FORM 10-Q

Vitamin Shoppe, Inc. - VSI

Filed: May 04, 2016 (period: March 26, 2016)

Quarterly report with a continuing view of a company's financial position

Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 26, 2016

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

for the transition period from to .

Commission file number: 001-34507

VITAMIN SHOPPE, INC.
(Exact name of registrant as specified in its charter)

Delaware	**11-3664322**
(State or Other Jurisdiction of Incorporation or Organization)	**(IRS Employer Identification No.)**

300 Harmon Meadow Blvd.
Secaucus, New Jersey 07094
(Addresses of Principal Executive Offices, including Zip Code)

(201) 868-5959
(Registrant's Telephone Number, Including Area Code)

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 (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, 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 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 Exchange Act) Yes ☐ No ☒

As of April 15, 2016 Vitamin Shoppe, Inc. had 24,268,995 shares of common stock outstanding.

Forward-Looking Statements

This Quarterly Report on Form 10-Q contains "forward-looking" statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, including, without limitation, statements regarding future financial results and performance, future business prospects, revenue, stores, our ability to implement strategic initiatives and meet market expectations, share repurchases, product offerings, contract manufacturing, supply chain network utilization, intellectual property, integration of acquisitions, working capital, liquidity, capital expenditures, capital needs and interest costs, industry based factors, including the level of competition in the vitamin, mineral and supplement industry, continued demand from the primary markets Vitamin Shoppe, Inc. (the "Company" or "we") serves, consumer perception of our products, the availability of raw materials, as well as economic conditions generally and factors more specific to the Company such as compliance with manufacturing, healthcare, environmental and other regulations, changes in accounting standards, certifications and practices and restrictions imposed by the Company's Revolving Credit Facility (as defined below), including financial covenants and limitations on the Company's ability to incur additional indebtedness and the Company's future capital requirements, and other risks, uncertainties and factors set forth under Item 1A., entitled "Risk Factors", in the Company's Annual Report on Form 10-K for the fiscal year ended December 26, 2015 and in our other reports and documents filed with the Securities and Exchange Commission (the "SEC"). You can identify these forward-looking statements by the use of words such as "outlook", "believes", "expects", "potential", "continues", "may", "will", "should", "seeks", "predicts", "intends", "plans", "estimates", "anticipates", "target", "could" or the negative version of these words or other comparable words. These statements are subject to various risks and uncertainties, many of which are outside our control, including, among others, product liability claims and recalls, the availability of insurance, the strength of the economy, changes in the overall level of consumer spending, the performance of the Company's products within the prevailing retail environment, trade restrictions, international operations, availability of suitable store locations at appropriate terms, new credit card technology, e-commerce relationships, disruptions of manufacturing, warehouse or distribution facilities or information systems, and other specific factors discussed herein and in other SEC filings by us (including our reports on Forms 10-K and 10-Q filed with the SEC).

We believe that all forward-looking statements are based on reasonable assumptions when made; however, we caution that it is impossible to predict actual results or outcomes or the effects of risks, uncertainties or other factors on anticipated results or outcomes with certainty and that, accordingly, one should not place undue reliance on these statements. Forward-looking statements speak only as of the date when made and we undertake no obligation to update these statements in light of subsequent events or developments. Actual results may differ materially from anticipated results or outcomes discussed in any forward-looking statement.

TABLE OF CONTENTS

PART I. FINANCIAL INFORMATION

Item 1. ***Financial Statements***

VITAMIN SHOPPE, INC. AND SUBSIDIARY
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except share and per share data)
(Unaudited)

	March 26, 2016	December 26, 2015
ASSETS		
Current assets:		
Cash and cash equivalents	$ 2,096	$ 15,104
Accounts receivable, net of allowance of $897 and $897 in 2016 and 2015, respectively	5,609	7,437
Inventories	227,796	226,830
Prepaid expenses and other current assets	29,438	25,194
Total current assets	264,939	274,565
Property and equipment, net of accumulated depreciation and amortization of $281,913 and $274,222 in 2016 and 2015, respectively	138,718	140,158
Goodwill	243,269	243,269
Other intangibles, net	86,903	87,270
Other assets	2,750	3,429
Total assets	$ 736,579	$ 748,691
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Revolving credit facility	$ 6,000	$ 8,000
Accounts payable	54,253	41,217
Accrued expenses and other current liabilities	70,064	68,259
Total current liabilities	130,317	117,476
Convertible notes, net	116,743	115,410
Deferred rent	39,461	39,889
Other long-term liabilities	611	615
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, $0.01 par value; 250,000,000 shares authorized and no shares issued and outstanding at March 26, 2016 and December 26, 2015	—	—
Common stock, $0.01 par value; 400,000,000 shares authorized, 24,415,944 shares issued and 24,288,845 shares outstanding at March 26, 2016, and 25,993,715 shares issued and 25,873,581 shares outstanding at December 26, 2015	244	260
Additional paid-in capital	99,511	139,827
Treasury stock, at cost; 127,099 shares at March 26, 2016 and 120,134 shares at December 26, 2015	(5,440)	(5,225)
Accumulated other comprehensive loss	(149)	(60)
Retained earnings	355,281	340,499
Total stockholders' equity	449,447	475,301
Total liabilities and stockholders' equity	$ 736,579	$ 748,691

See accompanying notes to condensed consolidated financial statements.

VITAMIN SHOPPE, INC. AND SUBSIDIARY
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(In thousands, except share and per share data)
(Unaudited)

	Three Months Ended	
	March 26, 2016	**March 28, 2015**
Net sales	$ 336,774	$ 336,835
Cost of goods sold	220,527	222,186
Gross profit	116,247	114,649
Selling, general and administrative expenses	88,985	83,694
Income from operations	27,262	30,955
Interest expense, net	2,262	164
Income before provision for income taxes	25,000	30,791
Provision for income taxes	10,218	12,091
Net income	$ 14,782	$ 18,700
Weighted average common shares outstanding		
Basic	24,802,335	29,497,599
Diluted	25,009,058	29,867,344
Net income per common share		
Basic	$ 0.60	$ 0.63
Diluted	$ 0.59	$ 0.63

See accompanying notes to condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In thousands)
(Unaudited)

	Three Months Ended	
	March 26, 2016	**March 28, 2015**
Net income	$ 14,782	$ 18,700
Other comprehensive income (loss):		
Foreign currency translation adjustments	(89)	93
Other comprehensive income (loss)	(89)	93
Comprehensive income	$ 14,693	$ 18,793

See accompanying notes to condensed consolidated financial statements.

VITAMIN SHOPPE, INC. AND SUBSIDIARY
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Three Months Ended	
	March 26, 2016	**March 28, 2015**
Cash flows from operating activities:		
Net income	$ 14,782	$ 18,700
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization of fixed and intangible assets	10,063	9,227
Impairment charges on fixed assets	218	—
Amortization of deferred financing fees	237	39
Amortization of debt discount on convertible notes	1,134	—
Deferred income taxes	612	234
Deferred rent	(709)	(506)
Equity compensation expense	1,710	2,143
Issuance of shares for services rendered	167	—
Tax benefits on exercises of equity awards	117	(113)
Contingent consideration for acquisition of FDC Vitamins, LLC	—	(959)
Changes in operating assets and liabilities:		
Accounts receivable	1,828	3,110
Inventories	(554)	(26,303)
Prepaid expenses and other current assets	(4,245)	(197)
Other long-term assets	7	(219)
Accounts payable	12,442	9,648
Accrued expenses and other current liabilities	5,123	(9,783)
Other long-term liabilities	263	513
Net cash provided by operating activities	43,195	5,534
Cash flows from investing activities:		
Capital expenditures	(11,681)	(11,274)
Acquisition of FDC Vitamins, LLC	—	487
Trademarks and other intangible assets	(91)	(149)
Net cash used in investing activities	(11,772)	(10,936)
Cash flows from financing activities:		
Borrowings under revolving credit facility	15,000	18,000
Repayments of borrowings under revolving credit facility	(17,000)	(8,000)
Bank overdraft	141	4,538
Contingent consideration payment for acquisition of FDC Vitamins, LLC	—	(4,041)
Proceeds from exercises of common stock options	—	783
Issuance of shares under employee stock purchase plan	164	207
Tax benefits on exercises of equity awards	(117)	113
Purchases of treasury stock	(215)	(101)
Purchases of shares under Share Repurchase Programs	(42,307)	(16,541)
Other financing activities	(20)	(24)
Net cash used in financing activities	(44,354)	(5,066)
Effect of exchange rate changes on cash and cash equivalents	(77)	156
Net decrease in cash and cash equivalents	(13,008)	(10,312)

Cash and cash equivalents beginning of period	15,104	12,166
Cash and cash equivalents end of period	$ 2,096	$ 1,854
Supplemental disclosures of cash flow information:		
Interest paid	$ 65	$ 65
Income taxes paid	$ 59	$ 1,630
Supplemental disclosures of non-cash investing activities:		
Liability for purchases of property and equipment	$ 4,582	$ 4,649

See accompanying notes to condensed consolidated financial statements.

