May 29, 2015

Dear Valued Customer,

We write to inform you that Nestlé HealthCare Nutrition, Inc. (“Nestlé”) and Medline Industries, Inc. (“Medline”) have recently executed an agreement pursuant to which Nestlé has sold to Medline the Compat® line of pumps and administration sets in the US and Canada. For clarity, this sale encompasses ONLY COMPAT pumps and sets. The sale does NOT include Nestlé’s EnteraLite® Infinity® medical device products nor does the sale include the COMPAT-branded feeding tube products, all of which will continue to be sold by Nestlé. A complete list of the products that are included with this sale is set forth in the table on page 2.

We recognize that this sale will have an effect on how you purchase COMPAT products and we are committed to working closely with you, to make this transition as seamless as possible. To facilitate a smooth transition, Nestlé and Medline have agreed to the following:

- Nestlé will continue with “business as usual” during a transition period that will extend until August 31, 2015 (the “Transition Period”). This means that you can continue to place orders for the COMPAT pumps and sets directly from Nestlé, in the same manner as you currently operate, throughout the Transition Period. Effective September 1, 2015 you will purchase your pumps and sets from Medline. Please contact your Medline Sales Representative, via the web at medline.com/feeding-system-info or by calling 1-800-Medline (1-800-633-5463) for more information. During the Transition Period, Medline will work directly with you to set up an account if one does not already exist, to assure a smooth transition to Medline.

- Because Nestlé’s agreement with you contains both COMPAT pumps and sets, as well as other products that will continue to be sold by Nestlé, your existing purchase agreement with Nestlé will continue in full force and effect, except that the COMPAT pumps and sets listed on page 2 will be removed from that agreement by Nestlé as of September 1, 2015. As of that date, these products will transition to Medline. Please be advised that this letter serves as formal notice of the removal of these products from your contract with Nestlé effective September 1, 2015.

- If you are currently renting COMPAT pumps from Nestlé, you will be required to enter into a new rental agreement with Medline or, if you choose not to do so, you will be required to either purchase or return the rental pumps pursuant to the process described in your purchase agreement.

- At the end of the Transition Period, on September 1, 2015, all orders for COMPAT pumps and sets need to be ordered from Medline. Please contact Medline via web at medline.com/feeding-system-info or by calling 1-800-Medline (1-800-633-5463). There will be no change to your ordering process for all other Nestlé products.
Nestlé and Medline are both highly committed to providing you with exceptional products and customer service. Should you have any questions about the enclosed information, please contact your respective Nestlé or Medline sales representative or the applicable company’s Customer Service team. Nestlé’s Customer Service can be reached at 1-877-463-7853; Medline’s Customer Service can be reached at 1-800-Medline (1-800-633-5463).

Sincerely,

Anna Mohl        Luke Stevens
Vice President, U.S. Medical Nutrition Sales    President, Nutrition & Pharmaceuticals
Nestlé HealthCare Nutrition, Inc.      Medline Industries, Inc.