

PROPHASE, LLC SAFE HARBOR PRIVACY POLICY

The United States Department of Commerce and the European Commission have agreed on a set of data protection principles and frequently asked questions to enable U.S. companies to satisfy European Union ("EU") law requiring that Personal Data transferred from the EU to the United States be adequately protected (the "U.S.-EU Safe Harbor"). The European Economic Area (the "EEA"), which includes all member states of the EU, Iceland, Liechtenstein and Norway, has recognized the U.S.-EU Safe Harbor as providing adequate protection of Personal Data (2001 O.J. (L 45) 47). The United States Department of Commerce and the Federal Data Protection and Information Commissioner of Switzerland (the "Commissioner") have agreed on a similar set of data protection principles and frequently asked questions to satisfy the Swiss law requirement that adequate protection be given to Personal Data transferred from Switzerland to the United States (the "U.S.-Swiss Safe Harbor"). Consistent with its commitment to protect personal privacy, ProPhase, LLC ("ProPhase") adheres to the principles set forth in the U.S.-EU Safe Harbor and the U.S.-Swiss Safe Harbor (collectively, the "Safe Harbor Principles").

SCOPE

This Safe Harbor Privacy Policy (the "Policy") applies to all Personal Information received by ProPhase in the United States from the EEA and Switzerland, in any format including electronic, paper or verbal.

DEFINITIONS

For purposes of this Policy, the following definitions shall apply:

"Agent" means any third party that collects or uses Personal Information under the instructions of, and solely for, ProPhase or to which ProPhase discloses Personal Information for use on ProPhase's behalf.

"ProPhase" means ProPhase, LLC, its successors, subsidiaries, divisions and groups in the United States.

"Personal Information" means any information or set of information that identifies or is used by or on behalf of ProPhase to identify an individual. Personal Information does not include information that is encoded or anonymized, or publicly available information that has not been combined with non-public Personal Information.

"Sensitive Personal Information" means Personal Information that reveals race, ethnic origin, political opinions, religious or philosophical beliefs, or trade union membership, or that concerns health or sex life. In addition, ProPhase will treat as Sensitive Personal Information any information received from a third party where that third party treats and identifies the information as sensitive.

PRIVACY PRINCIPLES

The privacy principles in this Policy are based on the Safe Harbor Principles.

NOTICE: Where ProPhase collects Personal Information directly from individuals in the EEA, it will inform them about the purposes for which it collects and uses Personal Information about them and the choices and means, if any, ProPhase offers individuals for limiting the use and disclosure of their Personal Information. Notice will be provided in clear and conspicuous language when individuals are first asked to provide Personal Information to ProPhase, or as soon as practicable thereafter, and in any event before ProPhase uses or discloses the information for a purpose other than that for which it was originally collected or discloses information to a non-Agent third party.

Where ProPhase receives Personal Information from its subsidiaries, affiliates or other entities in the EEA, it will use and disclose such information in accordance with the notices provided by such entities and the choices made by the individuals to whom such Personal Information relates.

CHOICE: For Personal Information, ProPhase will offer individuals the opportunity to choose (opt-in) whether their Personal Information is (a) to be disclosed to a non-Agent third party, or (b) to be used for a purpose other than the purpose for which it was originally collected or subsequently authorized by the individual.

For Sensitive Personal Information, ProPhase will give individuals the opportunity to affirmatively and explicitly (opt-in) consent to the disclosure of the information to a non-Agent third party or the use of the information for a purpose other than the purpose for which it was originally collected or subsequently authorized by the individual.

ProPhase will provide individuals with reasonable mechanisms to exercise their choices.

DATA INTEGRITY: ProPhase will use Personal Information only in ways that are compatible with the purposes for which it was collected or subsequently authorized by the individual. ProPhase will take reasonable steps to ensure that Personal Information is relevant to its intended use, accurate, complete, and current. ProPhase will only collect and store Personal Information that is relevant to fulfill the purpose of the request and will retain such information no longer than appropriate to fulfill the purpose of the request.

TRANSFERS TO AGENTS: ProPhase will obtain assurances from its Agents that they will safeguard Personal Information consistently with this Policy. Examples of appropriate assurances that may be provided by Agents include: a contract obligating the Agent to provide at least the same level of protection as is required by the relevant Safe Harbor Principles, being subject to EU Directive 95/46/EC (the EU Data Protection Directive), Safe Harbor certification by the Agent, or being subject to another European Commission adequacy finding (e.g., companies located in Canada). Where ProPhase has knowledge that an Agent is using or disclosing Personal Information in a manner contrary to this Policy, ProPhase will take reasonable steps to prevent or stop the use or disclosure.

ACCESS AND CORRECTION: Upon request, ProPhase will grant individuals reasonable access to Personal Information that it holds about them. In addition, ProPhase will take

reasonable steps to permit individuals to correct, amend, or delete information that is demonstrated to be inaccurate or incomplete.

SECURITY: ProPhase will take reasonable precautions to protect Personal Information in its possession from loss, misuse and unauthorized access, disclosure, alteration and destruction.

ENFORCEMENT: ProPhase will conduct compliance audits of its relevant privacy practices to verify adherence to this Policy. Any employee that ProPhase determines intentionally violates this policy will be subject to disciplinary action up to and including termination of employment.

DISPUTE RESOLUTION: Any questions or concerns regarding the use or disclosure of Personal Information should be directed to the ProPhase Privacy Administrator at the address given below. ProPhase will investigate and attempt to resolve complaints and disputes regarding use and disclosure of Personal Information in accordance with the principles contained in this Policy. For complaints that cannot be resolved between ProPhase and the complainant, during the transition period as ProPhase transitions from the Privacy Safe Harbor to the Privacy Shield, ProPhase has committed to refer such unresolved privacy complaints under the Privacy Shield to an independent dispute resolution mechanism, the JAMS Privacy Shield Dispute Resolution Program and has committed to cooperate with the panel established by local data protection authorities and comply with the advice given by the panel with respect to Employee and human resources data. For more information and to submit a complaint regarding Individual data to JAMS, a dispute resolution provider which has locations in the United States and EU, visit <https://www.jamsadr.com/file-an-eu-us-privacy-shield-or-safe-harbor-claim>. Such independent dispute resolution mechanisms are available to Citizens free of charge. If any request remains unresolved, you may contact the national data protection authority for your EU Member State. You may also have a right, under certain conditions, to invoke binding arbitration under Privacy Shield; for additional information, see <https://www.privacyshield.gov/article?id=ANNEX-I-introduction>.

LIMITATIONS ON APPLICATION OF PRINCIPLES

Adherence by ProPhase to these Safe Harbor Principles may be limited (a) to the extent required or permitted by law or legal process, such as to respond to or investigate a legal or ethical obligation or request or pursuant to court orders, subpoenas, interrogatories or similar directive carrying the force of law; and (b) to the extent expressly permitted by an applicable law, rule or regulation.

INTERNET PRIVACY

ProPhase sees the Internet and the use of other technologies as valuable tools for communicating and interacting with consumers. ProPhase recognizes the importance of maintaining the privacy of information collected online and has created a specific Internet Privacy Policy (the "IPP") governing the treatment of Personal Information collected through web sites that it operates. With respect to Personal Information that is transferred from the European Economic Area or Switzerland to the U.S., the IPP is subordinate to this Policy. However, the IPP also reflects additional legal requirements and evolving standards with respect to Internet privacy. ProPhase's Internet Privacy Policy can be found at [].

ProPhase, LLC

CONTACT INFORMATION

Any questions or concerns regarding the use or disclosure of Personal Information should be directed to ProPhase Privacy Administrator at the following address:

Attn: Privacy Administrator
3 Park Ave., 37th Floor
New York, NY 10016

or by email to: privacy@prophase.com

CHANGES TO THIS SAFE HARBOR PRIVACY POLICY

This Policy may be amended from time to time, consistent with the requirements of the Safe Harbor Principles. A notice will be posted on the ProPhase website (www.ProPhase.com) for 60 days whenever this Safe Harbor Privacy Policy is changed in a material way. To learn more about the Safe Harbor program, and to view ProPhase's certification, please visit <http://www.export.gov/safeharbor/>

EFFECTIVE DATE

September 21, 2012