VITAMIN SHOPPE, INC. AND SUBSIDIARY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

1. Basis of Presentation

Vitamin Shoppe, Inc. ("VSI"), is incorporated in the State of Delaware, and through its wholly-owned subsidiary, Vitamin Shoppe Industries Inc. ("Subsidiary" or "Industries" together with VSI, the "Company"), is a multi-channel specialty retailer and contract manufacturer of nutritional products. Sales of both national brands and our own brands of vitamins, minerals, herbs, specialty supplements, sports nutrition and other health and wellness products ("VMS products") are made through VSI-operated retail stores and the internet to customers located primarily in the United States. The Company manufactures products for both sales to third parties as well as for the VSI product assortment.

The condensed consolidated financial statements as of March 26, 2016 and March 28, 2015 are unaudited. The condensed consolidated balance sheet as of December 26, 2015 was derived from our audited financial statements. All intercompany transactions and balances have been eliminated in consolidation. In addition, certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") have been condensed or omitted. The interim financial statements reflect all adjustments, which are, in the opinion of management, necessary for a fair presentation in conformity with GAAP. The interim financial statements should be read in conjunction with the audited financial statements and notes thereto included in the Form 10-K for the fiscal year ended December 26, 2015, as filed with the Securities and Exchange Commission on February 23, 2016 (the "Fiscal 2015 Form 10-K"). The results of operations for the interim periods should not be considered indicative of results to be expected for the full year.

The Company's fiscal year ends on the last Saturday in December. As used herein, the term "Fiscal Year" or "Fiscal" refers to a 52-week or 53-week period, ending on the last Saturday in December. Fiscal 2016 is a 53-week fiscal year. The results for the three months ended March 26, 2016 and March 28, 2015 are each based on 13-week periods.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosures of contingent assets and liabilities at the date of the financial statements, and revenue and expenses during the reporting period. Actual results could differ from those estimates.

Except as noted below, the Company has considered all new accounting pronouncements and has concluded that there are no new pronouncements that may have a material impact on its results of operations, financial condition, or cash flows, based on current information.

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update No. 2014-09 ("ASU 2014-09"), Revenue from Contracts with Customers (Topic 606). Under ASU 2014-09, an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. In July 2015, the FASB deferred the effective date of ASU 2014-09 by one year. ASU 2014-09 will be effective for annual reporting periods beginning after December 15, 2017 for public companies and early adoption of ASU 2014-09 is permitted for public companies for annual reporting periods beginning after December 15, 2016. The Company is evaluating ASU 2014-09 to determine if this guidance will have a material impact on the Company's condensed consolidated financial statements.

In July 2015, the FASB issued Accounting Standards Update No. 2015-11 ("ASU 2015-11"), Simplifying the Measurement of Inventory (Topic 330). ASU 2015-11 simplifies the subsequent measurement of inventory by requiring inventory to be measured at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less reasonably predictable costs of completion, disposal and transportation. ASU 2015-11 is effective for public companies for annual reporting periods beginning after December 15, 2016, and interim periods within those fiscal years. Early adoption of ASU 2015-11 is permitted. The Company is evaluating ASU 2015-11 to determine if this guidance will have a material impact on the Company's condensed consolidated financial statements.

In February 2016, the FASB issued Accounting Standards Update No. 2016-02 ("ASU 2016-02"), Leases (Topic 842). ASU 2016-02 was issued by the FASB to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. The main difference between previous GAAP and Topic 842 is the recognition of lease assets and lease liabilities by lessees for those leases classified as operating leases under previous GAAP. ASU 2016-02 will require modified retrospective application at the beginning of our first quarter of Fiscal 2019, but permits adoption in an earlier period. The Company is evaluating ASU 2016-02 in order to determine the impact of this guidance on the Company's condensed consolidated financial statements and

anticipates this guidance will significantly impact our condensed consolidated financial statements given we have a significant number of leases.

In March 2016, the FASB issued Accounting Standards Update No. 2016-09 ("ASU 2016-09"), Compensation-Stock Compensation (Topic 718) Improvements to Employee Share-Based Payment Accounting. ASU 2016-09 addresses simplification of several aspects of the accounting for share-based payment transactions, including the income tax consequences, classification of awards as either equity or liabilities, and classification on the statement of cash flows. ASU 2016-09 is effective for public companies for annual reporting periods beginning after December 15, 2016, and interim periods within those fiscal years. Early adoption of ASU 2016-09 is permitted. The Company is evaluating ASU 2016-09 to determine if this guidance will have a material impact on the Company's condensed consolidated financial statements.

2. Inventories

The components of inventories are as follows (in thousands):

	March 26, 2016	December 26, 2015
Finished goods	$ 210,522	$ 211,879
Work-in-process	6,539	6,180
Raw materials	10,735	8,771
	$ 227,796	$ 226,830

3. Goodwill and Intangible Assets

Goodwill is allocated between the Company's segments (reporting units), retail, direct and manufacturing. The following table discloses the carrying value of all intangible assets (in thousands):

	March 26, 2016			December 26, 2015		
	Gross Carrying Amount	Accumulated Amortization	Net	Gross Carrying Amount	Accumulated Amortization	Net
Intangible assets						
Goodwill	$ 243,269	$ —	$ 243,269	$ 243,269	$ —	$ 243,269
Tradenames – Indefinite-lived	68,405	—	68,405	68,405	—	68,405
Brands	10,000	1,019	8,981	10,000	880	9,120
Customer relationships	7,500	688	6,812	7,500	594	6,906
Tradenames – Definite-lived	4,764	2,882	1,882	4,673	2,722	1,951
Software	1,300	477	823	1,300	412	888
	$ 335,238	$ 5,066	$ 330,172	$ 335,147	$ 4,608	$ 330,539

The useful lives of the Company's definite-lived intangible assets are between 3 to 20 years. The expected amortization expense on definite-lived intangible assets on the Company's condensed consolidated balance sheet at March 26, 2016, is as follows (in thousands):

Remainder of Fiscal 2016	$	1,065
Fiscal 2017		1,422
Fiscal 2018		1,422
Fiscal 2019		1,270
Fiscal 2020		1,163
Thereafter		12,156
	$	18,498

4. Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consist of the following (in thousands):

	March 26, 2016	December 26, 2015
Accrued salaries and related expenses	$ 14,688	$ 10,115
Accrued income taxes	10,183	4
Sales tax payable and related expenses	7,922	6,975
Deferred sales	7,086	20,483
Accrued fixed asset additions	2,471	5,842
Other accrued expenses	27,714	24,840
	$ 70,064	$ 68,259

5. Credit Arrangements

Convertible Senior Notes due 2020

On December 9, 2015, the Company completed an offering of $143.8 million of its 2.25% Convertible Senior Notes due 2020 (the "Convertible Notes"). The Convertible Notes are senior unsecured obligations of the Company. Interest on the Convertible Notes is payable on June 1 and December 1 of each year, commencing on June 1, 2016 until their maturity date of December 1, 2020. The Company may not redeem the Convertible Notes prior to the maturity date.

Prior to July 1, 2020, the Convertible Notes will be convertible only under certain circumstances. The Convertible Notes will be convertible at an initial conversion rate of 25.1625 shares of the Company's common stock per $1,000 principal amount of the Convertible Notes, which is equivalent to an initial conversion price of approximately $39.74. The conversion rate will be subject to adjustment in some events but will not be adjusted for any accrued and unpaid interest. In addition, following certain corporate events that occur prior to the maturity date, the Company is required to increase, in certain circumstances, the conversion rate for a holder who elects to convert its Convertible Notes in connection with such a corporate event including customary conversion rate adjustments in connection with a "make-whole fundamental change" as defined. Upon conversion, the Company may satisfy its conversion obligation by paying or delivering, as applicable, cash, shares of its common stock or a combination of cash and shares of its common stock, at its election.

The Company allocated the principal amount of the Convertible Notes between its liability and equity components (see table below). The carrying amount of the liability component was determined by measuring the fair value of a similar debt instrument of similar credit quality and maturity that did not have the conversion feature. The carrying amount of the equity component, representing the embedded conversion option, was determined by deducting the fair value of the liability component from the principal amount of the Convertible Notes as a whole. The equity component was recorded to additional

paid-in capital and is not remeasured as long as it continues to meet the conditions for equity classification. The excess of the principal amount of the Convertible Notes over the carrying amount of the liability component was recorded as a debt discount, and is being amortized to interest expense using an effective interest rate of 3.8% over the term of the Convertible Notes. The Company allocated the total amount of transaction costs incurred to the liability and equity components using the same proportions as the proceeds from the Convertible Notes. Transaction costs attributable to the liability component were recorded as a direct deduction from the liability component of the Convertible Notes, and are being amortized to interest expense using the effective interest method through the maturity date. Transaction costs attributable to the equity component were netted with the equity component of the Convertible Notes in additional paid-in capital.

The Convertible Notes consist of the following components (in thousands):

	March 26, 2016	December 26, 2015
Liability component:		
Principal	$ 143,750	$ 143,750
Conversion feature	(24,800)	(24,800)
Liability portion of debt issuance costs	(3,792)	(3,800)
Amortization	1,585	260
Net carrying amount	$ 116,743	$ 115,410
Equity component:		
Conversion feature	$ 24,800	$ 24,800
Equity portion of debt issuance costs	(793)	(793)
Deferred taxes	941	941
Net carrying amount	$ 24,948	$ 24,948

In connection with the issuance of the Convertible Notes, the Company entered into convertible note hedge transactions for which it paid an aggregate $26.4 million. In addition, the Company sold warrants for which it received aggregate proceeds of $13.0 million. The convertible note hedge transactions are expected generally to reduce potential dilution of the Company's common stock upon any conversion of notes and/or offset any cash payments the Company is required to make in excess of the principal amount of converted notes. However, the warrant transaction could separately have a dilutive effect to the extent that the market value per share of the Company's common stock exceeds the applicable strike price of the warrant transactions, which is approximately $52.99 at inception. As these transactions meet certain accounting criteria, the convertible note hedge and warrant transactions are recorded in stockholders' equity, are not accounted for as derivatives and are not remeasured each reporting period.

The net proceeds from the Convertible Notes and related transactions of $125.7 million, net of commissions and offering costs of $4.6 million, were used to repurchase shares of the Company's common stock under the Company's share repurchase programs. Refer to Note 9. Share Repurchase Programs for additional information.

Revolving Credit Facility

As of March 26, 2016 and as of December 26, 2015, the Company had $6.0 million and $8.0 million of borrowings outstanding on its Revolving Credit Facility (the "Revolving Credit Facility"), respectively.

Subject to the terms of the Revolving Credit Facility, which has a maturity date of October 11, 2018, the Company may borrow up to $90.0 million, with a Company option to increase the facility up to a total of $150.0 million. The availability under the Revolving Credit Facility is subject to a borrowing base calculated on the value of certain accounts receivable as well as certain inventory of the Company. The obligations thereunder are secured by a security interest in substantially all of the assets of the Company. Under the Revolving Credit Facility, VSI has guaranteed the Company's obligations, and Industries and its wholly-owned subsidiaries have each guaranteed the obligations of the other respective entities. The Revolving Credit Facility provides for affirmative and negative covenants affecting the Company. The Revolving Credit Facility restricts, among other things, the Company's ability to incur indebtedness, create or permit liens on the Company's assets, declare or pay dividends and make certain other restricted payments, consolidate, merge or recapitalize, sell assets, make certain investments,

loans or other advances, enter into transactions with affiliates, change our line of business, and restricts the types of hedging activities the Company can enter into. The largest amount borrowed during the three months ended March 26, 2016 and March 28, 2015 was $15.0 million and $18.0 million, respectively. The unused available line of credit under the Revolving Credit Facility at March 26, 2016 was $81.1 million.

Borrowings under the Revolving Credit Facility accrue interest, at the Company's option, at the rate per annum based on an "alternative base rate" plus 0.25% or 0.50% or the adjusted Eurodollar rate plus 1.25% or 1.50%, in each case with the higher spread applicable in the event that the aggregate amount of the borrowings under the Revolving Credit Facility exceeds 50% of the borrowing base availability under the Revolving Credit Facility. The weighted average interest rate for the Revolving Credit Facility during the three months ended March 26, 2016 and March 28, 2015 was 1.70% and 1.44%, respectively. The commitment fee on the undrawn portion of the $90.0 million Revolving Credit Facility was 0.25% as of March 26, 2016 and December 26, 2015.

Interest expense, net for the three months ended March 26, 2016 and March 28, 2015 consists of the following (in thousands):

	Three Months Ended	
	March 26, 2016	March 28, 2015
Amortization of debt discount on convertible notes	$ 1,134	$ —
Interest on convertible notes	804	—
Amortization of deferred financing fees	237	39
Interest / fees on the revolving credit facility and other interest	87	125
Interest expense, net	$ 2,262	$ 164

6. Stock Based Compensation

Equity Incentive Plans – The Company has two equity incentive plans that provide stock based compensation to certain directors, officers, consultants and employees of the Company; the 2006 Stock Option Plan (the "2006 Plan") and the Vitamin Shoppe 2009 Equity Incentive Plan (the "2009 Plan"). As of March 26, 2016, there were 2,079,960 shares available to grant under both plans which includes 127,099 shares currently held by the Company as treasury stock.

The following table summarizes restricted shares for the 2009 Plan as of March 26, 2016 and changes during the three month period then ended:

	Number of Unvested Restricted Shares	Weighted Average Grant Date Fair Value
Unvested at December 26, 2015	398,562	$ 42.65
Granted	133,227	$ 30.14
Vested	(17,410)	$ 46.71
Canceled/forfeited	(57,439)	$ 45.12
Unvested at March 26, 2016	456,940	$ 38.54

The total intrinsic value of restricted shares vested during the three months ended March 26, 2016 and March 28, 2015, was $0.5 million and $0.2 million, respectively.

The following table summarizes stock options for the 2006 and 2009 Plans as of March 26, 2016 and changes during the three month period then ended:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (years)	Aggregate Intrinsic Value (in thousands)
Outstanding at December 26, 2015	284,838	$ 22.65		
Granted	212,617	$ 30.26		
Exercised	—	$ —		
Canceled/forfeited	(292)	$ 34.19		
Outstanding at March 26, 2016	497,163	$ 25.89	5.67	$ 2,675
Vested or expected to vest at March 26, 2016	482,375	$ 25.89	5.67	
Vested and exercisable at March 26, 2016	282,046	$ 22.35	2.44	$ 2,675

There were no options exercised during the three months ended March 26, 2016. The total intrinsic value of options exercised during the three months ended March 28, 2015 was $0.7 million. The cash received from options exercised during the three months ended March 28, 2015 was $0.8 million.

Stock options granted during the three months ended March 26, 2016 shall become vested in equal installments on the first, second and third anniversaries of the date on which such equity grants were awarded.

The following table summarizes performance share units for the 2009 Plan as of March 26, 2016 and changes during the three month period then ended:

	Number of Unvested Performance Share Units	Weighted Average Grant Date Fair Value
Unvested at December 26, 2015	—	$ —
Granted	116,628	$ 30.26
Vested	—	$ —
Canceled/forfeited	—	$ —
Unvested at March 26, 2016	116,628	$ 30.26

Performance share units granted during the three months ended March 26, 2016 shall become vested on December 29, 2018 if the performance criteria are achieved. Performance share units can vest at a range of 25% to 150% based on the achievement of pre-established performance targets.

The following table summarizes restricted share units for the 2009 Plan as of March 26, 2016 and changes during the three month period then ended:

	Number of Unvested Restricted Share Units	Weighted Average Grant Date Fair Value
Unvested at December 26, 2015	11,280	$ 37.25
Granted	—	$ —
Vested	(3,760)	$ 37.25
Canceled/forfeited	—	$ —
Unvested at March 26, 2016	7,520	$ 37.25

The total intrinsic value of restricted share units vested during the three months ended March 26, 2016 and March 28, 2015, was $0.1 million and $0.4 million, respectively.

Compensation expense attributable to stock based compensation for the three months ended March 26, 2016 and March 28, 2015, was approximately $1.7 million and $2.1 million, respectively. As of March 26, 2016, the remaining unrecognized stock based compensation expense for non-vested stock options, restricted shares, performance share units and restricted share units to be expensed in future periods is $13.0 million, and the related weighted-average period over which it is

expected to be recognized is 2.1 years. Forfeitures are estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. The Company estimates forfeitures based on its historical forfeiture rate since the inception of granting stock based awards. The estimated value of future forfeitures for stock options, restricted shares, performance share units and restricted share units as of March 26, 2016 is approximately $1.1 million.

The weighted-average grant date fair value of stock options was $8.30 during the three months ended March 26, 2016. Stock options were not granted during the three months ended March 28, 2015. The fair value of each option grant was estimated on the date of grant using the Black-Scholes option-pricing model with the following assumptions:

	Three Months Ended
	March 26, 2016
Expected dividend yield	0.0%
Weighted average expected volatility	32.6%
Weighted average risk-free interest rate	1.2%
Expected holding period	4.00 years

Treasury Stock – As part of the Company's equity incentive plans, the Company makes required tax payments on behalf of employees as their restricted shares vest. The Company withholds the number of vested shares having a value on the date of vesting equal to the minimum statutory tax obligation. The shares withheld are recorded as treasury shares. During the three months ended March 26, 2016, the Company purchased 6,965 shares in settlement of employees' tax obligations for a total of $0.2 million. The Company accounts for treasury stock using the cost method. These shares are available to grant under the Company's equity incentive plans.

7. Advertising Costs

The costs of advertising for online marketing arrangements, magazines, direct mail and radio are expensed the first time the advertising takes place. Advertising expense was $5.9 million and $6.5 million for the three months ended March 26, 2016 and March 28, 2015, respectively.

8. Net Income Per Share

The Company's basic net income per share excludes the dilutive effect of stock options, unvested restricted shares, unvested performance share units and unvested restricted share units. It is based upon the weighted average number of common shares outstanding during the period divided into net income.

Diluted net income per share reflects the potential dilution that would occur if securities or other contracts to issue common stock were exercised or converted into common stock. Stock options, unvested restricted shares, unvested performance share units and unvested restricted share units are included as potential dilutive securities for the periods applicable, using the treasury stock method to the extent dilutive.

The components of the calculation of basic net income per common share and diluted net income per common share are as follows (in thousands except share and per share data):

	Three Months Ended	
	March 26, 2016	March 28, 2015
Numerator:		
Net income	$ 14,782	$ 18,700
Denominator:		
Basic weighted average common shares outstanding	24,802,335	29,497,599
Effect of dilutive securities:		
Stock options	73,372	123,583
Restricted shares	132,617	244,585
Performance share units	169	—
Restricted share units	565	1,577
Diluted weighted average common shares outstanding	25,009,058	29,867,344
Basic net income per common share	$ 0.60	$ 0.63
Diluted net income per common share	$ 0.59	$ 0.63

Stock options and restricted shares for the three months ended March 26, 2016 and March 28, 2015 in the amount of 10,159 shares and 10,015 shares, respectively, have been excluded from the above calculation as they were anti-dilutive.

The Company has the intent and ability to settle the principal portion of its Convertible Notes in cash, and as such, has applied the treasury stock method, which has resulted in the underlying convertible shares being anti-dilutive for the three months ended March 26, 2016 as the Company's average stock price was less than the conversion price. Refer to Note 5. Credit Arrangements for additional information on the Convertible Notes.

9. Share Repurchase Programs

On August 5, 2014, May 6, 2015 and November 23, 2015, the Company's board of directors approved share repurchase programs that enable the Company to purchase up to an aggregate of $300 million of its shares of common stock from time to time over three year periods ending on August 4, 2017, May 5, 2018 and November 22, 2018, respectively. As of March 26, 2016, 7,181,363 shares have been repurchased for a total of $246.2 million. The repurchase program does not obligate the Company to acquire any specific number of shares of its common stock and may be suspended, terminated or modified at any time for any reason, including market conditions, the cost of repurchasing such shares, the availability of alternative investment opportunities, liquidity, and other factors deemed appropriate. These factors may also affect the timing and amount of share repurchases.

During the three months ended March 26, 2016 and March 28, 2015, the Company repurchased 787,875 and 400,000 shares, respectively, of its common stock in the open market. The shares were retired upon repurchase. Open market share repurchases were $23.3 million in the three months ended March 26, 2016 and $16.5 million in the three months ended March 28, 2015 with average repurchase prices per share of $29.56 and $41.35, respectively. In the first fiscal quarter of 2016, the Company also repurchased 646,666 shares of its common stock for $19.0 million, or $29.40 per share, under a 10b5-1 program which the Company entered into to purchase shares under predetermined criteria.

Additionally, the Company has entered into accelerated share repurchase ("ASR") arrangements with financial institutions. In exchange for an up-front payment, the financial institutions initially delivered shares of the Company's common stock. The total number of shares ultimately delivered, and therefore the average repurchase price paid per share, is determined at the end of the purchase period of each ASR based on the volume weighted-average price of the Company's common stock during that period. The shares were retired in the periods they are delivered, and each up-front payment was accounted for as a reduction to stockholders' equity in the Company's Condensed Consolidated Balance Sheet in the period the payment was made. The Company reflects each ASR as a repurchase of common stock in the period delivered for purposes of calculating earnings per share and as a forward contract indexed to its own common stock. The ASRs met all of the applicable criteria for equity classification, and therefore, were not accounted for as derivative instruments.

The following table summarizes the Company's ASR arrangements:

Beginning of ASR Period	Up-front Payment (in millions)	Initial Share Deliveries	End of ASR Period	Final Shares Delivered	Average Repurchase Price
November, 2014	$ 50.0	982,714	January, 2015	88,325	$ 46.68
December, 2015	$ 50.0	1,391,940	February, 2016	235,053	$ 30.73

10. Legal Proceedings

The Company is party to various lawsuits arising from time to time in the normal course of business, some of which are covered by insurance. Although the impact of the final resolution of these matters on the Company's financial condition, results of operations or cash flows is not known, management does not believe that the resolution of these lawsuits will have a material adverse effect on the financial condition, results of operations or liquidity of the Company.

11. Segment Data

The Company currently operates three business segments, retail, direct and manufacturing. The operating segments are segments of the Company for which separate financial information is available and for which operating results are evaluated regularly by executive management in deciding how to allocate resources and in assessing performance. The Company's management evaluates segment operating results based on several indicators. The primary key performance indicators are sales and operating income for each segment. The table below represents key financial information for each of the Company's business segments as well as corporate costs. The retail segment primarily includes the Company's retail stores. The retail segment generates revenue primarily through the sale of VMS products through Vitamin Shoppe and Super Supplements retail stores in the United States and Puerto Rico. The direct segment generates revenue through the sale of VMS products primarily through the Company's websites. The Company's websites offer customers online access to a full assortment of approximately 18,000 SKUs. The manufacturing segment supplies the retail and direct segments, along with various thirds parties, with finished products for sale. Corporate costs represent all other expenses not allocated to the retail, direct or manufacturing segments which include, but are not limited to: human resources, legal, retail management, direct management, finance, information technology, depreciation (primarily related to assets utilized by the retail and direct business segments as well as corporate assets) and amortization, and various other corporate level activity related expenses. Intercompany sales transactions are eliminated in consolidation.

The Company’s segments are designed to allocate resources internally and provide a framework to determine management responsibility. The accounting policies of the segments are consistent with those described in Note 2. Summary of Significant Accounting Policies in the Fiscal 2015 Form 10-K. The Company has allocated $165.3 million, $45.3 million and $32.6 million of its recorded goodwill to the retail, direct and manufacturing segments, respectively. The Company does not have identifiable assets separated by segment, with the exception of the identifiable assets of the manufacturing segment which were $91.6 million and $88.4 million as of March 26, 2016 and December 26, 2015, respectively. Capital expenditures for the manufacturing segment for the three months ended March 26, 2016 and March 28, 2015 were approximately $0.4 million and $1.1 million, respectively. At March 26, 2016 and December 26, 2015, long lived assets of the manufacturing segment were $60.0 million and $60.4 million, respectively. Depreciation and amortization expense, included in selling, general and administrative expenses, for the manufacturing segment during the three months ended March 26, 2016 and March 28, 2015 was approximately $0.4 million and $0.3 million, respectively.

The following table contains key financial information of the Company’s business segments (in thousands):

	Three Months Ended	
	March 26, 2016	March 28, 2015
Net sales:		
Retail	$ 288,012	$ 287,983
Direct	35,852	34,844
Manufacturing	20,560	21,828
Segment net sales	344,424	344,655
Elimination of intersegment revenues	(7,650)	(7,820)
Net sales	$ 336,774	$ 336,835
Income (Loss) from operations:		
Retail	$ 56,663	$ 56,059
Direct	5,186	5,065
Manufacturing	(262)	299
Corporate costs (1)	(34,325)	(30,468)
Income from operations	$ 27,262	$ 30,955

(1) Corporate costs include (in thousands):

	Three Months Ended	
	March 26, 2016	March 28, 2015
Depreciation and amortization expenses	$ 9,669	$ 8,880
Super Supplements conversion costs (a)	1,275	—
Canada stores closing costs (b)	1,099	—
Reinvention strategy costs (c)	541	—
Integration costs (d)	—	360

(a) Costs related to the closure of the Seattle distribution center.
(b) Costs primarily include lease termination charges.
(c) The costs represent outside consultants fees in connection with the Company's "reinvention strategy".
(d) Represents integration costs related to the acquisition of Nutri-Force, consisting primarily of professional fees.

12. Fair Value of Financial Instruments

The fair value hierarchy requires the categorization of assets and liabilities into three levels based upon the assumptions (inputs) used to price the assets or liabilities. Level 1 provides the most reliable measure of fair value, while Level 3 generally requires significant management judgment. The three levels are defined as follows:

- Level 1: Unadjusted quoted prices in active markets for identical assets and liabilities.
- Level 2: Observable inputs other than those included in Level 1. For example, quoted prices for similar assets or liabilities in active markets or quoted prices for identical assets or liabilities in inactive markets.
- Level 3: Unobservable inputs reflecting management's own assumptions about the inputs used in pricing the asset or liability.

The Company's financial instruments include cash, accounts receivable, accounts payable and its Revolving Credit Facility. The Company believes that the recorded values of these financial instruments approximate their fair values due to their nature and respective durations.

The following table contains information of the Company's Convertible Notes (in thousands):

	March 26, 2016	December 26, 2015
Fair Value	$ 113,011	$ 119,784
Carrying Value	116,743	115,410

The fair value of the Convertible Notes was determined based on inputs that are observable in the market or that could be derived from, or corroborated with, observable market data, including the trading price of the Company's Convertible Notes, when available, the Company's stock price and interest rates based on similar debt issued by parties with credit ratings similar to the Company (Level 1 or 2).

Certain assets are measured at fair value on a non-recurring basis, that is, the assets are subject to fair value adjustments in certain circumstances such as when there is evidence of impairment. These measures of fair value, and related inputs, are considered Level 2 or 3 measures under the fair value hierarchy.

Item 2. ***Management's Discussion and Analysis of Financial Condition and Results of Operations***

The following Management's Discussion and Analysis of Financial Condition and Results of Operations should be read in conjunction with the condensed consolidated financial statements and notes thereto included as part of this quarterly report on Form 10-Q.

Company Overview

We are a multi-channel specialty retailer and contract manufacturer of vitamins, minerals, herbs, specialty supplements, sports nutrition and other health and wellness products. As of March 26, 2016, we operated 766 stores in 45 states, the District of Columbia and Puerto Rico and also sold our products directly to consumers through the internet, primarily at www.vitaminshoppe.com. We market approximately 850 nationally recognized brands as well as our own brands, which include Vitamin Shoppe®, BodyTech®, True Athlete®, Mytrition®, plnt®, ProBioCare™, Next Step® and Betancourt Nutrition™. We believe we offer one of the largest varieties of products among vitamin, mineral and supplement ("VMS") retailers and continue to refine our assortment with approximately 7,500 stock keeping units ("SKUs") offered in our typical store and approximately 10,500 additional SKUs available through e-commerce. Our broad product offering enables us to provide our customers with a depth of selection of products that may not be readily available at other specialty retailers or mass merchants, such as discount stores, supermarkets, drugstores and wholesale clubs. We believe our product offering and emphasis on product knowledge and customer service helps us meet the needs of our target customer and serves as a foundation for enhancing customer loyalty.

During the second quarter of Fiscal 2015, the Company began development of a strategic plan focused on upgrading our customers' experience across our retail and e-commerce channels, the "reinvention strategy". We worked with outside consultants to analyze qualitative and quantitative information relevant to our customers' experience. The reinvention strategy is focused on upgrading the customer experience to inspire our target customers with changes to curate our product assortment, opportunities to increase private brands penetration, enhancements to the in-store and digital experience, store layout, as well as changes to improve the effectiveness of our loyalty program. Such changes may result in a reduction of SKUs offered by the Company which could result in the recognition of related inventory charges in future periods. We expect to incur approximately $10.0 million to $15.0 million of selling, general and administrative costs during Fiscal 2016 in connection with the reinvention strategy, of which approximately $6.0 million to $8.0 million of such costs are expected to be on-going. These costs include additional internal resources, improvements to store network connectivity, and outside consultants. During the first quarter of Fiscal 2016, we incurred $2.0 million of costs in connection with the reinvention strategy. The Company expects to realize improved financial results from the reinvention strategy beginning in Fiscal 2017. In addition, we have engaged a consulting firm in Fiscal 2016 to identify other efficiencies and cost reduction opportunities focusing on product sourcing, store operations and corporate expenses.

In an on-going effort to identify efficiencies and stream-line processes, we performed a review of certain business operations in Fiscal 2015. As part of this review, we implemented changes to the product assortment and supply chain operations of Super Supplements to more closely align Super Supplements with current processes and assortments in the Vitamin Shoppe retail stores. As a result, net costs of $1.0 million were incurred during the first quarter of Fiscal 2016. Annual cost savings resulting from these actions are estimated to be $1 million to $2 million. In addition, the Company evaluated its Canadian operations in order to determine whether to continue investments in the Canadian market and decided to cease operations, closing one store in the first quarter and closing the remaining two stores in the second quarter of Fiscal 2016. As a result, net costs of $0.9 million were incurred during the first quarter and costs of approximately $2.0 million are expected to be

incurred during the second quarter of Fiscal 2016. The annual cost savings related to ceasing operations in Canada are estimated to be approximately $1.0 million. Costs for these two initiatives include lease liabilities, markdown charges on inventory and employee severance.

Highlights for the First Quarter of Fiscal 2016

- Net sales were flat compared to the same period of the prior year
- Total comparable net sales decreased 1.9%
- Comparable store net sales decreased 2.6%
- Comparable e-commerce net sales increased 3.9%
- The Company opened 9 stores
- The Company re-purchased 1.7 million shares of its common stock
- Fully diluted earnings per share of $0.59

Segment Information

We operate through three business segments: retail, which includes Vitamin Shoppe and Super Supplements retail store formats, direct, which consists of our e-commerce and catalog formats, and manufacturing, which consists of the Nutri-Force manufacturing operations.

Retail. Through our retail store formats, we believe we differentiate ourselves in the VMS industry, which has been successful across geographic and demographic markets. What makes us unique is our broad selection of VMS products and our stores are staffed with trained and knowledgeable employees, who we refer to as Health Enthusiasts®, and who are able to inform our customers about product features and assist in product selection.

Direct. We also sell our products directly to consumers through the internet, primarily at *www.vitaminshoppe.com*. Our e-commerce sites complement our in-store experience by extending our retail product offerings with approximately 10,500 additional SKUs that are not available in our stores and enable us to access customers outside our retail markets and those who prefer to shop online.

Manufacturing. Through Nutri-Force, we provide custom manufacturing and private labeling of VMS products and develop and market our own branded products for both sales to third parties and for the VSI product assortment.

Trends and Other Factors Affecting Our Business

Our performance is affected by industry trends including, among others, demographic, health and lifestyle preferences, as well as other factors, such as industry media coverage and governmental actions. For example, our industry is subject to potential regulatory activity and other legal matters that could affect the credibility of a given product or category of products. Consumer trends, such as those described in the following paragraph, the overall impact on consumer spending, which may be affected heavily by current economic conditions, and limited product innovation and introductions in the VMS industry can dramatically affect purchasing patterns. Even though our business model allows us to respond to changing industry trends by introducing new products and adjusting our product mix and sales incentives, such actions may not offset adverse trends. Additionally, our performance is affected by competitive trends such as the entry of new competitors, changes in promotional strategies or expansion of product assortment by various competitors.

Sales of weight management products are generally more sensitive to consumer trends, such as increased demand for products recommended by the media, resulting in higher volatility than our other products. In addition to the weight management product lines, we intend to continue our focus in meeting the demands of a rapidly growing health conscious public.

Our historical results have also been significantly influenced by our new store openings. Since the beginning of Fiscal 2014, we have opened 120 stores and as of March 26, 2016 operate 766 stores located in 45 states, the District of Columbia and Puerto Rico. In Fiscal 2016, we have reduced the number of new store openings as we continue to evaluate and implement our reinvention strategy. We plan to open approximately 30 new stores in Fiscal 2016.

New stores have typically required approximately four to five years to mature, generating lower store level sales in the

initial years than our mature stores. As a result, new stores generally have a negative impact on our overall operating margin. In addition, our new stores since the beginning of Fiscal 2013 are approximately 2,900 square feet compared to the average of our total store portfolio of approximately 3,500 square feet. Additionally, stores opened in new markets have lower brand awareness compared to stores in existing markets, and as a result initially experience a lower sales volume than stores opened in existing markets. As these stores mature, we expect them to contribute meaningfully to our operating results.

In Fiscal 2015, the Company began implementation of a new warehouse management system application ("WMS") at its Ashland, Virginia distribution center in order to realize further productivity improvements and functionality. Implementation of the new WMS is expected to be completed in Fiscal 2016.

Critical Accounting Policies

Our significant accounting policies are described in Note 2 of the Notes to Consolidated Financial Statements included in our financial statements in the Fiscal 2015 Form 10-K. A discussion of our critical accounting policies and estimates is included in Management's Discussion and Analysis of Financial Condition and Results of Operations in the Fiscal 2015 Form 10-K. Management has discussed the development and selection of these policies with the Audit Committee of our Board of Directors, and the Audit Committee of our Board of Directors has reviewed the disclosures relating to them. Management believes there have been no material changes to the critical accounting policies or estimates reported in the Management's Discussion and Analysis of Financial Condition and Results of Operations section of the Fiscal 2015 Form 10-K.

General Definitions for Operating Results

Net Sales consist of sales, net of sales returns, deferred sales, customer incentives and a provision for estimated future returns, from comparable and non comparable sales. Total comparable net sales include sales generated by retail stores after 410 days of operation and e-commerce sales. Sales to third parties of manufactured products generated by Nutri-Force are considered non-comparable sales.

Cost of goods sold includes the cost of inventory sold, costs of warehousing, distribution, manufacturing and store occupancy costs and excludes depreciation and amortization related to the retail and direct segments that is included within selling, general and administrative expenses. Warehousing, distribution and manufacturing costs, which are capitalized into inventory and then expensed as merchandise is sold, include freight to transfer merchandise, costs associated with our buying department, distribution facilities and manufacturing overhead. Store occupancy costs include rent, common area maintenance, real estate taxes and utilities.

Gross profit is net sales minus cost of goods sold.

Selling, general and administrative expenses consist of depreciation and amortization of fixed and intangible assets, operating payroll and related benefits, advertising and promotion expense, and other selling, general and administrative expenses.

Income from operations consists of gross profit minus selling, general and administrative expenses.

Interest expense, net includes interest on our Revolving Credit Facility and Convertible Notes, letters of credit fees, interest on our capital leases, as well as amortization of financing costs, reduced by interest income earned from highly liquid investments (investments purchased with an original maturity of three months or less).

Key Performance Indicators and Statistics

We use a number of key indicators of financial condition and operating results to evaluate the performance of our business, including the following (in thousands):

	Three Months Ended	
	March 26, 2016	March 28, 2015
Net sales	$ 336,774	$ 336,835
(Decrease) Increase in total comparable net sales (1)	(1.9)%	1.2 %
(Decrease) Increase in comparable store net sales	(2.6)%	1.5 %
Increase (Decrease) in e-commerce comparable net sales	3.9 %	(0.9)%
Gross profit as a percent of net sales	34.5 %	34.0 %
Income from operations	$ 27,262	$ 30,955

(1) Total comparable net sales are comprised of comparable retail store sales and e-commerce sales.

The following table shows the growth in our network of stores during the three months ended March 26, 2016 and March 28, 2015:

	Three Months Ended	
	March 26, 2016	March 28, 2015
Store Data:		
Stores open at beginning of period	758	717
Stores opened	9	11
Stores closed	(1)	(3)
Stores open at end of period	766	725
Total retail square footage at end of period (in thousands)	2,685	2,579
Average store square footage at end of period	3,505	3,558

Three Months Ended March 26, 2016 Compared to Three Months Ended March 28, 2015

The information presented below is for the three months ended March 26, 2016 and March 28, 2015 and was derived from our condensed consolidated financial statements, which, in the opinion of management, include all adjustments necessary for a fair presentation of our financial position and operating results for such periods and as of such dates.

The following tables summarize our results of operations for the three months ended March 26, 2016 and March 28, 2015 (in thousands):

	Three Months Ended			
	March 26, 2016	March 28, 2015	$ Change	% Change
Net sales	$ 336,774	$ 336,835	$ (61)	— %
Cost of goods sold	220,527	222,186	(1,659)	(0.7)%
Cost of goods sold as % of net sales	*65.5%*	*66.0%*		
Gross profit	116,247	114,649	1,598	1.4 %
Gross profit as % of net sales	*34.5%*	*34.0%*		
Selling, general and administrative expenses	88,985	83,694	5,291	6.3 %
SG&A expenses as % of net sales	*26.4%*	*24.8%*		
Income from operations	27,262	30,955	(3,693)	(11.9)%
Income from operations as % of net sales	*8.1%*	*9.2%*		
Interest expense, net	2,262	164	2,098	1,279.3 %
Income before provision for income taxes	25,000	30,791	(5,791)	(18.8)%
Provision for income taxes	10,218	12,091	(1,873)	(15.5)%
Net income	$ 14,782	$ 18,700	$ (3,918)	(21.0)%

Net Sales

Net sales were relatively flat as a result of an increase in our total non-comparable net sales of $7.0 million offset by a decrease in our total comparable net sales of $6.0 million, or 1.9% and a decrease in Nutri-Force net sales of $1.1 million to third parties. Sales increased $4.8 million in the Vitamins, Minerals and Herbs category and decreased $4.9 million in the Sports Nutrition category.

Net sales for our three business segments, as well as a discussion of the changes in each segment's net sales from the comparable prior year period, are provided below (in thousands):

	Three Months Ended			
	March 26, 2016	March 28, 2015	$ Change	% Change
Net Sales:				
Retail (a)	$ 288,012	$ 287,983	$ 29	— %
Direct (b)	35,852	34,844	1,008	2.9 %
Manufacturing (c)	20,560	21,828	(1,268)	(5.8)%
Segment net sales	344,424	344,655	(231)	(0.1)%
Elimination of intersegment revenues	(7,650)	(7,820)	170	(2.2)%
Total net sales	$ 336,774	$ 336,835	$ (61)	— %

(a) The change in retail sales resulted from an increase in non-comparable store sales of $7.3 million offset by a decrease in comparable store sales of $7.3 million, or 2.6%. The decrease in comparable store sales was primarily driven by lower customer traffic.
(b) Direct sales increased primarily due to an increase in e-commerce sales of 3.9% partially offset by a decrease in catalog sales. The increase in e-commerce sales was primarily due to effective customer acquisition strategies.
(c) Manufacturing sales reflect a decrease of $1.1 million in product manufactured for third parties and a decrease of $0.2 million in product manufactured for the Vitamin Shoppe assortment.

Cost of Goods Sold

Cost of goods sold includes product, warehouse, distribution, manufacturing and occupancy costs. As a percentage of net sales, cost of goods sold decreased primarily due to 1.3% resulting from category mix, higher private brands penetration and a reduction in promotional pricing partially offset by an increase of 0.5% related to occupancy costs and 0.3% due to supply chain costs.

Selling, General and Administrative Expenses

	Three Months Ended			
	March 26, 2016	March 28, 2015	$ Change	% Change
SG&A Expenses (in thousands):				
Payroll and Benefits (a)	$ 33,845	$ 31,994	$ 1,851	5.8 %
Payroll & benefits as % of net sales	*10.0%*	*9.5%*		
Advertising and Promotion (b)	5,892	6,532	(640)	(9.8)%
Advertising & promotion as % of net sales	*1.7%*	*1.9%*		
Other SG&A (c)	49,248	45,168	4,080	9.0 %
Other SG&A as % of net sales	*14.6%*	*13.4%*		
Total SG&A Expenses	$ 88,985	$ 83,694	$ 5,291	6.3 %

(a) Payroll and benefits increased primarily due to the increase in head count to operate new stores and an increase in the average wage rates.

(b) Advertising and promotion decreased due to lower retail expenditures of $0.8 million partially offset by an increase in digital advertising of $0.2 million.
(c) The increase in other SG&A expenses was primarily due to Super Supplements conversion costs of $1.3 million, costs related to the closing of the Canada stores of $1.1 million, increased depreciation and amortization expenses of $0.8 million and reinvention strategy costs of $0.5 million.

Income from Operations

Operating income (loss) for our three business segments are provided below (in thousands):

	Three Months Ended			
	March 26, 2016	March 28, 2015	$ Change	% Change
Income (Loss) from operations:				
Retail (a)	$ 56,663	$ 56,059	$ 604	1.1 %
% of net sales	*19.7 %*	*19.5 %*		
Direct (b)	5,186	5,065	121	2.4 %
% of net sales	*14.5 %*	*14.5 %*		
Manufacturing (c)	(262)	299	(561)	(187.6)%
% of net sales	*(1.3)%*	*1.4 %*		
Corporate costs (d)	(34,325)	(30,468)	(3,857)	12.7 %
% of net sales	*(10.2)%*	*(9.0)%*		
Income from operations	$ 27,262	$ 30,955	$ (3,693)	(11.9)%

(a) The increase in retail income from operations is due to a 1.7% increase in gross margin resulting from category mix, higher private brands penetration and a reduction in promotional pricing partially offset by 0.7% related to an increase in occupancy costs and 0.7% from payroll and benefits costs.
(b) Direct income from operations was flat as a percentage of sales due to a 1.3% reduction in margin offset by a 1.3% reduction of selling, general and administrative expenses.
(c) The decrease in manufacturing income from operations was primarily due to lower sales volume.
(d) The increase in corporate costs was primarily due to Super Supplements conversion costs of $1.3 million, costs related to the closing of the Canada stores of $1.1 million, increased depreciation and amortization expenses of $0.8 million and reinvention strategy costs of $0.5 million.

Interest Expense, Net

The increase in interest expense, net of $2.1 million is primarily due to interest expense on our Convertible Notes, which includes the coupon interest, amortization of the debt discount and the amortization of deferred financing fees.

Provision for Income Taxes

The effective tax rate for the three months ended March 26, 2016 was 40.9%, compared to 39.3% for the three months ended March 28, 2015. The change in the effective tax rate is primarily due to charges incurred in Canada related to the closing of retail stores which do not result in tax benefits to the Company's consolidated results.

Key Indicators of Liquidity and Capital Resources

The following table provides key indicators of our liquidity and capital resources (in thousands):

	As of	
	March 26, 2016	December 26, 2015
Balance Sheet Data:		
Cash and cash equivalents	$ 2,096	$ 15,104
Working capital	134,622	157,089
Total assets	736,579	748,691
Total debt, including capital lease obligations	122,836	123,525

	Three Months Ended	
	March 26, 2016	March 28, 2015
Other Information:		
Depreciation and amortization of fixed and intangible assets	$ 10,063	$ 9,227
Cash Flows Provided By (Used In):		
Operating activities	$ 43,195	$ 5,534
Investing activities	(11,772)	(10,936)
Financing activities	(44,354)	(5,066)
Effect of exchange rate changes on cash and cash equivalents	(77)	156
Net decrease in cash and cash equivalents	$ (13,008)	$ (10,312)

Liquidity and Capital Resources

Our primary uses of cash have been to fund working capital, operating expenses and capital expenditures related primarily to the build-out of new stores, the remodeling of existing stores and information technology investments as well as to repurchase shares of our common stock. Historically, we have financed our requirements predominately through internally generated cash flow, supplemented with short-term financing. In Fiscal 2015, we issued $143.8 million of Convertible Notes to fund the repurchase of shares of our common stock. Refer to Note 5., “Credit Arrangements”, to our condensed consolidated financial statements for additional information. We believe that the cash generated by operations and cash and cash equivalents, together with the borrowing availability under our revolving credit facility, will be sufficient to meet our working capital needs for the next twelve months, our store growth plans, costs and investments related to our reinvention strategy, systems development, store improvements and interest payments on the Convertible Notes, as well as the repurchase of shares of our common stock from time to time.

We purchased $42.3 million of common stock under our $300.0 million share repurchase programs during the three months ended March 26, 2016. Refer to Note 9., “Share Repurchase Programs”, to our condensed consolidated financial statements for additional information. During Fiscal 2016 we plan to spend approximately $40 million in capital expenditures, including costs for building new stores, remodeling existing stores and information technology and investments resulting from our reinvention strategy. Of the total capital expenditures projected for Fiscal 2016, we have invested $11.7 million during the three months ended March 26, 2016. We plan to open approximately 30 new stores in Fiscal 2016, of which we have opened 9 stores and closed 1 store as of March 26, 2016. Our working capital requirements for merchandise inventory will continue to increase as we continue to open additional stores. Currently, our practice is to establish an inventory level of approximately $150,000 at cost for each of our stores, the cost of which is partially offset by vendor incentive and allowance programs. Additionally, 30 day payment terms have been extended to us by some of our suppliers allowing us to effectively manage our inventory and working capital.

The Company is subject to concentrations of credit risk associated with cash and cash equivalents, and at times holds cash balances in excess of Federal Deposit Insurance Corporation limits. Currently, the Company’s cash management practice is to hold cash balances in quality institutions and invest in highly liquid and secure investments.

We were in compliance with all debt covenants relating to our Revolving Credit Facility and Convertible Notes as of March 26, 2016. We expect to be in compliance with these same debt covenants during the remainder of Fiscal 2016 as well.

Cash Provided by Operating Activities

Net cash provided by operating activities was $43.2 million for the three months ended March 26, 2016 as compared to $5.5 million for the three months ended March 28, 2015. The $37.7 million increase in cash flows from operating activities is

primarily due to an increase in accrued income taxes and accrued compensation for the three months ended March 26, 2016 and an increase in inventory purchases for the three months ended March 28, 2015 related primarily to the transition of Vitamin Shoppe production of private brands to Nutri-Force.

Cash Used in Investing Activities

Net cash used in investing activities was $11.8 million during the three months ended March 26, 2016 as compared to $10.9 million during the three months ended March 28, 2015. Capital expenditures during the three months ended March 26, 2016 and March 28, 2015 were used primarily for the build-out of new stores, the remodeling of existing stores and information technology investments. The Company opened 9 new stores during the three months ended March 26, 2016 as compared to 11 new stores during the three months ended March 28, 2015.

Cash Used in Financing Activities

Net cash used in financing activities was $44.4 million for the three months ended March 26, 2016, as compared to $5.1 million for the three months ended March 28, 2015. The $39.3 million increase in cash used in financing activities is primarily due to purchases of common stock under the Company's share repurchase programs of $25.8 million and a reduction in net borrowings under the Company's Revolving Credit Facility of $12.0 million.

Revolving Credit Facility

The terms of our Revolving Credit Facility extend through October 11, 2018, and allow the Company to borrow up to $90.0 million, subject to the terms of the facility, with a Company option to increase the facility up to a total of $150.0 million. For information regarding the terms of our Revolving Credit Facility, refer to Note 5., "Credit Arrangements" in the Notes to Condensed Consolidated Financial Statements (unaudited). As of March 26, 2016, the Company had $6.0 million of borrowings outstanding on its Revolving Credit Facility. The largest amount borrowed during the three months ended March 26, 2016 and March 28, 2015 was $15.0 million and $18.0 million, respectively. The unused available line of credit under the Revolving Credit Facility at March 26, 2016 was $81.1 million.

Convertible Notes

On December 9, 2015, the Company closed its offering of $143.8 million of its 2.25% Convertible Notes. The Convertible Notes are senior unsecured obligations of the Company. Interest is payable on the Convertible Notes on June 1 and December 1 of each year, commencing on June 1, 2016 until their maturity date of December 1, 2020. For additional information regarding the terms of our Convertible Notes, refer to Note 5., "Credit Arrangements", to our condensed consolidated financial statements.

Contractual Obligations and Commercial Commitments

As of March 26, 2016, there have been no material changes with respect to our contractual obligations since December 26, 2015. For additional information, see Contractual Obligations and Commercial Commitments under Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations", in the Fiscal 2015 Form 10-K.

Off-Balance Sheet Arrangements

We have not created, and are not party to, any special-purpose or off-balance sheet entities for the purpose of raising capital, incurring debt or operating our business. We do not have any off-balance sheet arrangements or relationships with entities that are not consolidated into our financial statements that have or are reasonably likely to have a material current or future effect on our financial condition, changes in financial condition, revenues, expenses, results of operations, liquidity, capital expenditures or capital resources. The Company has commitments for its operating leases, primarily related to its stores, distribution centers, as well as its manufacturing and corporate facilities, which are not reflected on our balance sheet. For additional information, see Contractual Obligations and Commercial Commitments under Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations", in the Fiscal 2015 10-K.

Effects of Inflation

We do not believe that our sales or operating results have been materially affected by inflation during the periods presented in our financial statements. During the three months ended March 26, 2016, retail price inflation was approximately 1%. We anticipate retail inflation to be approximately 1% for the remainder of Fiscal 2016. Additionally, we may experience increased cost pressure from our suppliers which could have an adverse effect on our gross profit results in the future.

Recent Accounting Pronouncements

Except as discussed in Note 1., "Basis of Presentation" in the Notes to the Condensed Consolidated Financial Statements (unaudited), the Company has considered all new accounting pronouncements and has concluded that there are no new pronouncements that may have a material impact on its results of operations, financial condition, or cash flows, based on current information.

Item 3. ***Quantitative and Qualitative Disclosures About Market Risk***

Interest Rate Risk

The Company's market risks relate primarily to changes in interest rates. Market risk represents the risk of changes in the value of market risk sensitive instruments caused by fluctuations in interest rates and commodity prices. Changes in these factors could cause fluctuations in the results of our operations and cash flows.

Our Revolving Credit Facility carries a floating interest rate and, therefore, our statements of income and our cash flows are exposed to changes in interest rates. As of March 26, 2016, there was $6.0 million of borrowings outstanding on our Revolving Credit Facility. At March 26, 2016, a hypothetical 10% change in the floating interest rate would have a de minimis impact on our consolidated financial statements.

Our Convertible Notes carry a fixed interest rate and, therefore, have no market risk.

Item 4. ***Controls and Procedures***

Conclusion Regarding the Effectiveness of Disclosure Controls and Procedures

We carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, who are our principal executive officer and principal financial officer, respectively, of the design and operation of our disclosure controls and procedures as such term is defined in Rules l3a-15(e) and l5d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act") as of March 26, 2016, pursuant to Exchange Act Rules 13a-l5 and 15d-15. Based on such evaluation, the Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective at a reasonable assurance level as of March 26, 2016.

Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting during the quarter ended March 26, 2016 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Inherent Limitations on Effectiveness of Controls

Our management, including the Chief Executive Officer and Chief Financial Officer, do not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent or detect all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. The design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Further, because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake. Controls can also be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. The design of any system of controls is based in part on certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Projections of any evaluation of controls effectiveness to future periods are subject to risks. Over time, controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with policies or procedures.

PART II. OTHER INFORMATION

Item 1. ***Legal Proceedings***

None.

Item 1A. ***Risk Factors***

For a more detailed explanation of the factors affecting our business, please refer to the Risk Factors section in the Fiscal 2015 Form 10-K. There has not been a material change to the risk factors set forth in the Fiscal 2015 Form 10-K.

Item 2. ***Unregistered Sales of Equity Securities and Use of Proceeds***

Issuer Purchases of Equity Securities

The following table summarizes the Company's purchases of shares of common stock during the quarter ended March 26, 2016:

Period	Total Number of Shares (or Units) Purchased (1)	Average Price Paid per Share (or Unit) (2)	Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs (3)	Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs (in thousands)
December 27, 2015 through January 23, 2016	101,795	$ 27.99	100,023	$ 93,287
January 24, 2016 through February 20, 2016	584,327	$ 24.26	579,134	$ 79,268
February 21, 2016 through March 26, 2016	990,437	$ 25.74	990,437	$ 53,772
Totals	1,676,559		1,669,594	

(1) Includes 6,965 shares withheld to cover required tax payments on behalf of employees as their restricted shares vest.
(2) Average price paid per share includes 110,781 shares received on February 10, 2016 and 124,272 shares received on February 25, 2016, in settlement of an accelerated share repurchase arrangement, for no additional consideration.
(3) On August 5, 2014, May 6, 2015 and November 23, 2015, the Company's board of directors approved share repurchase programs that enable the Company to purchase up to an aggregate of $300 million of its shares of common stock from time to time over three year periods ending on August 4, 2017, May 5, 2018 and November 22, 2018, respectively.

Item 3. ***Defaults Upon Senior Securities***

None.

Item 4. ***Mine Safety Disclosures***

Not applicable.

Item 5. ***Other Information***

None.

Item 6. ***Exhibits***

Exhibit No.	Description
3.1	Fourth Amended and Restated By-laws of Vitamin Shoppe Inc. (Incorporated by reference to Exhibit 3.2 in our Annual Report on Form 10-K filed on February 23, 2016. (File No. 001-34507))
10.01	Vitamin Shoppe, Inc. Executive Severance Pay Policy, amended and restated effective as of March 4, 2016. (Filed herewith)
10.02	Director Compensation Plan and Stock Ownership Guidelines.* (Incorporated by reference to Exhibit 10.2 in our Current Report on Form 8-K filed on January 4, 2016 (File No. 001-34507))
10.03	Offer Letter, dated as of March 24, 2016, among Vitamin Shoppe, Inc., Vitamin Shoppe Industries Inc. and Brenda Galgano. (Filed herewith)
10.04	Letter Agreement, dated as of December 31, 2015, among Vitamin Shoppe, Inc., Vitamin Shoppe Industries Inc. and Richard Markee. * (Incorporated by reference to Exhibit 10.1 in our Current Report on Form 8-K filed on January 4, 2016 (File No. 001-34507))
10.05	Letter Agreement, dated as of January 29, 2016, among Vitamin Shoppe, Inc., Vitamin Shoppe Industries Inc. and Louis H. Weiss. (Incorporated by reference to Exhibit 10.53 in our Annual Report on Form 10-K filed on February 23, 2016. (File No. 001-34507))
10.06	Form of Performance Stock Unit Award Agreement. (Filed herewith)
10.07	Form of Non-Qualified Stock Option Agreement. (Filed herewith)
10.08	Form of Restricted Stock Award Agreement. (Filed herewith)
10.09	Agreement, dated as of January 12, 2016, by and between the Company and Carlson Capital. (Incorporated by reference to Exhibit 10.1 in our Current Report on Form 8-K filed on January 12, 2016 (File No. 001-34507))
10.10	Fourth Amendment to Amended and Restated Loan and Security Agreement, dated as of January 29, 2016, by and among Vitamin Shoppe Industries Inc., VS Direct Inc., Vitamin Shoppe Mariner, Inc., and Vitamin Shoppe Global, Inc., VS Hercules LLC, FDC Vitamins LLC, Betancourt Sports Nutrition, LLC, Vitamin Shoppe Procurement Services, Inc., as Borrowers, the guarantors parties thereto, the lenders parties thereto, and JPMorgan Chase Bank, N.A., as Agent. (Incorporated by reference to Exhibit 10.13 in our Annual Report on Form 10-K filed on February 23, 2016 (File No. 001-34507))
10.11	Joinder Agreement, dated as of March 20, 2015 by and between Vitamin Shoppe Procurement Services and JPMorgan Chase Bank, N.A. (Incorporated by reference to Exhibit 10.29 in our Annual Report on Form 10-K filed on February 23, 2016. (File No. 001-34507))
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 – Chief Executive Officer.
32.2	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 – Chief Financial Officer.
101.1	The following financial information from the Company's Quarterly Report on Form 10-Q, for the period ended March 26, 2016, formatted in eXtensible Business Reporting Language: (i) Condensed Consolidated Balance Sheets, (ii) Condensed Consolidated Statements of Income, (iii) Condensed Consolidated Statements of Comprehensive Income, (iv) Condensed Consolidated Statements of Cash Flows, and (v) Notes to Condensed Consolidated Financial Statements

* Management contract or compensation plan or arrangement.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized on May 4, 2016.

VITAMIN SHOPPE, INC.

By: /s/ Brenda Galgano

Brenda Galgano

EVP and Chief Financial Officer

INDEX TO EXHIBITS

Exhibit No.	Description
3.1	Fourth Amended and Restated By-laws of Vitamin Shoppe Inc. (Incorporated by reference to Exhibit 3.2 in our Annual Report on Form 10-K filed on February 23, 2016. (File No. 001-34507))
10.01	Vitamin Shoppe, Inc. Executive Severance Pay Policy, amended and restated effective as of March 4, 2016. (Filed herewith)
10.02	Director Compensation Plan and Stock Ownership Guidelines.* (Incorporated by reference to Exhibit 10.2 in our Current Report on Form 8-K filed on January 4, 2016 (File No. 001-34507))
10.03	Offer Letter, dated as of March 24, 2016, among Vitamin Shoppe, Inc., Vitamin Shoppe Industries Inc. and Brenda Galgano. (Filed herewith)
10.04	Letter Agreement, dated as of December 31, 2015, among Vitamin Shoppe, Inc., Vitamin Shoppe Industries Inc. and Richard Markee. * (Incorporated by reference to Exhibit 10.1 in our Current Report on Form 8-K filed on January 4, 2016 (File No. 001-34507))
10.05	Letter Agreement, dated as of January 29, 2016, among Vitamin Shoppe, Inc., Vitamin Shoppe Industries Inc. and Louis H. Weiss. (Incorporated by reference to Exhibit 10.53 in our Annual Report on Form 10-K filed on February 23, 2016. (File No. 001-34507))
10.06	Form of Performance Stock Unit Award Agreement. (Filed herewith)
10.07	Form of Non-Qualified Stock Option Agreement. (Filed herewith)
10.08	Form of Restricted Stock Award Agreement. (Filed herewith)
10.09	Agreement, dated as of January 12, 2016, by and between the Company and Carlson Capital. (Incorporated by reference to Exhibit 10.1 in our Current Report on Form 8-K filed on January 12, 2016 (File No. 001-34507))
10.10	Fourth Amendment to Amended and Restated Loan and Security Agreement, dated as of January 29, 2016, by and among Vitamin Shoppe Industries Inc., VS Direct Inc., Vitamin Shoppe Mariner, Inc., and Vitamin Shoppe Global, Inc., VS Hercules LLC, FDC Vitamins LLC, Betancourt Sports Nutrition, LLC, Vitamin Shoppe Procurement Services, Inc., as Borrowers, the guarantors parties thereto, the lenders parties thereto, and JPMorgan Chase Bank, N.A., as Agent. (Incorporated by reference to Exhibit 10.13 in our Annual Report on Form 10-K filed on February 23, 2016 (File No. 001-34507))
10.11	Joinder Agreement, dated as of March 20, 2015 by and between Vitamin Shoppe Procurement Services and JPMorgan Chase Bank, N.A. (Incorporated by reference to Exhibit 10.29 in our Annual Report on Form 10-K filed on February 23, 2016. (File No. 001-34507))
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 – Chief Executive Officer.
32.2	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 – Chief Financial Officer.
101.1	The following financial information from the Company's Quarterly Report on Form 10-Q, for the period ended March 26, 2016, formatted in eXtensible Business Reporting Language: (i) Condensed Consolidated Balance Sheets, (ii) Condensed Consolidated Statements of Income, (iii) Condensed Consolidated Statements of Comprehensive Income, (iv) Condensed Consolidated Statements of Cash Flows, and (v) Notes to Condensed Consolidated Financial Statements

* Management contract or compensation plan or arrangement.

Exhibit 10.01

Vitamin Shoppe, Inc.
Executive Severance Pay Policy

Amended and Restated As of
March 4, 2016 (the "Effective Date")

I. POLICY

This Executive Severance Pay Policy (the "Policy") constitutes a program whereby Vitamin Shoppe, Inc. and its subsidiaries or affiliated companies (including those formed after the date hereof, collectively, the "Company") provide severance pay and other benefits described herein in Section III.B. (“Severance Benefits”) to certain of its executive employees who are involuntarily terminated other than terminated for Cause (as defined below) from employment with the Company and who otherwise meet all of the requirements for benefits hereunder. The Policy, as set forth in this document, is both a plan document and the summary plan description (as these terms are used for purposes of the Employees Retirement Income Security Act of 1974 ("ERISA")). In general, the intent of this Policy is to provide Severance Benefits for those executive employees who are terminated involuntarily by the Company other than for Cause. In no circumstances is the Policy intended to provide benefits to executive employees who resign or quit their employment with the Company voluntarily, except in certain limited circumstances and for specified reasons following a Change in Control of the Company, as set forth herein. This Policy only shall apply to U.S. based executive employees.

II. ELIGIBILITY

The Policy provides benefits to executive employees who are designated on the Company's books and records as Vice Presidents or above, as may be selected by the Company in its discretion, and who are involuntarily separated from the Company under circumstances described herein on or after the Effective Date ("Participants"). The Policy is an amendment and restatement of any prior policy or practice governing severance pay or benefits, and, therefore, supersedes any and all such prior policies or practices. The obligations hereunder shall be joint and several among the companies comprising the Company. When used in the context of any administrative provision of this Policy, the term Company as used herein shall mean Vitamin Shoppe Industries Inc.

In the event any executive employee is eligible for benefits under this Policy and for severance or similar benefits under a separate agreement with the Company, the executive employee shall receive the greater of the amount provided under that separate agreement or under this Policy, as more specifically set forth in Section III.E herein, but shall not be eligible for both, such that the executive employee shall not be entitled to duplicate benefits under the Policy and any separate agreement.

In order to be eligible to receive Severance Benefits under the Policy, each executive employee who is otherwise eligible for such benefits must also sign, and not revoke, within sixty (60) days following termination of employment, a general release in favor of the Company in such form as may be established by the Company for this purpose from time to time, or any Severance Benefits under the Policy will be forfeited.

III. ADMINISTRATION

A. Exclusions

(1) For Cause, Resignation, Retirement. Under no circumstance will Severance Benefits, as set forth in Section III.B, be granted to any executive employee of the Company (i) who is terminated by the Company for Cause (as defined in this Section III.A(1) below), or (ii) who terminates his or her employment voluntarily (such as by resignation or retirement), except in certain limited circumstances and for specified reasons following a Change in Control of the Company (as defined in this Section III.A(2) below and as provided in Section III.B(2) below).

For purposes of this Policy, "Cause" means any of the following with respect to an executive employee:

1. Theft or misappropriation of funds or other property of the Company;

2. