasonable concern that the other Party may breach this Agreement, they may send a written statement setting forth the reasons for the concern of breach and make a demand for further assurances that the Party is or will continue to honor this Agreement. The Party in receipt of such request shall respond in writing to the requesting Party within twenty (20) calendar days of the written request or they shall be deemed to be in Default of this Agreement.

8. Remedies Upon Default. If any Event of Default occurs, IntegraCore or Client may exercise any one or more of all rights and remedies available to it under this Agreement, under applicable Utah law, at equity, or otherwise, including, without limitation:
    a. Termination of this Agreement. The non-defaulting Party may terminate this Agreement by written notice to the defaulting Party, effective upon receipt of such notice.
    b. Collection. The non-defaulting party may collect from the defaulting party all actual damages, sums, fees, costs, expenses and obligations due under this Agreement, including collection costs, pre and post judgment interest at the rate of 18% per annum, court costs (filing fees, service of process, and other court fees), and all reasonable attorney's fees incurred by the non-defaulting party in connection with such Event of Default or the interpretation or enforcement of this Agreement or the rights and remedies of the non-defaulting party hereunder.
    c. Intentionally Omitted.
    d. Intentionally Omitted.
    e. Cumulative Remedies. The rights and remedies of each Party in this section or in any other part of this Agreement are cumulative of themselves and of every other right or remedy.

9. Abandoned Goods. Notwithstanding the other terms of this Agreement, if at any time IntegraCore determines, in its reasonable discretion, that any goods in its possession or facility in connection with this Agreement have been abandoned by Client, IntegraCore may demand in a written notice to Client that Client, at its sole cost, remove or cause to be removed from any IntegraCore warehouse or storage facility such goods and that Client make payment of all fees, expenses and costs due; provided, however, IntegraCore shall have the right, but not the obligation, to refuse and stop any such removal, until Client makes payment of all charges, fees, expenses and costs due hereunder. If such payment is not so made and such goods are not so removed within sixty (60) calendar days of such written notice, this Agreement shall terminate as to such goods, and such goods shall then be, without any further notice to or action of Client, the sole property of IntegraCore. IntegraCore may then in its reasonable discretion move and store such goods at Client's expense, and IntegraCore may retain all proceeds and benefits of any such action only to the extent that IntegraCore is owned monies or the goods have not been removed after written notice as set forth above. All remaining goods shall be promptly provided to Client. The rights and remedies of this section shall be cumulative of every other right or remedy.

10. Early Termination.
    a. Notwithstanding the other terms of this Agreement, IntegraCore may terminate this Agreement during the term or any renewal term of this Agreement, if Client is storing or shipping product in violation of law, including any city, municipality, county, state, foreign, international; or in violation of intellectual property rights of another (domestic or foreign); or if Client has failed to cure any default under this Agreement, including payment, after written notice of such default and a reasonable time to cure.
    b. Notwithstanding the other terms of this Agreement, Client may terminate this Agreement during the term or any renewal term of this Agreement, if IntegraCore fails to meet expected service

level commitments found in Schedule A, Statement of Work, if IntegraCore is storing or shipping product in violation of law, including any city, municipality, county, state, foreign, international; or in violation of intellectual property rights of another (domestic or foreign); or if IntegraCore has failed to cure any default under this Agreement, including credit, after written notice of such default.

11. Independent Contractor. At all times IntegraCore shall be acting as an independent contractor and not as an employee, partner, joint venturer, or agent of Client. As an independent contractor, IntegraCore shall have no authority, express or implied, to commit or obligate Client in any manner whatsoever. IntegraCore shall be responsible for the payment of all federal, state or local income taxes payable with respect to all sums paid to IntegraCore under this Agreement.

12. Representations and Warranties.
    a. IntegraCore represents and warrants to Client that: (i) it is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Utah; (ii) it has the lawful right, power, authority and capacity to enter into this Agreement; (iii) the person signing this Agreement is authorized to do so; and (iv) neither the execution nor the performance of this Agreement shall constitute a violation of or interfere with IntegraCore's obligations to any third party.
    b. Client represents and warrants to IntegraCore that: (i) it is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Colorado; (ii) it has the lawful right, power, authority and capacity to enter into this Agreement; (iii) the person signing this Agreement is authorized by Client as an officer, director, or manager, or has such authority by a declaration to do so; and (iv) neither the execution nor the performance of this Agreement shall constitute a violation of or interfere with Client's obligations to any third party.
    c. None of the Parties makes any representation or warranty except those expressly set forth in this Agreement, attachments or exhibits hereto. Each Party disclaims all other warranties and conditions, express, implied or statutory, including without limitation the implied warranties of title, non-infringement, merchantability, and fitness for a particular purpose.

13. Limitation of liability. Notwithstanding any other provision in this Agreement (including Schedules and Exhibits), each Party's maximum liability to the other under this Agreement for any cause whatsoever, regardless of the form of action, whether in contract or in tort, including but not limited to negligence of the other Party and indemnification obligations, shall be limited to the recovery of actual damages. In addition, neither Party shall be liable to the other Party for lost profits or special, incidental or consequential damages, and punitive damages, whether based in contract or tort (including negligence, strict liability or otherwise), and whether or not advised of the possibility of such damages.

14. Inventory Shrinkage; Insurance; Carrier Claims; and Shipping Errors.
    a. Once IntegraCore has received Client’s inventory items into IntegraCore’s systems and physical warehouses in connection with this Agreement, IntegraCore will be responsible for any actual

loss or damage to goods in its possession in excess of 2% (.02) inventory accuracy. Inventory accuracy shall equal the number of deviated units below 99.0% x actual cost of missing product in credit reimbursement.

b. Client shall insure, at its own expense, its inventory against loss from flood, fire, theft, etc. just as it would if its inventory were in its own warehouse. IntegraCore shall, during the term here of, maintain in full force and effect the insurances listed below. IntegraCore shall provide a certificate of insurance evidencing the insurances listed below. The Commercial General Liability insurance will be endorsed to add Client as an Additional Insured as respects to Integracore's obligations under this agreement.
    i. Commercial Liability insurance with respect to coverage for the property of others stored at its properties, with a limit not less than $5 Million per occurrence
    ii. Commercial General Liability insurance not less than $5 Million per occurrence
    iii. Business Automobile Liability insurance not less than $1 Million per occurrence
    iv. Workers Compensation insurance per State statute

c. In the event a shipment or any part of it is received in damaged condition, Client shall work with the carrier or manufacturer/supplier to remedy damages. Where damages are not noted on the Bill of Lading, Client will work with IntegraCore to remedy said damages. Further, Client shall be responsible for filing a claim with the carrier if Client's carrier account was used, and IntegraCore shall be responsible for filing a claim with the carrier if IntegraCore's carrier account was used, after such claim is raised to IntegraCore and all required information has been provided by Client.

d. Client shall be solely responsible to provide all shipping information and data for shipping product via portkey (or otherwise) to Client's customers. IntegraCore shall not be responsible for any shipment, fees, taxes, fines, or costs whatsoever for shipments that contained inaccurate, incorrect, or misinformation provided by Client.

e. If IntegraCore incorrectly ships product due to its own error, then IntegraCore shall pay the actual cost for any item and the pick pack and shipment for the re-shipment of any product at the same shipping method as the original shipment method at IntegraCore's sole cost.

15. Indemnification.

a. Subject to the limitations on liability found herein, IntegraCore shall indemnify, hold harmless and defend Client and each person or entity that is an officer, director, member, manager, employee, affiliate or agent of Client from and against any and all losses, claims, damages, liabilities, whether joint or several, expenses (including reasonable legal fees and expenses), judgments, fines and other amounts paid in settlement, incurred or suffered (collectively, "Losses") by any such person or entity arising out of or in connection with: (i) the breach of any representation or warranty made by IntegraCore hereunder; (ii) the breach of any term or provision of this Agreement or (iii) any intentional or negligent act by IntegraCore or its employees or agents in connection with the performance by IntegraCore or its employees or agents hereunder, provided such negligent act or omission was not done or omitted at the direction of Client.

b. Subject to the limitations on liability set forth herein, Client shall indemnify, hold harmless and defend IntegraCore and each person or entity that is an officer, director, employee, affiliate or agent of IntegraCore from and against any and all losses by any such person or entity arising out of or in connection with: (i) the inaccuracy or breach of any representation or warranty made by Client hereunder; (ii) the breach of any term or provision of this Agreement by Client; (iii) any negligent act or omission by Client or its employees or agents in connection with the performance by Client or its employees or agents hereunder, provided such negligent act or omission was not done or omitted at the direction of IntegraCore; (iv) for any and all claims brought under a theory of contract, statute or tort law against IntegraCore regarding the manufacturing, instructions, warnings, contents, or use of Client's product ; (v) any claim against IntegraCore alleging violation of intellectual property rights, including patent infringement, trademark, trade dress, trade secrets, and copyright for any product or agreed to use of information provided by Client to IntegraCore under this Agreement; and (vi) any unpaid transportation charges in connection with Products Client caused to be shipped to or from IntegraCore for fulfillment. This provision shall survive and termination or cancelation of this Agreement.

16. Audit Rights. IntegraCore shall keep for at least four (4) years from the date of distribution proper records and books of accounting relating to the Services provided to Client. Once every six (6) months, Client or its designee may inspect such records to verify such reports. If the audit finds material discrepancies between the books and records and the audited results, the Parties agree the frequency of the audits may be increased to the extent reasonably necessary to satisfy the purposes of this Agreement. Any such inspection will be conducted at the sole expense of Client and shall be in a manner that does not unreasonably interfere with IntegraCore's business operations. This provision shall not survive the termination of this Agreement.

17. Shortages/Nonconforming Goods. Claims for shortages that are not attributable to a carrier, or for nonconforming goods, are to be reported in writing to IntegraCore's customer care department within ten (10) days after receipt of shipment, otherwise the claim will not be allowed and Client shall be deemed to have waived such claim.

18. Sale and Use Taxes. Client agrees to pay, when due, any and all applicable sales and use taxes on any products or Services sold to Client by IntegraCore. Client agrees to indemnify and hold IntegraCore harmless for any and all applicable sales and use taxes that remain unpaid when due on any products or Services sold to a customer of Client by IntegraCore. This provision shall survive and termination or cancelation of this Agreement.

19. Subcontractors. IntegraCore may, in its reasonable discretion, subcontract certain individuals to assist in the performance of all or any part of the work ordered by Client or to otherwise be performed by IntegraCore hereunder. The use of a subcontractor by IntegraCore shall not create any contractual relationship or obligations between any subcontractor and Client.

20. Non-Solicitation Clause. Client agrees and acknowledges that IntegraCore has invested significant time and money into the development of its employees and into each of its employee's training, understanding and skill. Thus, Client agrees that it shall not directly solicit, make offers of employment, or hire employees of IntegraCore, during the term of this Agreement, without the prior written consent of IntegraCore, which shall be granted or withheld in IntegraCore's sole discretion. This convent shall not apply to employees of IntegraCore who directly respond to Client's advertisement for a position or the advertisement of an agent of Client. Client further acknowledges that any breach of this Section may cause IntegraCore irreparable harm for which no adequate remedy exists at law, and agrees that upon any such breach of this Section, IntegraCore shall be entitled to seek injunctive relief, without any requirement to post a bond, and without prejudice to any other right or remedy that IntegraCore may have in law or equity.

21. Miscellaneous.
    a. Notices. All notices, consents, requests, instructions, approvals or other communications provided for herein shall be in writing and shall be delivered by personal delivery, overnight courier, U.S. certified mail addressed, or facsimile to the receiving Party at the address or facsimile number set forth below. Any Party may change the address set forth below by notice to each other Party given as provided herein. All such communications and all time periods based on such communications shall be effective when received.

LIFEVANTAGE CORPORATION
Attn: Robert Urban
9785 S Monroe Street, Suite 300
Sandy, Utah 84070
Office: 801-432-9000

INTEGRACORE, LLC:
Attn: Kurt Flygare
6077 W. Wells Park Rd.
West Jordan, Utah 84081
Office: 801-994-3921
Facsimile: 801-838-8890

    b. No Waiver. No failure to exercise, delays in exercising, or single or partial exercise of any right, power or remedy by any Party shall constitute a waiver thereof. No provision of this Agreement shall be deemed waived unless such waiver shall be in writing signed by the waving Party. No waiver by any Party of any of its rights or remedies on any one occasion shall operate as a waiver of any other of its rights or remedies or any of its rights or remedies on a future occasion.
    c. Entire Agreement. This Agreement, including its schedules and exhibits, constitutes the entire Agreement of the Parties with respect to the subject matter hereof and shall supersede all other representations, statements, Agreements, written or oral, between the Parties unless reduced to writing and made a part of this Agreement. **Client acknowledges and agrees that Client is not relying upon any other agreements, understandings, inducements, promises, representations or warranties, express or implied made by any sales person, employee or agent of the IntegraCore unless reduced to writing and made a part of this Agreement.**
    d. Interpretation. Headings in this Agreement are included for reference purposes only and shall not affect the meaning of any provisions of this Agreement. Client (and/or Client's counsel) has reviewed this Agreement and Client agrees that any rule of contract interpretation that ambiguities or uncertainties are to be interpreted against the drafting party or the party who

caused it to exist shall not be employed in the interpretation of this Agreement. As used in this Agreement, the word "including" means "including but not limited to." The words Client and IntegraCore shall include the plural as well as the singular. In the event that there is more than one entity or person comprising Client, each of the entities or persons is jointly and severally liable under this Agreement.

e. Assignment. Neither Party shall assign or transfer this Agreement, or any right or obligation hereunder, without the prior written consent of the other Party. For purposes of this paragraph, the term "assign or transfer" shall include any merger, sale of stock or other change in control of Client that results in a change in equity ownership of the Party of fifty percent (50%) or more.

f. Amendment. This Agreement shall not be amended or modified except by written document signed by all of the Parties.

g. Survival. The obligations arising under Sections 4, 5, 8, 9, 11, 13, and 15 of this Agreement shall survive any expiration or termination of this Agreement.

h. Governing Law; Jurisdiction. This Agreement shall be governed by and construed in accordance with the laws of the State of Utah without regard to conflicts-of-laws principles that would require the application of any other law. Each of the Parties hereto irrevocably submits to the jurisdiction of each federal or state court located in Salt Lake County, Utah and waives any objection it may now or hereafter have to venue or to convenience of forum.

i. Attorney's Fees and Other Expenses. Each Party shall pay all reasonable costs and expenses incurred by or on behalf of the other Party in connection with the other Party's exercise of any or all of its rights and remedies under this Agreement, including, without limitation, reasonable attorneys' fees.

j. Binding. This Agreement shall be binding on the Parties and their respective heirs, successors and assigns.

k. Severability. In the event that any provision of this Agreement is held invalid, illegal or unenforceable by any court of competent jurisdiction, such portion shall be deemed severed from this Agreement, and the remaining provisions of this Agreement shall remain in full force and effect as fully as though such invalid, illegal, or unenforceable portion had never been part of this Agreement.

l. Force Majeure. Neither Party shall be liable to the other for any delay or failure of performance hereunder where the delay or failure is caused by strikes, lockouts, war, riots, insurrection, civil commotion, failure of supplies from ordinary sources, fire, flood, storm, accident, any act of God, or any other cause beyond the control of the Party. The Party claiming the benefit of this provision shall use their best efforts to remove any such causes and to resume performance under this Agreement as soon as is feasible. Performance by the other Party shall be suspended and excused during any such delay or failure.

m. Cooperation. Each Party agrees to execute and deliver such further documents and to cooperate as may be necessary to implement and give effect to the provisions contained herein.

[***] Confidential portions of this document have been redacted and filed separately with the Securities and Exchange Commission

n. Counterparts. This Agreement may be signed in counterparts and by signature sent by facsimile, each of which shall be deemed to be an original, and all of which together shall constitute one and the same Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement to be effective for all purposes as of the Effective date.

IntegraCore **IntegraCore, LLC.,** **a Utah limited liability company** By: /s/ Kurt Flygare Its: President Date ("Effective Date"): 5/30/2014	**LifeVantage Corporation** **LifeVantage Corporation** **a Colorado Corporation** By: /s/ Douglas C. Robinson Its: President and CEO Date: 5/28/2014

[***] Confidential portions of this document have been redacted and filed separately with the Securities and Exchange Commission

SCHEDULE A – STATEMENT OF WORK – LifeVantage

Pricing

Order Processing Pricing shall be set forth in the following table.

Pricing	Order Type	
Measurement	**Mass Mail Order**	**Standard Order**
Per order	[***]	[***]
Per line	[***]	[***]
Per unit	[***]	[***]
International Fee	[***]	[***]
Packaging Fill per Order	[***]	[***]

Billed only when incurred

A. Storage pricing
   a. [***] per month for pallet locations (to be prorated and billed on a weekly basis)
   b. [***] per month for pick locations (to be prorated and billed on a weekly basis)
B. Will Call Orders / International Bulk Orders
   a. Will call orders Standard Pick Pack Fees Apply
C. Placing Bar-code on to finished goods [***] Each
D. Container Unload Floor stack*
   a. 53’ Container [***] Each
   b. 40’ Container [***] Each
   c. 20’ Container [***] Each

   *Container unload fee does not include the receiving charges for all products received. As such, an additional receiving fee will also be assessed. Does not include pallets required for put away.
E. Implementation Setup Fee (One Time) [***]
F. Kitting & Assembly As Quoted/Minimum of [***]
G. Receiving Requirements Refer to IntegraCore routing guide
   a. Pallet/new license receipt [***] Each
   b. Labor to correct other nonconformance issues (labeling, pallet quality, re-boxing, sorting through mixed pallets, down stacking, re-palletizing for non-standard pallets and pallets out of dimensional specification (48X40X52), etc.) [***] per Hour
   c. Supplied Pallet [***] per pallet
H. IT Custom Development [***] per Hour
I. IT Re-implementation [***] Charge
J. Account Management Fee [***] Per Month
K. 3rd Party Billing Fee [***] Per Order
L. Returns Processing [***] Per Order
M. White Glove Fee
   a. 2-4 Business Hours Notice [***] Per Order

b. 4-6 Business Hours Notice [***] Per Order
c. If freight orders need to be rushed out in less than two business days, this will be priced at time of request if approved by Account manager. Rush freight orders must be approved by Account Manager before guaranteeing service.

N. Delivery Services
a. Per Delivery-Small Van(small pallet of product) – Salt Lake Valley [***]
b. Per Delivery-Large Truck(2 to 12 pallets) – Salt Lake Valley [***]
c. Per Delivery –Small Van(small pallet) – Davis or Utah County [***]
d. Per Delivery-Large Truck(2 to 12 pallets) – Davis or Utah County [***]

O. Physical inventory counts
a. Integracore shall provide free of charge: count sheets, Account Manager/CSR time, update of inventory adjustments after count is complete
b. [***] per hour for Integracore employees helping during the PI count
c. If the PI requires extra Integracore lifts above one lift these will be billed for these at a rate of [***] per day.
d. If scissor lifts need to be rented from an outside company the charge is [***] per day per lift (This will commonly be charged for Quarter end and Year end counts and includes rental, pick-up, and delivery fees)

P. Hong Kong Rate Table:

Basic Services	Rates (USD)	
Storage & Inventory Management • Goods stored under ambient environment	[***] per CBM per day	
Goods Receiving, Sorting & Handling (excluding materials)	[***] per CBM plus [***] per SKU (Min. [***] per order)	
Order Administration & Processing *(excluding materials) Payment Collection if applicable – Cash Collection [***] on collection amount (minimum [***] per order)	• [***] per order; plus [***] per unit • Will Call Handling(Order input before visit) [***] per order plus [***] per unit • Will Call Handling(Order input at V-Logic) [***] per order plus [***] per unit • Will Call Handling Admin - [***] per month	
Local Hong Kong Pick Up & Delivery to Commercial or Residential Address * Delivery to commercial address (includes hospitals), street retail outlets, distributors and wholesalers between V-Logic and the collection/ delivery point in any land bound locations in Hong Kong (non-central warehouse) * Delivery to residential address between V-Logic and the collection/ delivery point in any land bound locations in Hong Kong	1 kg	[***]
	2 kg	[***]
	3 kg	[***]
	4 kg	[***]
	5 kg	[***]
	6 kg	[***]
	7 kg	[***]

Remarks: * Delivery to counter/ warehouses at department stores (e.g. Sogo, City Super, Seibu, and Wing On, etc.) is subject to a minimum of US [***] per order * Delivery to central warehouses of department store/ chain stores (e.g. Mannings, etc.), freight forwarder warehouses, airports or ocean ports is subject to a minimum of US [***] per order * Service fee exclude materials (such as pallets, packing carton boxes, etc.)	8 kg	[***]
	9 kg	[***]
	10 kg	[***]
	11 kg	[***]
	12 kg	[***]
	13 kg	[***]
	14 kg	[***]
	15 kg	[***]
	16 kg	[***]
	17 kg	[***]
	18 kg	[***]
	19 kg	[***]
	20 kg	[***]
	21 kg	[***]
	22 kg	[***]
	23 kg	[***]
	24 kg	[***]
	25 kg	[***]
	Over 25 kg	[***] + [***] per kg for weight over 25kg

*Materials- shipping boxes, void fill or any other special required packaging for orders. This will be determined on a case by case basis.

Return Order Handling	• [***] per order up to 3 units • Additional Units will be [***] per unit

Service Level Commitment –

A. Account Management. You will be assigned a dedicated Account Manager.

a. Personal account management
b. Project management
c. Quarterly cycle count and real time reporting
d. Unlimited PortKey access for downloadable reports and order entry
e. Quarterly Business Review (QBR) will be scheduled by your Account Manager to ensure expectations and needs are being met.

B. Receiving
   a. Dock to stock (on time)- >=4 and <8 business hours
   b. All conforming receipts will be received into IntegraCore ‘s system within 1 business day of delivery

C. Inventory
   a. Overall Inventory unit accuracy- >99.70%
   b. Cycle count- one complete count of all items per quarter
   c. Location audit- one complete audit per quarter
      i. Three business day notice required prior to inventory inspection
   d. Physical inventory counts are the responsibility of the client, not IntegraCore. These are to be arranged through the Account Manager
   e. Once IntegraCore has received Client’s inventory items into IntegraCore’s systems and physical warehouses, in connection with this Agreement, IntegraCore will be responsible for any damage to the goods in its possession once the receipt has been transacted. For those damaged items, IntegraCore shall issue a credit memo to the client for the actual manufacturing cost x item quantity damaged.

   f. An item shall be deemed as lost if the quantity in IntegraCore’s system is lower than what is physically in the location for that license plate. All lost items/quantities shall be transacted to a “Lost Hold” location and shall remain on lost hold until the item is found or until the end of the calendar month the item was put on Lost Hold, but no item shall be held one month to the next in the Lost Hold location. All items still on Lost Hold at month end shall be issued out of IntegraCore’s system in the following manner:

      i. All A items (outlined below) remaining on Lost Hold at month end, IntegraCore may write off 2.5% or below that specific license plates quantity.

      ii. B and C items (outlined below) remaining of Lost Hold at month end, IntegraCore may write off 5% of that specific item’s license plates quantity.

      For any quantity written off at month end over the 2.5% or 5% threshold, respectively, IntegraCore shall issue a credit memo to the client for the actual manufacturing cost x item quantity written off over the percentage outline above. If any item that is put on Lost Hold will cause the Client to backorder, the Client shall reorder the quantity needed to prevent the backorder and shall be reimbursed by IntegraCore for that order.

Items Classification Schedule

A Items
-Vantage Packs, Start Kits, Protandim, Protandim Samples, TrueScience, TrueScience Samples, Canine
-Any Raw Material (i.e. Bacopa, Milk Thistle, etc.)
-Any other non-literature finished good excluding swag

B Items
-Packaging, Literature (Non-Kits, i.e. Start Kits, Vantage Packs, etc.), Recognition Pins, Labels

C Items
-Swag (items numbers beginning with an 8)

D. Production
   a. Assembly on time based on delivery date as long as all inventory is available when Production PO is issued with 5-business day notice- 99.80%

E. Shipping Quality (On Time)
   a. Express Orders (11 AM Mountain Time cutoff, same day)- 100%
   b. Standard Orders (8 AM Mountain Time cutoff, same day)- >99.80%

F. Shipping Quality
   a. Small Parcel Orders Accuracy Percentage - >99.70%
   b. Bulk/Freight Orders Accuracy Percentage –
      i. A items – 99.7%
      ii. B/C items – 97%

If IntegraCore incorrectly ships product due to its own error exceeding the variances above, IntegraCore shall pay the actual cost for any product, the pick pack, and shipping charges for any re-shipment of the product. The re-shipment method shall be at the sole discretion of the Client. All incurred charges for the products, pick pack, and shipping shall be credited as a reimbursement to the Client.

G. Bulk Orders
   a. Order Turnaround Time – 2 to 4 business days (depending on size of order, and based on monthly forecast provided by Client)

***All Accuracy measures are dependent on incoming product conforming to Integracore Routing Guide with an accuracy of 99.8%. If inbound shipments fall below this level of accuracy the KPI accuracy measures listed above cannot be guaranteed. Integracore, LifeVantage, and its' vendors shall review non-conforming receipts monthly in order to make improvements where necessary.

This accuracy will be measured based on item and box labeling conforming with the Routing Guide as well as matching the packing slip provided from the vendor.

Mutual Expectations

Open Account Agreement:	All accounts, including pre-pay and COD, must have a current completed and signed IntegraCore Open Account Agreement on file.
Sales Tax Forms:	Client must provide all necessary Sale Tax Exempt forms, including additional forms as may be requested by IntegraCore.
Credit Terms:	On approval of credit, initial payment terms are: • Net 15 Days – Assembly and procurement. • All shipping charges Net 7 Days—pick, pack, shipping, receiving etc…
Freight:	Unless otherwise stated, all prices reflect F.O.B. Salt Lake City, UT and/or Atlanta, GA. Freight is prepaid and added to invoice.
Specifications:	Prices in this statement of work may be revised if actual job specifications or instructions differ from those received for the purposes of this statement of work.

IntegraCore, LLC., **a Utah limited liability company**	**LifeVantage Corp**
By: /s/ Kurt Flygare	By: /s/ Douglas C. Robinson
Its: President	Its: President and CEO
Date (“Effective Date”): 5/30/2014	Date: 5/28/2014

[***] Confidential portions of this document have been redacted and filed separately with the Securities and Exchange Commission

Mutual Confidentiality Agreement

This Mutual Confidentiality Agreement is effective as of May 22, 2014 (the "**Effective Date**"), by and between IntegraCore, LLC ("**IntegraCore**"), with offices at 6077 West Wells Park Road, West Jordan, Utah 84081, and **LifeVantage Corporation**, a Colorado corporation ("**LifeVantage**") with offices at 9785 S. Monroe Street, Suite 300, Sandy, Utah 84070 (each hereinafter a "**Discloser**" if they are disclosing Confidential Information to the other party, and a "**Recipient**" if they are receiving Confidential Information from the other party).

WITNESSETH

WHEREAS, the parties wish to enter into discussions relating to warehousing, storage, inventory, transport, and shipping of goods and/or possible commercial relationships between the parties (the "**Subject Matter**").

WHEREAS, during such discussions, Discloser may disclose to Recipient its confidential and proprietary scientific, technical and commercial information relating to the Subject Matter. Such information is being disclosed solely for the purposes of 1) determining whether Discloser and Recipient will enter into a business relationship with respect to the Subject Matter and 2) the negotiation and execution of any agreements between the parties relating to the Subject Matter (the "**Purpose**").

WHEREAS, the parties desire to enter into this Agreement with each other to protect the confidentiality of the Confidential Information (as defined below).

NOW, THEREFORE, the parties, in consideration of the mutual covenants and conditions set forth below, do hereby agree as follows.

1. *Confidential Information*. As used herein, the term "**Confidential Information**" shall mean:

(i) any information disclosed by Discloser or its Affiliates, or its or their directors, officers, agents and representatives relating to Discloser or its Affiliates, including any clinical or preclinical data, tangible and intangible information relating to chemical and biological materials, cell lines, samples of assay components, media and/or cell lines and procedures and formulations for producing any such assay components, media and/or cell lines, know-how, trade secrets, plans, business strategy, patent rights, licenses, suppliers, designs, processes, formulas, manufacturing techniques, discoveries, inventions and ideas, improvements, developments, product specifications, machinery, drawings, photographs, equipment, devices, tools and apparatus, sales and marketing data and plans, pricing and cost information, distributor, customer, manager, staff and supplier information and any other technical or business information. "**Affiliates**" shall mean with respect to Discloser or Recipient, any subsidiaries or holding companies or the subsidiaries of any such holding companies;

(ii) analyses, compilations, studies, reports and other documents prepared by Recipient to the extent that they contain or reflect the information specified in paragraph (i) above;

(iii) the Subject Matter and the existence and contents of this Agreement.

[***] Confidential portions of this document have been redacted and filed separately with the Securities and Exchange Commission

If disclosed in written, graphic or physical form, Discloser shall use reasonable efforts to label such Confidential Information as confidential or proprietary information of Discloser, or if disclosed orally, Discloser shall use reasonable efforts to identify such Confidential Information as confidential at the time of disclosure.

2. *No License; No Further Agreement*. Each party retains all right, title and interest in and to its Confidential Information. The execution of this Agreement or the disclosure of Confidential Information hereunder shall not be deemed to constitute or imply any license or right to use or practice the same except as expressly provided herein, whether or not such Confidential Information is patented or patentable, nor as an obligation to enter into any further agreement relating to any of the Confidential Information or the Subject Matter.

3. *Confidentiality & Non-Use Obligations*. For a period of five (5) years from the date of disclosure (the "**Confidentiality Period**"), Recipient shall hold secret and confidential any and all Confidential Information received by it hereunder and (i) shall use Confidential Information exclusively for the Purpose and not otherwise, (ii) shall not, without the prior written consent of Discloser, disclose such Confidential Information to anyone, except pursuant to Section 4 below, (iii) shall not use Confidential Information of Discloser for its own benefit (other than for the Purpose) or the benefit of any third party, including, without limitation, with respect to research, product development or patent filings, (iv) shall protect the confidentiality of the Confidential Information of Discloser using at least the same level of efforts and measures used to protect its own confidential information, and not less than commercially reasonable and customary efforts and measures; (v) shall not copy, reproduce or duplicate the other Party's Confidential Information except to the extent required for the Purpose, or as otherwise provided herein; and (vi) shall notify Discloser as promptly as practicable of any unauthorized use, disclosure or loss of the Confidential Information of Discloser. During the Confidentiality Period and thereafter, Recipient shall not use the Confidential Information for any purpose except in connection with the Purpose, or as otherwise specified in a separate instrument executed by the parties hereto.

   Recipient shall return to Discloser all Confidential Information upon Discloser's request, including all copies thereof and any documents, electronic files, notes, extracts, analysis or articles that contain, reflect or is derived from Confidential Information; provided, however, that one (1) copy of the Confidential Information may be retained internally by Recipient's legal department, or at another location, for the sole purpose of determining the Recipient's continuing obligations to Discloser hereunder, provided that in such case the Confidential Information shall continue to be kept secret and confidential in accordance with Section 3.

4. *Limitations on Disclosure*. Recipient shall limit disclosure of Discloser's Confidential Information to its directors, officers, employees, consultants, agents and advisers and that of its Affiliates (each, a "**Recipient Related Party**") as necessary for the Purpose, who are informed of the confidential nature of Discloser's Confidential Information and the other restrictions contained herein. Recipient shall ensure that each such Recipient Related Party is obliged (whether by its contract of employment or service of other contract or by law) to comply with such restrictions and obligations and shall

ensure that each such Recipient Related Party complies with such restriction and obligations and Recipient shall enforce the obligation to do so at Recipient's expense. The Recipient shall be responsible for any breach of the terms of this Agreement by any of its Recipient Related Parties.

5. *Exceptions to Confidentiality Obligations*. Recipient's obligations shall not apply to Confidential Information which
   (a) was already known to Recipient prior to disclosure hereunder, as evidenced by Recipient's competent records, other than as a result of prior confidential disclosure by Discloser;
   (b) was in the public domain at the time of disclosure, or subsequently enters the public domain without violation by Recipient of its obligations hereunder;
   (c) is rightfully received by Recipient from third parties who have no obligations of confidentiality to Discloser; or
   (d) is independently developed by Recipient without use of or reliance on the Confidential Information, as evidenced by Recipient's contemporaneous tangible records.

   Recipient may disclose Confidential Information that is required to be disclosed by any applicable statute, law, rule or regulation of any governmental authority or pursuant to any order of any court of competent jurisdiction; provided that Recipient shall advise Discloser in a timely manner prior to making any such disclosure to enable Discloser to apply for such legal protection as may be available with respect to the confidentiality of the Confidential Information.

6. *Injunctive Relief/Specific Performance*. The parties hereto acknowledge and agree that the extent of damages to Discloser in the event of a material breach by Recipient of this Agreement would be difficult or impossible to ascertain and that there is and will be available to Discloser no adequate remedy at law in the event of such a material breach. Consequently, the Recipient agrees that in the event of such a material breach or threatened breach, Discloser shall be entitled, in addition to any other remedies (including damages), to request the specific performance of any or all of the covenants contained in this Agreement by an injunction or other equitable relief.

7. *Fax or Email Signatures.* In the event the parties execute this Agreement by exchange of faxed signed copies or emailed digital scans of signed copies, the parties agree that, upon being signed by both parties, this Agreement shall become effective and binding and that such faxed or emailed signed copies will constitute evidence of the existence of this Agreement.

8. *Governing Law; Assignment; Amendment*. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Utah, United States of America and shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. This Agreement may not be assigned by either party without the prior written consent of the other party. Any such purported assignment shall be void. This Agreement is the complete agreement between the parties as of the Effective Date, as to the matters described herein and supersedes all prior discussions, correspondence, negotiations or agreements, written or oral as to such matters. No modification, amendment or waiver or any provision of this Agreement shall be effective unless in writing, specifically referring hereto and signed by both parties.

9. *Notice*. Any notice or other communication to be given under this Agreement shall be delivered personally, sent by international 2-day courier, or facsimile transmission (followed by a copy by international 2-day courier). All such notices or other communications shall be deemed to have been delivered at the time of such delivery if received prior to 5 p.m. on a business day at the recipient address and, if other than prior to 5 p.m. on a business day at the recipient address, on the next business day.

LifeVantage:	**LifeVantage** At the address set forth at the beginning of the Agreement. Attention: **General Counsel**
IntegraCore:	**IntegraCore, LLC** At the address set forth at the beginning of the Agreement.

10. *Term and Termination*. The term of this Agreement shall be one (1) year from the Effective Date; provided, that the parties may extend the term by mutual written agreement. Notwithstanding the foregoing, either party may terminate this Agreement by giving thirty (30) days' written notice to the other party or upon the material breach of this Agreement by the other party, which material breach continues unremedied for thirty (30) days after delivery to the breaching party by the nonbreaching party of notice of the material breach. The rights and obligations of confidentiality and limited use of this Agreement shall survive and continue for the duration of the Confidentiality Period, after any expiration or termination of this Agreement.

11. *No Other Obligations*. Neither this Agreement nor the disclosure or receipt of Confidential Information hereunder shall constitute or imply any promise or intention by one party to make any purchase of products or services from the other party or enter into any other agreement(s) with the other party. A subsequent business relationship regarding the Subject Matter, if any, shall be governed by the terms of a separate agreement.

12. *Jurisdiction*. The parties will submit any dispute or claim arising under this Agreement to the exclusive jurisdiction of the state and federal Courts sitting in the County and State of Salt Lake, Utah, and the parties hereby submit to, and waive any objection to, personal jurisdiction and venue in such courts for such purpose.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

This Confidentiality Agreement is executed as of the Effective Date by the parties' duly authorized representatives.

LifeVantage Corporation	**IntegraCore, LLC**
By: /s/ Mike Gallman	By: /s/ Kurt Flygare
Name: Mike Gallman	Name: Kirt Flygare
Title: Director of Supply Chain	Title: President

[***] Confidential portions of this document have been redacted and filed separately with the Securities and Exchange Commission

COMMERCIAL SUPPLY AGREEMENT

THIS COMMERCIAL SUPPLY AGREEMENT (this "***Agreement***") is made as of May 30, 2014 (the "***Effective Date***") by and between LifeVantage Corporation, a Utah corporation having a place of business at 9785 South Monroe Street, Suite 300, Sandy, Utah 84070 ("***Company***") and Wasatch Product Development, LLC, a Utah corporation having a place of business at 12248 S. Lone Peak Parkway, Suite 106, Draper, Utah 84020 ("***Manufacturer***"). Each of Company and Manufacturer is referred to as a "Party" and, collectively, "the Parties".

WITNESSETH:

WHEREAS, Company develops, sells and distributes unique natural nutritional supplements and related products;

WHEREAS, Company desires that Manufacturer manufacture and supply certain products of Company's based on Company's formulas and specifications on the terms set forth herein; and

WHEREAS, Manufacturer desires to manufacture and supply such products on the terms set forth herein.

NOW, THEREFORE, in consideration of the premises and the mutual promises and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Parties, Company and Manufacturer agree as follows.

Article 1

DEFINITIONS

The following words and phrases when used herein with capital letters shall have the meanings set forth or referenced below.

1.1 "***Adverse Supply Event***" shall have the meaning set forth in Section 3.2(b).

1.2 "***Affiliate***" shall mean any corporation or non-corporate business entity which controls, is controlled by, or is under common control with a Party to this Agreement at any time during the Term. A corporation or non-corporate business entity shall be regarded as in control of another corporation or non-corporate business entity if it owns, or directly or indirectly controls, in excess of fifty percent (50%) of the voting stock or membership interests of the other entity or if it possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such corporation or non-corporate business entity, as applicable.

1.3 "***Applicable Law***" shall mean all applicable laws, rules, regulations, guidelines, and standards, including, without limitation, cGMPs.

1.4 "***cGMP***" shall mean the current good manufacturing practices required by the FDA and set forth in the United States Federal Food, Drug and Cosmetic Act or FDA regulations,

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policies or guidelines in effect at any time during the Term applicable to the Products, and all corresponding industry standards and requirements of each applicable Regulatory Authority.

1.5 "***Company IP***" shall mean intellectual property, including but not limited to: (i) Company's rights and interests in and to issued patents and pending patent applications, including, without limitation, all provisional applications, substitutions, continuations, continuations-in-part, divisionals, and renewals, all letters patent granted thereon, and all re-issues, re-examinations and extensions thereof, and supplemental protection certificates relating thereto, which relate to Product; (ii) all Technology related to Product; and (iii) any Improvements to the foregoing.

1.6 "***Company Project IP***" shall have the meaning set forth in Section 8.2.

1.7 "***Confidential Information***" shall mean the proprietary and confidential information of a Party disclosed under this Agreement, part of a prior disclosure, or developed hereunder, except any portion thereof which:

(a) is known to the recipient at the time of the disclosure, as evidenced by its written records or other competent evidence;

(b) is disclosed to the recipient by a third person lawfully in possession of such information and not under an obligation of nondisclosure;

(c) is published or generally known to the public, either before or after the date of disclosure through no act or omission on the part of the recipient;

(d) is developed by or for the recipient independently of Confidential Information disclosed hereunder as evidenced by the recipient's written records or other competent evidence; or

(e) is required by law to be disclosed by the recipient, to defend or prosecute litigation or to comply with governmental regulations, provided that the recipient gives the other Party hereto prompt prior written notice of such legal requirement, such that such other Party shall have the opportunity to apply for confidential treatment of such Confidential Information, and reasonably cooperates therewith. The Confidential Information of Company shall be deemed to include all information concerning the terms and existence of this Agreement, as well as all information relating to the Product.

1.8 "***Customer Representative in Plant***" shall have the meaning set forth in Section 6.5.

1.9 "***Equipment***" shall mean, as applicable, all equipment used to prepare, process, manufacture, blend, store, transport and package the Product.

1.10 "***FDA***" shall mean the United States Federal Drug Administration.

1.11 "***Firm Purchase Order***" shall have the meaning set forth in Section 4.1.

1.12 "***Force Majeure***" shall have the meaning set forth in Section 11.1(a).

1.13 "***Improvements***" shall mean any and all new developments by a Party, excluding Project IP, related to Product, Materials, manufacture or packaging, including, but not limited to, the Product's use, composition, formulation, development, or processing.

1.14 "***Initial Term***" shall have the meaning set forth in Section 9.1.

1.15 "***Materials***" shall mean all components and raw materials used to prepare, process, manufacture, blend and package the Product.

1.16 "***Other Project IP***" shall have the meaning set forth in Section 8.2.

1.17 "***Product***" or "***Products***" shall mean TrueScience products purchased by Company under Firm Purchase Orders pursuant to this Agreement to be blended, manufactured, tableted and inspected, bottled, labeled, sealed, and packaged by Manufacturer in accordance with the Product Specifications, and delivered in finished commercial product form to Company or its designated carrier in accordance with this Agreement.

1.18 "***Product Specifications***" shall mean those specifications for the manufacture, packaging and labeling of Product, as well as all other specifications required for Product purchased and supplied under this Agreement, which specifications may be amended from time to time by the Company.

1.19 "***Project IP***" shall mean any developments, inventions, Improvements or Technology developed or conceived by a Party pursuant to or in connection with this Agreement, or using, based on or derived from Company IP or Company Confidential Information.

1.20 "***Purchase Order***" shall mean written orders from Company to Manufacturer, which shall specify: (a) the quantity of Products ordered; (b) delivery dates; and (c) delivery destinations.

1.21 "***Quality Agreement***" shall have the meaning set forth in Section 6.2.

1.22 "***Regulatory Authority***" shall mean, with respect to the Territory, any federal, state or local or international regulatory agency, department, bureau or other governmental entity, including, without limitation, the FDA.

1.23 "***Renewal Term***" shall have the meaning set forth in Section 9.1.

1.24 "***Technology***" shall mean and include any and all unpatented proprietary ideas, inventions, patents, patent applications, discoveries, Confidential Information, trade secrets (including, without limitation, ingredient profiles, flavor profiles and flavors), data, formulae, designs, specifications, methods, processes for mixing, blending, preparing and manufacturing the Products, ingredient and flavor formulations, regulatory information, techniques, ideas, know-how, technical information, process information, control, manufacturing data and materials.

1.25 "***Territory***" shall mean all countries and jurisdictions in the world.

1.26 "***Term***" shall have the meaning set forth in Section 9.1.

1.27 "***Third Party***" shall mean a party other than Manufacturer or Company and their respective Affiliates.

Article 2

PRODUCT; ADDITIONAL SERVICES

2.1 ***Purchase and Sale of Products.*** Pursuant to the terms and conditions of this Agreement and for the duration of this Agreement, Manufacturer shall manufacture, sell and deliver to Company all Product ordered by Company, and Company shall purchase and take delivery from Manufacturer Product ordered by Company in Firm Purchase Orders. Company shall have the right at all times to obtain Products from one or more second sources.

2.2 ***Additional Services.*** During the Term, the Parties may agree that Manufacturer shall provide to Company the additional services agreed in writing by the Parties and annexed as an Exhibit hereto.

Article 3

MANUFACTURE AND SUPPLY OF PRODUCTS

3.1 ***Manufacture.*** Manufacturer guarantees to Company that for the Term it shall supply all the orders for Product submitted by Company in accordance with this Agreement. In the event of any supply interruption, Manufacturer agrees to promptly notify Company with full details and to use its best efforts to restore supply of Product to the levels forecasted and as contemplated in this Agreement as soon as possible, provided that such notice shall not change in any manner Manufacturer's obligations under this Agreement.

3.2 ***Failure and Shortfalls.***

(a) In the event that Manufacturer fails to deliver by the relevant delivery date at least ninety percent (90%) of Product meeting the requirements of this Agreement under Firm Purchase Orders, Company may cancel the amount of the shortfall from the relevant Firm Purchase Orders and have the shortfall manufactured by one or more second sources, with any increased cost being paid by Manufacturer.

(b) In the event that (i) Manufacturer has been given notice from a regulatory, governmental agency or Company indicating a significant regulatory deficiency or safety concern related to the Materials, the manufacture of Product or a Product-related facility, (ii) a Manufacturer facility has experienced a Force Majeure that prevents or materially curtails, or would reasonably be expected to prevent or materially curtail, the manufacture and delivery of Product as contemplated hereunder, or (iii) Manufacturer is unable to comply, or has not complied, with a change in the manufacturing process that is required by a Regulatory Authority or by the Company, notwithstanding Company agreeing to pay the reasonable actual costs attributable to such change (each, an "***Adverse Supply Event***"), and Manufacturer cannot, or will not, remediate the circumstances of the Adverse Supply Event so that manufacture and delivery of Product can continue and/or resume under this Agreement as contemplated herein within thirty (30) days after the occurrence of the Adverse Supply Event, then Company may cancel relevant outstanding Firm Purchase Orders and have all such Product manufactured by one or more second sources from the period beginning on the date of the Adverse Supply Event, or date that supply of Product ceased. In any event, Manufacturer shall use its best efforts to resume Product manufacture after any Adverse

Supply Event including, without limitation, promptly complying with any reasonable manufacturing process changes requested by Company.

3.3 ***Regulatory Approval***. Manufacturer shall reasonably assist Company in obtaining any necessary governmental and regulatory approvals for the Products in any country in the Territory ("***Regulatory Approval***"). Manufacturer shall use its commercially reasonable efforts to successfully perform all activities requested by Company in order to obtain Regulatory Approvals for the Territory, which shall include, without limitation, performing all tasks in a timely and professional manner and adhering to all timelines required to obtain such approvals as quickly as practicable. Each Party shall be responsible for its own costs incurred in connection with this provision, including costs for preparing documents, testing Product and attending meetings, provided that Company agrees to reimburse Manufacturer for its reasonable pre-approved out-of-pocket travel expenses in accordance with Company' travel policies.

Article 4

ORDERS

4.1 ***Purchase Orders.***

(c) Company shall submit each Purchase Order for Product (each, a "***Firm Purchase Orders***") to Manufacturer at least 8-10 weeks prior to the delivery date for the Products set forth therein.

(d) Each Purchase Order or any acknowledgment thereof, whether printed, stamped, typed, or written shall be governed by the terms of this Agreement and none of the provisions of such Purchase Order or acknowledgment shall be applicable except those specifying Product and quantity ordered, delivery dates, special shipping instructions and invoice information.

(e) Manufacturer shall deliver Product on the delivery dates set forth in each Purchase Order, provided delivery may be up to three (3) days before or after any such delivery date. In the event that Manufacturer believes it may miss a delivery date in a Purchase Order submitted by Company, Manufacturer shall promptly give Company written notice of the same specifying in detail the reasons for the late delivery, provided such notice shall be in addition to and shall not modify in any way any other rights and remedies Company has in respect of late Product.

4.2 ***Firm Purchase Order Confirmation.*** As soon as practicable but no later than five (5) days after receipt of Company's Purchase Orders issued in accordance with this Agreement, Manufacturer shall confirm to Company its receipt of the Firm Purchase Order, delivery date and quantity of Product ordered by Company. Any Firm Purchase Order meeting the requirements of this Agreement shall be deemed accepted by Manufacturer. For clarity, Manufacturer may reject a Purchase Order only if it sets forth a delivery date that is inconsistent with the requirements of this Agreement.

4.3 ***Obligation to Supply Additional Product.*** If Company provides Manufacturer with written notice within twenty-one (21) days of the requested delivery date in the Purchase Order, Manufacturer shall be obligated to supply Company up to fifty percent (50%) more or

less Product than previously ordered in a given Purchase Order, assuming that with respect to an increase Materials needed for the increase in Product manufacture are then available. Manufacturer shall not be obligated to supply additional quantities over and above the fifty percent (50%) increase; provided, however, that Manufacturer shall use reasonable commercial efforts to do so if requested by Company.

4.4 ***Other Firm Purchase Order Changes or Cancellations.*** If Company requests other changes to Firm Purchase Orders, Manufacturer shall attempt to accommodate the changes within reasonable manufacturing capabilities and efficiencies. If Manufacturer can accommodate such change, Manufacturer shall advise Company of the costs associated with making any such change and Company shall be deemed to have accepted the obligation to pay Manufacturer for such costs if Company indicates in writing to Manufacturer that Manufacturer should proceed to make the change. If Manufacturer cannot accommodate such change, Company shall be bound to the original Purchase Order. If Company cancels a Firm Purchase Order, Manufacturer shall be relieved of its obligation to manufacture Product under such Firm Purchase Order, but Company shall not be relieved of its obligation of payment, provided that such payment shall be reduced by fifty percent (50%) if cancellation is noticed to Manufacturer within forty-five (45) days prior to the relevant delivery date for a Firm Purchase Order.

4.5 ***Materials.***

(a) ***Supply.*** Manufacturer shall manufacture the Products for Company from Materials that it purchases at its sole cost including, without limitation, the supply of any replacement Materials unless such replacement is required due to an act or omission of Company). Manufacturer shall at all times remain responsible for the safety stock including, without limitation, the storage, testing, rotation, security and insurance thereof. In addition, Manufacturer shall at its expense perform tests on the Materials including, without limitation, any tests required under Applicable Law or under this Agreement, and as required by the Company or Quality Agreement (if any), in order to confirm conformance to Product Specifications.

(b) ***Company Title.*** Manufacturer shall retain title to such Materials at all times. Risk of loss or damage to the Materials shall remain with Manufacturer while in its possession or control. If requested by Company any or all Materials or Product in process will be delivered to Company or its designee.

4.6 ***Equipment.*** Manufacturer shall pay the cost of all Equipment used to perform its obligations under this Agreement. During the Term, Manufacturer shall be responsible for cleaning, maintaining, servicing, replacing and insuring such Equipment. During the Term, the Equipment shall be dedicated solely to the manufacture such Products and shall not be used for the production or manufacture of any other products.

4.7 ***Product Labeling and Packaging.*** Company shall be solely responsible for the content of the final packaging materials and for supplying to Manufacturer adequate supplies of packaging materials. Company shall retain title to packaging materials at all times; provided, however, that loss or damage to the packaging materials shall be the responsibility of Manufacturer while in its possession or control to the extent resulting from its negligence in the

processing, packaging and labeling of Product or otherwise resulting from its gross negligence or willful misconduct. Manufacturer shall package the Products into appropriate configurations and stock-keeping units for sale to customers as directed by Company. Manufacturer shall ensure that the Products are packaged with labels, product inserts or outserts and other labeling conforming to applicable Product Specifications including, without limitation, approved labeling and Applicable Laws. Company shall deliver to the Manufacturer the packaging materials needed for the packaging of the Product no fewer than twenty-on (21) days prior to the ship date for the Products set forth in any Firm Purchase Order. Late deliveries of needed packaging materials will result in a corresponding adjustment to the delivery date. At any time throughout the Term of this Agreement, if requested by Company, any or all packaging materials will be delivered to Company or its designees, at Company's expense.

If circumstances change and the Manufacturer begins to supply packaging and labels, Manufacturer shall be solely responsible for ensuring that the content of the final packaging and labeling complies with such specifications. Manufacturer shall package the Products into appropriate configurations and stock-keeping units for sale to customers. Manufacturer shall ensure that the Products are packaged with labels, product inserts or outserts and other labeling conforming to applicable cGMP and Product Specifications including, without limitation, approved labeling and Applicable Laws. Loss or damage to the packaging materials shall be the responsibility of Manufacturer. Manufacturer shall provide Company with samples of all such final packaging or labeling materials upon request.

4.8 ***Lot and Date Coding; Sub-Lots.*** Lot and date coding are to be applied on all outer packaging for all Products as directed by Company. Should Company desire Manufacturer to split a manufacturing lot of the Products into several sub-lots during packaging, there shall be no split fees.

4.9 ***Waste.*** Manufacturer shall be responsible for the costs of disposal in accordance with all Applicable Laws of all waste related to the Product. If necessary, Manufacturer shall hire, direct and pay all reasonable costs for a waste contractor to remove all waste from Manufacturer's manufacturing facility for the Products.

4.10 ***Delivery.*** Manufacturer shall deliver the Products to Company [EXW/CIP] (Incoterms 2010) at Company's facility, located at 12248 S. Lone Peak Parkway, Suite 106, Draper, Utah 84020. Risk of loss for the Products shall pass to Company at the time when they are delivered as set forth above. Title to the Product and all Product in process shall at all times remain in Company. Shipment shall be via a carrier designated by Company. For shipments to destinations outside the United States, Company shall be the exporter of record. If requested by Company, Manufacturer agrees to make multiple shipments of Products per lot at no charge to Company other than shipping costs.

4.11 ***Batch Failure/Acceptance of Products/Replacement of Nonconforming Shipment***.

(a) In the event of a batch failure during preparation for manufacture or during manufacture, or the discovery by Manufacturer of out-of-specification Product prior to shipment, written notice of the same shall be promptly provided to Company with full details

and, with the consent of Company, the batch of Product shall be replaced by Manufacturer as quickly as possible thereafter at Manufacturer's cost and expense. If directed by Company, Manufacturer agrees promptly to conduct an investigation and report to Company its findings, as well as take any corrective actions that are appropriate in light of the findings of the investigation or as are reasonably requested by Company.

(b) After discovery that the Products fail to conform to the Product Specifications or other requirements of this Agreement, Company may reject a quantity of Products upon notice to Manufacturer. Manufacturer shall promptly replace all rejected Product, but not later than ninety (90) days after receiving notice of such rejection. If Company rejects such shipment, it shall also provide to Manufacturer samples of such Product for evaluation. If Manufacturer evaluates such Product and determines that it did conform to the Product Specifications and all other requirements of this Agreement, the Parties shall submit samples of such Product to a mutually acceptable independent laboratory or consultant, or both, as appropriate for evaluation. If such independent laboratory determines that the Product conformed to the Product Specifications and all other requirements of this Agreement, Company shall bear all expenses for the evaluation. If Manufacturer or such independent laboratory confirms that such shipment did not meet the Product Specifications and/or the other requirements of this Agreement, Manufacturer shall, in addition to promptly replacing, at no cost to Company, the Product which does not conform, bear all expenses of shipping and evaluation of the shipment samples. Any nonconforming Product shall be destroyed as directed by Manufacturer, at Manufacturer's expense. Company shall not be required to pay Manufacturer for any Product which has been correctly rejected pursuant to this Section 4.11.

Article 5

PRICE AND PAYMENT

5.1 ***Price.*** Manufacturer shall invoice Company for the Products delivered by Manufacturer at the prices set forth on Exhibit A commencing on the Effective date. Prices are firm through the Term of this Agreement.

5.2 ***Payment.*** Manufacturer shall invoice Company upon shipment of the Products following release by Manufacturer's Quality Assurance department in accordance with the Quality Agreement. Company shall make payment net thirty (30) days from the date of receipt of Manufacturer's invoice. ***Taxes.*** Any federal, state, county or municipal sales or use tax, excise, customs charges, duties or similar charge, or any other tax assessment (other than that assessed against income), lawfully assessed or charged on the purchase by Company of the Products sold pursuant to this Agreement shall be paid by Company.

Article 6

QUALITY

6.1 ***Quality Control.*** Manufacturer shall apply its quality control procedures and in-plant quality control checks on the manufacture of the Products for Company in the same manner as Manufacturer applies such procedures and checks to products similar to the Products

manufactured for sale by Manufacturer. In addition, Manufacturer shall test and release the Products in accordance with its standard test methods approved by Company to ensure that the Products conform to the Product Specifications. Manufacturer shall not change the formula or manufacturing process for Product without the prior consent of Company.

6.2 ***Quality Agreement.*** The Parties have negotiated, in good faith, a quality agreement, dated May 15, 2014, relating to the quality of the Products delivered under this Agreement (the "***Quality Agreement***"). In the event of a conflict between the terms of Article 6 this Agreement (including any and all attachments thereto and amendments thereof) and the Quality Agreement, the terms of the Quality Agreement shall control.

6.3 ***Audit Rights.***

(c) Company shall have the right, at least two (2) days' prior written notice to Manufacturer, to conduct, at its expense and during normal business hours, a quality assurance audit and inspection of Manufacturer's records and production facilities relating to the manufacturing, assembly and/or packaging of the Products. Except as provided in Section 6.3(b), such audits shall, assuming the full cooperation of Manufacturer, (a) be limited to not more than two (2) auditors for a duration of two (2) days (or, at the option of Company, one (1) auditor for three (3) days) appointed by or representing Company and (b) may be conducted not more than one (1) time per calendar year unless there is a reasonably basis for such additional audits. Any auditors that are not employees of Company shall be required to enter into confidentiality agreements with Manufacturer and Company containing terms of confidentiality that require them to keep confidential Manufacturer's Confidential Information.

(d) Company shall have the right to conduct additional audits in response to incidents/deviations associated with the manufacture/testing of the Products, given that a reasonable advanced notice is provided to Manufacturer. Visits by Company to Manufacturer production facilities may involve the transfer of Confidential Information, and any such Confidential Information shall be subject to the terms of Article 10 hereof. The results of such audits and inspections shall be considered Confidential Information under Article 10 and shall not be disclosed to Third Parties, except to the extent required by law or otherwise in connection with regulatory or governmental compliance and only then upon prior written notice to Manufacturer, to the extent practicable. In the event that any audit or inspection reveals that Manufacturer failed to meet cGMPs or the Product Specifications, Manufacturer shall be responsible, at Manufacturer's expense, for: (a) conducting an investigation to define the probable causes for the failure; (b) providing an acceptable cGMP investigation report and remediation plan to Company for review and, with respect to the remediation plan, approval; and (c) achieving compliance with cGMPs and the Product Specifications.

(e) Company shall have the right, upon ten (10) days' prior written notice to Manufacturer, to conduct, at its expense and during normal business hours, a quality assurance audit and inspection of all suppliers and vendors of Materials. Manufacturer shall ensure that each of its agreements with vendors and suppliers of Materials provides for both

Manufacturer's and Company's right to audit their facilities and processes. Manufacturer shall provide Company written notice of its intent to audit a subcontractor or vendor of Materials no less than thirty (30) days prior to a scheduled audit, and shall offer Company an opportunity to attend and participate in such audit. Subcontractor and vendor audits shall, assuming the full cooperation of Manufacturer and the subcontractor or vendor at issue, (a) be limited to not more than two (2) auditors for a duration of two (2) days (or, at the option of Company, one (1) auditor for three (3) days) appointed by or representing Company and (b) may be conducted not more than one (1) time per calendar year, without a reasonable basis for additional audits. To the extent practicable Company shall coordinate its audits with Manufacturer so they can be completed simultaneously.

6.4 ***Notification of Inspection.*** In the event the FDA or other Regulatory Authority notifies Manufacturer that it intends to visit or inspect its facilities relating to the manufacture of Product, the following shall apply: (a) Manufacturer shall immediately provide notice of such visit or inspection to Company; (b) Manufacturer shall permit a representative of Company to be present at the facility during such visit or inspection; (c) Manufacturer shall permit such representative of Company to be present at, and participate in, each daily wrap up session for such inspection and the post-inspection wrap up session for such inspection; (d) Manufacturer promptly shall provide Company with copies of all written materials received by Manufacturer relating to such inspection; (e) Manufacturer shall provide Company with advance copies of all proposed responses, shall permit Company reasonable opportunity to review and comment on each such response, shall reasonably consider Company's reasonable comments thereon and shall provide Company with copies of each such response as submitted; and (f) Manufacturer agrees to allow the FDA or other relevant Regulatory Authorities to conduct such audit and reasonably cooperate with the FDA and other Regulatory Authorities in connection therewith. In addition, Manufacturer shall advise Company immediately if an authorized agent of the FDA or other Regulatory Authority visits any Manufacturer facilities relating to the manufacture of Product without prior notice. Manufacturer shall furnish to Company the report by such agency of any such visit within thirty (30) days of Manufacturer's receipt of such report.

6.5 ***Customer Representative in Plant***. Company, at its own expense, shall have the right to appoint a technician to be assigned to each Manufacturer facility where any Product or component thereof is manufactured, assembled or packaged ("***Customer Representative in Plant***") at such times and for such periods as, in the opinion of Company, is necessary to monitor compliance with this Agreement, or to coordinate and advise on the proper manufacture of the Products by Manufacturer. While at the Manufacturer facility, the Customer Representative in Plant shall have access solely to such areas of the Manufacturer facility in accordance with Manufacturer's Customer Representative in Plant guidelines that are: (i) reasonably related to the manufacture of the Product; (ii) food-service areas; (iii) designated office space (with internet and phone service) as allocated to the Customer Representative in Plant by Manufacturer; (iv) public areas within the facility; or (v) as otherwise authorized by Manufacturer. The Customer Representative in Plant shall comply with all applicable Manufacturer policies and procedures (including, without limitation, all Manufacturer security policies and procedures and the Customer Representative in Plant guidelines) as provided to Company in writing. Company

hereby represents that any and all of its employees visiting the Manufacturer facility shall be bound by terms of confidentiality.

6.6 ***Notification of Complaints.*** Company shall notify Manufacturer promptly of any Product complaints involving Manufacturer's manufacture or packaging so as to provide, to the extent practicable, sufficient time to allow Manufacturer to evaluate the complaints and assist Company in responding to such complaints.

6.7 ***Product Recalls.*** In the event: (a) any Regulatory Authority or other national government authority issues a request, directive or order that the Products be recalled; (b) a court of competent jurisdiction orders such a recall or withdrawal; or (c) Company or Manufacturer reasonably determines that the Products should be recalled or withdrawn, the Parties shall take all appropriate corrective actions, and shall cooperate in any governmental investigations surrounding the recall. In the event that such recall results from the breach of Manufacturer's express warranties under this Agreement or its negligence or willful misconduct, Manufacturer shall be responsible for promptly replacing the quantity of Products that were recalled at no cost to Company or promptly reimbursing Company for the total cost of the Products that were recalled. In addition to any other rights or remedies available to Company, Manufacturer shall be responsible for the actual documented administrative expenses of the recall. To the extent that the recall does not result from the breach of Manufacturer's express warranties under this Agreement, or its negligence or willful misconduct, Company shall be responsible for the documented administrative expenses of the recall and Manufacturer shall have no obligation to replace recalled Products.

Article 7

WARRANTIES; COVENANTS AND INDEMNIFICATION

7.1 ***Company's Warranties***.

Company represents and warrants to Manufacturer that Company's performance of its obligations under this Agreement shall not result in a material violation or breach of any agreement, contract, commitment or obligation to which Company is a Party or by which it is bound and shall not conflict with or constitute a default under its corporate charter or bylaws.

7.2 ***Manufacturer's Warranties and Covenants***.

(f) Manufacturer represents and warrants to Company that the Products Manufacturer delivers to Company pursuant to this Agreement shall: (i) at the time of delivery, not be adulterated or misbranded within the meaning of the United States Federal Food, Drug and Cosmetic Act (the "***Act***") or within the meaning of any applicable state or municipal law in which the definitions of adulteration and misbranding are substantially the same as those contained in the Act, as the Act and such laws are constituted and effective at the time of delivery; (ii) shall be an article which may under the provisions of Section 404 of the Act be introduced into interstate commerce; and (iii) have at the date of delivery an expiry date which is not less than ninety percent (90%) of then-demonstrated shelf life.

(g) Manufacturer further represents and warrants to Company that the Products Manufacturer delivers to Company pursuant to this Agreement shall, at the time of delivery,

be free from defects in material and workmanship and shall have been manufactured: (i) in accordance and conformity with the Product Specifications and all the requirements of this Agreement; and (ii) in compliance with all Applicable Law.

(h) Manufacturer further represents and warrants to Company that Manufacturer's performance of its obligations under this Agreement shall not result in a material violation or breach of any agreement, contract, commitment or obligation to which Manufacturer or its Affiliates is a party or by which it is bound and shall not conflict with or constitute a default under its Certificate of Incorporation or corporate bylaws. Manufacturer shall obtain and maintain all licenses and permits useful or necessary in order to meet its obligations hereunder.

(i) Manufacturer further represents and warrants that it has in place facilities and processes necessary to protect the Confidential Information and ensure Product security, including without limitation restricted areas, workplace notices, and 24-hour on-site security personnel.

(j) Manufacturer further represents and warrants that it shall perform all obligations hereunder in compliance with all Applicable Laws, Manufacturer's standard operating procedures, and consistently high standards of workmanship and professionalism. With respect to Product delivered hereunder, Manufacturer has, and shall have, all the rights necessary to manufacture and sell the Product.

7.3 ***Indemnification by Manufacturer.*** Manufacturer shall indemnify, defend and hold harmless Company, its Affiliates, officers, directors and employees from and against all claims, causes of action, suits, costs and expenses (including reasonable attorney's fees), losses or liabilities of any kind related to this Agreement and asserted by Third Parties to the extent such claims arise out of or are attributable to: (a) Manufacturer's breach of this Agreement; (b) any violation of any proprietary right of any Third Party relating to Manufacturer's manufacturing processes or other performance hereunder; (c) any negligent or wrongful act or omission on the part of Manufacturer, its employees, agents or representatives, or (d) any latent defect in the Products, such as contamination or adulteration..

7.4 ***Indemnification by Company.*** Company shall indemnify, defend and hold harmless Manufacturer, its Affiliates, officers, directors and employees from and against all claims, causes of action, suits, costs and expenses (including reasonable attorney's fees), losses or liabilities of any kind related to this Agreement and asserted by Third Parties to the extent such claims arise out of or are attributable to: (a) Company's breach of this Agreement; or (b) any negligence or willful misconduct of Company.

7.5 ***Conditions of Indemnification.*** If either Party seeks indemnification from the other hereunder, it shall promptly give notice to the other Party of any such claim or suit threatened, made or filed against it which forms the basis for such claim of indemnification and shall cooperate fully with the other Party in the investigation and defense of all such claims or suits. The indemnifying Party shall have the option to assume the other Party's defense in any such claim or suit with counsel reasonably satisfactory to the other Party. No settlement or

compromise shall be binding on a Party hereto without its prior written consent, such consent not to be unreasonably withheld.

7.6 ***Limitations.***

(a) EXCEPT AS OTHERWISE SET FORTH HEREIN, A PARTY SHALL NOT BE LIABLE TO THE OTHER PARTY FOR INDIRECT, INCIDENTAL, SPECIAL, PUNITIVE, EXEMPLARY OR CONSEQUENTIAL DAMAGES RELATED TO THIS AGREEMENT, EVEN IF THE PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, IN EXCESS OF THE AMOUNT OF ANY INSURANCE PROCEEDS RECOVERABLE UNDER THE LIABLE PARTY'S INSURANCE POLICIES, WHICH POLICIES SHALL INCLUDE COVERAGE NOT LESS THAN THAT CONTEMPLATED IN SECTION 12.9; PROVIDED, HOWEVER, THE FOREGOING SHALL NOT APPLY TO DAMAGES OR LOSSES RELATED TO THIRD PARTY CLAIMS; BREACHES OF ARTICLES 9 OR 11; OR WILLFUL MISCONDUCT, GROSS NEGLIGENCE, NEGLIGENT OR INTENTIONAL MISREPRESENTATION OR FRAUD.

(b) FOR THE AVOIDANCE OF DOUBT, NOTHING IN THIS SECTION SHALL BE INTERPRETED TO LIMIT THE INDEMNIFICATION OBLIGATION OF A PARTY IN CONNECTION WITH A THIRD PARTY CLAIM EVEN IF THE RELATED DAMAGES ARE CHARACTERIZED AS BEING SPECIAL, CONSEQUENTIAL, INCIDENTAL, INDIRECT OR OTHER LIKE DAMAGES OR LOSSES.

(c) FOR CLARITY, THE PARTIES ACKNOWLEDGE AND AGREE, THAT NOTWITHSTANDING ANYTHING TO THE CONTRARY, LOST REVENUES AND PROFITS ARISING FROM A PARTY'S FAILURE TO DELIVER PRODUCT CONSISTENT WITH THE TERMS AND CONDITIONS OF THIS AGREEMENT, AS WELL AS ALL RELATED EXPERT FEES AND COSTS, ATTORNEY FEES AND COSTS AND ANY OTHER COSTS EXPENDED IN THE CALCULATION AND RECOVERY OF THE SAME, SHALL BE DEEMED DIRECT DAMAGES FOR PURPOSES OF THIS AGREEMENT.

Article 8

INTELLECTUAL PROPERTY RIGHTS

8.1 ***Transfer of IP.*** Manufacturer acknowledges that, as between the parties, Company is the sole and exclusive owner of the Company IP. Company hereby grants a non-exclusive license during the Term to Manufacturer under the Company IP, Company Project IP and Company's interest in Other Project IP solely to the extent necessary for Manufacturer to fulfill its obligations to the Company under this Agreement. Manufacturer covenants that it shall not use the Company IP, Company Project IP, or Other Project IP owned by Company for any purpose beyond the scope of the license granted in the foregoing sentence.

8.2 ***Project IP*****.** Company shall be the sole and exclusive owner of all Project IP (i) related to the Product, including, without limitation, its development, specifications, testing, ingredient contents and ratios, manufacture process, formulation, and ingredient profiles, or (ii)

based on, derived from or using any Company IP or Company Confidential Information ("***Company Project IP***"). Manufacturer hereby assigns to Company all of its right, title and interest in and to all Company Project IP. Manufacturer agrees to execute such documents and take such actions as Company may from time to time reasonably request to effect the foregoing assignment. Ownership of all Project IP other than Company Project IP shall be owned by the developing party ("***Other Project IP***"). Manufacturer hereby grants to Company a worldwide, irrevocable, royalty-free nonexclusive license for any purpose to the Other Project IP in which it has any right, title or interest.

Article 9

TERM AND TERMINATION

9.1 ***Term.*** Unless earlier terminated as permitted herein, this Agreement shall commence on the Effective Date and shall expire three (3) years thereafter (the "***Initial Term***") and shall automatically extend for additional one (1) year terms (if any, a "***Renewal Term***" and, together with the Initial Term, the "***Term***"), unless either Party provides written notice of non-renewal no less than ninety (90) days prior to the expiration of the Initial Term or any Renewal Term.

9.2 ***General Termination Rights.*** Either Party may terminate this Agreement as follows:

(a) immediately by providing written notice upon the bankruptcy of the other Party, which bankruptcy is not resolved or withdrawn within ninety (90) days of its filing; or

(b) by giving to the other Party sixty (60) days' prior written notice upon the material breach of any representation, warranty or any other provision of this Agreement by the other Party if the breach is not cured within sixty (60) days after written notice thereof to the Party in default.

9.3 ***Company Termination.***

(a) Company may terminate this Agreement at any time by giving three (3) months' prior written notice to Manufacturer.

(b) Company shall have the right to terminate this Agreement upon written notice to Manufacturer should any Adverse Supply Event continue for more than three (3) months or due to a continuing Force Majeure as contemplated in Section 12.1.

(c) Company shall have the right to immediately terminate this Agreement upon the breach by Manufacturer of its noncompetition obligations under this Agreement, as set forth in Section 11.6.

9.4 ***Termination/Accrued Obligations.*** Termination of this Agreement shall not relieve either Party of any liability which has accrued prior to the effective date of such termination, nor prejudice either Party's right to obtain performance of any obligation provided for in this Agreement, which by its express terms or context survives termination, provided that (i) with respect to a termination by Company pursuant to Section 10.2 or 10.3(b) or (c), Company

shall not be obligated to purchase any further Product, but if Manufacturer is capable of manufacturing Product as required by this Agreement within three (3) months thereafter, it may require Manufacturer to fill all outstanding Firm Purchase Orders as of the date of termination and for such longer period required for transfer of Product manufactured to another manufacturer, and (ii) with respect to a termination by Manufacturer pursuant to Section 10.2, or a termination by Company pursuant to Section 10.3(a), Company shall be obligated to purchase all Product ordered pursuant to Firm Purchase Orders, assuming that production of Product shall be wound down promptly and ceased as soon as reasonably practicable by Manufacturer.

9.5 ***Survival.*** Expiration or early termination of this Agreement shall not relieve either Party of any obligations that it may have incurred prior to expiration or early termination and all covenants and agreements contained in this Agreement, which by their terms or context are intended to survive, shall continue in full force and effect, including without limitation, Articles 7 through 12, as well any relevant provisions of the Quality Agreement.

Article 10

CONFIDENTIAL INFORMATION

10.1 ***Nondisclosure.*** It is contemplated that in the course of the performance of this Agreement each Party may, from time to time, disclose Confidential Information to the other. Manufacturer agrees that, except as expressly provided herein, it shall not disclose Confidential Information received from Company, and shall not use Confidential Information disclosed to it by Company, for any purpose other than to fulfill Manufacturer's obligations hereunder. Company agrees that, except as expressly provided herein, it shall not disclose Confidential Information received from Manufacturer, and shall not use Confidential Information disclosed to it by Manufacturer, for any purpose other than to fulfill Company's obligations hereunder. Company shall have the right to share the terms of this Agreement and this Agreement with its current and potential collaborators, partners, and investors who are obligated to keep its terms confidential. Without limiting the generality of the foregoing, Manufacturer hereby agrees that it shall disclose the cost of Materials and Product pricing only to such of its senior management personnel who have a need to know such information. Manufacturer shall protect the Products from unauthorized copying, reproduction, dissemination or disclosure and from other unauthorized use including, without limitation, unauthorized use during any manufacturing or scrap processes.

10.2 ***Exceptions to Duty of Nondisclosure.*** Notwithstanding the above, nothing contained in this Agreement shall preclude Company from utilizing Confidential Information as may be necessary in prosecuting patent rights related to Product, obtaining governmental marketing approvals, or complying with other governmental laws and regulations or court orders (provided that the Party disclosing such information uses reasonable efforts to seek confidential treatment of such information). The obligations of the Parties relating to Confidential Information shall expire ten (10) years after the termination of this Agreement. In addition, if either Party, based on the advice of its counsel, determines that this Agreement, or any of the other documents executed in connection herewith, must be filed with the Securities and Exchange Commission, then such Party shall have the right to file this Agreement (or such other

documents) with the Securities and Exchange Commission, provided that such Party notifies the other Party reasonably in advance of such filing and uses commercially reasonable efforts to obtain confidential treatment of the material terms and conditions of this Agreement (consistent with Applicable Law).

10.3 ***Return of Confidential Information.*** Upon termination of this Agreement, the receiving Party shall, if so requested by the disclosing Party, promptly return to the disclosing Party the originals and all copies of any Confidential Information (including all extracts, summaries and derivatives thereof) then in the receiving Party's possession or under the receiving Party's control. Notwithstanding the foregoing, the receiving Party may retain one (1) copy of such Confidential Information for legal archival purposes, provided that such copy shall be kept confidential after the termination or expiration of this Agreement.

10.4 ***Handling and Reconstruction of and Access to Confidential Information***. Each Party shall maintain the originals or electronic copies of all documents containing disclosing Party's Confidential Information according to its own internal quality procedures, cGMP and Applicable Laws. Accordingly, each Party shall ensure that such procedures incorporate and maintain appropriate safety and facility procedures, data security procedures and other safeguards against the destruction, loss, or alteration of the disclosing Party's Confidential Information in the possession of the receiving Party, including procedures for the recovery and reconstruction of lost Confidential Information. At no time shall the receiving Party store or hold the disclosing Party's Confidential Information in a form or manner not promptly accessible to the disclosing. Each Party agrees that it shall not withhold from the other any Confidential Information as a means of resolving a dispute.

10.5 ***Public Announcements.*** Neither Party shall make any public announcement concerning the transactions contemplated herein, or make any public statement which includes the name of the other Party or any of its Affiliates, or otherwise use the name of the other Party or any of its Affiliates in any public statement or document without the prior written consent of the other Party, except as may be required by law, regulation, including SEC regulation, or judicial order, in which case the Party required to make the public announcement or public statement shall use commercially reasonable efforts to obtain the approval of the other Party as to form, nature and extent of the public announcement or public statement prior to issuing the same.

10.6 ***Noncompetition***. Manufacturer shall not manufacture, produce, develop, solicit or market the Product or any product using or incorporating the Company's proprietary Technology utilized hereunder, other than for Company pursuant to the terms of this Agreement. Manufacturer shall not manufacture, produce, develop, solicit or market any product that is substantially similar to the Product (for example, one containing the same ingredients) during the Term and for three (3) years thereafter, without the prior written consent of Company.

10.7 ***Injunctive Relief.*** In the event of a breach or threatened breach by a Party of any provision of this Section, the other Party shall be authorized and entitled to obtain from any court of competent jurisdiction equitable relief, whether preliminary or permanent, in addition to any other rights or remedies to which such Party may be entitled in law or equity.

Article 11

MISCELLANEOUS

11.1 ***Force Majeure and Failure of Suppliers***.

(d) ***Excusable Delay.*** Any delay in the performance of any of the duties or obligations of either Party hereto (except the payment of money) shall not be considered a breach of this Agreement and the time required for performance shall be extended for a period equal to the period of such delay, provided that such delay has been caused by or is the result of any acts of God, acts of a public enemy or other terrorist acts, insurrections, riots, embargoes, labor disputes, including strikes, lockouts, job actions, boycotts, fires, explosions, floods, shortages of material or energy, or other unforeseeable causes beyond the control and without the fault or negligence of the Party so affected, but not an Adverse Supply Event (a "***Force Majeure***"). The effected Party shall give prompt notice to the other Party of such cause and a good faith estimate of the continuing effect of the Force Majeure condition and duration of the affected Party's nonperformance, and shall take promptly whatever reasonable steps are necessary or appropriate to relieve the effect of such cause(s) as rapidly as possible. Subject to the provisions of Section 12.1(b), if a Force Majeure prevents Manufacturer from manufacturing Products ordered by Company hereunder for more than three (3) months, then Company may terminate this Agreement immediately without further obligation to Manufacturer.

(e) ***Transfer of Production.*** If Manufacturer becomes subject to a Force Majeure event which prevents or substantially interferes with manufacture of the Products at Manufacturer's manufacturing facility, the Parties shall mutually agree on implementation of an agreed-upon action plan to transfer production of the Products to another Manufacturer facility or another manufacturer. The Parties shall, after the execution of this Agreement and at the request of either Party, meet to discuss and define such an action plan.

(f) ***Suppliers.*** With respect to any components or materials supplied by Manufacturer in connection with this Agreement, the Parties understand and agree that Company shall approve in advance the suppliers chosen by Manufacturer. In addition, Company shall have no liability to Manufacturer for any such suppliers nor shall Company be deemed to be in breach of this Agreement if such supplier is unable to supply Manufacturer as needed for Manufacturer to fulfill its duties under this Agreement. Manufacturer shall be fully responsible for the timely and complete performance of all the suppliers it utilizes in connection herewith and the satisfaction of the Product Specifications and other requirements.

11.2 ***Notices.*** All notices hereunder shall be delivered as follows: (a) personally; (b) by facsimile and confirmed by first class mail (postage prepaid); (c) by registered or certified mail (postage prepaid); or (d) by overnight courier service, to the following addresses of the respective Parties:

If to Company:

LifeVantage Corporation
9815 S. Monroe Street
Sandy, Utah 84970
Attention: General Counsel

Telephone:
Facsimile:

With a copy to:

Kirt Shuldberg
Sheppard, Mullin, Richter & Hampton LLP
12775 El Camino Real
San Diego, CA 92130
Telephone: (858) 720-8900
Facsimile: (858) 509-3691

If to Manufacturer:

Wasatch Product Development, LLC
12248 S. Lone Peak Parkway, Suite 106, Draper, Utah 84020
Attn: Kevin Casey, President

With copy to:

Notices shall be effective upon receipt if personally delivered or delivered by facsimile and confirmed by first class mail, on the fifth business day following the date of registered or certified mailing or on the first business day following the date of or delivery to the overnight courier. A Party may change its address listed above by written notice to the other Party.

11.3 ***Choice of Law/Venue/Jurisdiction.*** This Agreement shall be construed, interpreted and governed by the laws of the State of Utah, excluding its choice of law provisions. The United Nations Convention on the International Sale of Goods is hereby expressly excluded. Any legal suit, action or proceeding arising out of or relating to this Agreement shall be commenced in the state or federal courts located in the City of Salt Lake City, Utah and each Party hereto irrevocably submits to the exclusive jurisdiction and venue of any such court in any such suit, action or proceeding.

11.4 ***Assignment.*** Manufacturer acknowledges that the rights granted by Company to Manufacturer in this Agreement are unique to Manufacturer. This Agreement may not be assigned or transferred, in whole or in part, by Manufacturer, by operation of law or otherwise, without the prior written consent of Company in its sole discretion. This Agreement shall be freely assignable by Company, and specifically Company shall have the absolute, unconditional right to assign this Agreement to the entity that succeeds it or any of its Affiliates as part of an initial public offering or any other effort to raise capital in a public equity market. Manufacturer agrees, upon request, to execute, acknowledge and deliver to such successor any additional documents that such successor may deem necessary to effectuate such assignment. No assignment shall relieve any Party of its responsibility hereunder.

11.5 ***Entire Agreement.*** This Agreement, together with the Exhibits referenced and incorporated herein, constitute the entire agreement between the Parties concerning the subject matter hereof and supersede all written or oral prior agreements or understandings with respect thereto.

11.6 ***Severability.*** This Agreement is subject to the restrictions, limitations, terms and conditions of all applicable governmental regulations, approvals and clearances. If any term or provision of this Agreement shall for any reason be held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other term or provision hereof, and this Agreement shall be interpreted and construed as if such term or provision, to the extent the same shall have been held to be invalid, illegal or unenforceable, had never been contained herein.

11.7 ***Waiver-Modification of Agreement.*** No waiver or modification of any of the terms of this Agreement shall be valid unless in writing and signed by authorized representatives of both Parties. Failure by either Party to enforce any such rights under this Agreement shall not be construed as a waiver of such rights, nor shall a waiver by either Party in one or more instances be construed as constituting a continuing waiver or as a waiver in other instances.

11.8 ***Insurance.*** Manufacturer shall, at its own cost and expense, obtain and maintain in full force and effect the following insurance during the Term: (A) Commercial General Liability, including personal and advertising injury insurance and contractual liability insurance, with a per occurrence limit of not less than One Million Dollars per occurrence and Two Million Dollars in the aggregate (this limit can be satisfied using a primary general liability policy in combination with an umbrella policy); (B) Products and Completed Operations Liability Insurance with a per occurrence limit of not less than One Million Dollars and (C) Worker's Compensation and Employer's Liability Insurance with statutory limits for Workers' Compensation and Employer's Liability insurance limits. In the event that any of the required policies of insurance are written on a claims-made basis, then such policies shall be maintained during the entire Term and for a period of not less than two (2) years following the expiration or termination of this Agreement. Upon written request, Manufacturer shall furnish certificates of insurance to Company as soon as practicable after the Effective Date and within thirty (30) days after renewal of such policies. Manufacturer shall name Company as an additional insured party under its insurance policies of said types evidencing the required insurance policies to Company. Each insurance policy that is required under this Agreement shall be obtained from an insurance carrier with an A.M. Best rating of at least A-VII.

11.9 ***Exhibits.*** All Exhibits referred to herein are hereby incorporated by reference.

11.10 ***Further Actions.*** The Parties shall duly execute and deliver, or cause to be duly executed and delivered, such further instruments, and to do and cause to be done such further acts, that may be necessary to carry out the provisions and purposes of this Agreement, notwithstanding any expiration or termination of this Agreement.

11.11 ***Subcontracting.*** Manufacturer shall not assign, subcontract or delegate any of its rights or obligations under this Agreement without the express prior written authorization of Company. Manufacturer shall cause any such authorized subcontractor to be subject by contract to the same restrictions, exceptions, obligations, reports, termination provisions, confidentiality provisions, and other provisions contained in this Agreement as are applicable to Manufacturer. Manufacturer shall remain primarily obligated for all acts and omissions of any of its subcontractors

as if Manufacturer had performed the subcontracted obligations itself, and shall guarantee the performance of the same.

11.12 ***Successors; Assigns.*** This Agreement shall be binding upon and inure to the benefit of the Parties hereto and to each of their respective successors and permitted assigns.

11.13 ***Independent Contractor.*** This Agreement shall not be deemed to create any partnership, joint venture, or agency relationship between the Parties. Each Party shall act hereunder as an independent contractor, and its agents and employees shall have no right or authority under this Agreement to assume or create any obligation on behalf of, or in the name of, the other Party. All persons employed by a Party shall be employees of such Party and not of the other Party, and all costs and obligations incurred by reason of any such employment shall be for the account and expense of such Party.

11.14 ***Counterparts.*** This Agreement may be executed by original or facsimile signature in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

11.15 ***Headings.*** The headings used in this Agreement are for convenience only and are not a part of this Agreement.

SIGNATURES ON NEXT PAGE

IN WITNESS WHEREOF, the Parties intending to be bound by the terms and conditions hereof have caused this Agreement to be signed by their duly authorized representatives as of the date first above written.

LIFEVANTAGE CORPORATION

By: /s/ Douglas C. Robinson

Name: Douglas C. Robinson

Title: President and CEO

WASATCH PRODUCT DEVELOPMENT, LLC

By: /s/ Kevin Casey

Name: Kevin Casey

Title: President

[***] Confidential portions of this document have been redacted and filed separately with the Securities and Exchange Commission

Exhibit A

Pricing

Product Description

50ml (1.7oz) Anti-Aging Cream (Formula # LV-AAC1-N) #T975

Scope of Work

Compounding Raw Materials and filling into Silver Airless Pump
Attaching Clear Cap w/ Hot Stamp Band & Metalized Pump
Placing in Carton - Packing into a Master Shipper
*****LifeVantage Supplies Bottle and Carton

Quantity	Price
25,000	$[***]
50,000	$[***]
100,000	$[***]

Assumptions:

F.O.B. Point: Draper, UT

Lead Time: 8 Weeks

Terms: Net 30

[***] Confidential portions of this document have been redacted and filed separately with the Securities and Exchange Commission

SUBSIDIARIES OF LIFEVANTAGE CORPORATION

Set forth below is a list of all subsidiaries of LifeVantage Corporation, a Colorado corporation, and the state or country of incorporation of each as of June 30, 2014.

Name	State or Country of Incorporation
LifeLine Nutraceuticals Corporation	Colorado
LifeVantage Asia Pte. Ltd.	Singapore
LifeVantage Japan KK	Japan
LifeVantage Australia Pty. Ltd.	Australia
LifeVantage Hong Kong Limited	Hong Kong
Importadora LifeVantage S. de R.L. de C.V.	Mexico
LifeVantage de Mexico S. de R.L. de C.V.	Mexico
Servicios Administrativos para la importacion de Productos Body & Skin, S.C.	Mexico
LifeVantage Canada Ltd.	Canada
LifeVantage Commission Services Limited	Hong Kong
LifeVantage Philippines Corporation	Philippines
LifeVantage Singapore Pte. Ltd.	Singapore
LifeVantage (Thailand) Company Limited	Thailand

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in this Registration Statement on Form S-8 (No. 333-183461) of LifeVantage Corporation and subsidiaries (the "Company") of our report dated September 10, 2014 with respect to the consolidated balance sheets of the Company as of June 30, 2014 and 2013, and the related consolidated statements of operations and comprehensive income, changes in stockholders' equity, and cash flows for each of the years in the three-year period ended June 30, 2014, which report appears in the Company's annual report on Form 10-K filed with the Securities and Exchange Commission on September 10, 2014.

/s/EKS&H LLLP
Denver, Colorado
September 10, 2014

EXHIBIT 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO SECURITIES EXCHANGE ACT RULES 13a-14(a) AND 15(d)-14(a)
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Douglas C. Robinson, certify that:

1. I have reviewed this Annual Report on Form 10-K of LifeVantage 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 15d-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 the registrant's board of directors (or persons performing the equivalent functions):

   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.

September 10, 2014

/s/ Douglas C. Robinson

Douglas C. Robinson
President & Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO SECURITIES EXCHANGE ACT RULES 13a-14(a) AND 15(d)-14(a)
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, David S. Colbert, certify that:

1. I have reviewed this Annual Report on Form 10-K of LifeVantage 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 15d-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 the registrant's board of directors (or persons performing the equivalent functions):

   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.

/s/ David S. Colbert

September 10, 2014

David S. Colbert
Chief Financial Officer
(Principal Financial Officer)

EXHIBIT 32.1

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 the filing of this annual report on Form 10-K of LifeVantage Corporation (the "Company") for the period ended June 30, 2014, with the Securities and Exchange Commission on the date hereof (the "Report"), I, Douglas C. Robinson, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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 results of operations of the Company.

Date: September 10, 2014

/s/ Douglas C. Robinson

Douglas C. Robinson
President & Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 32.2

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 the filing of this annual report on Form 10-K of LifeVantage Corporation (the "Company") for the period ended June 30, 2014, with the Securities and Exchange Commission on the date hereof (the "Report"), I, David S. Colbert, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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 results of operations of the Company.

Date: September 10, 2014

/s/ David S. Colbert

David S. Colbert
Chief Financial Officer
(Principal Financial Officer)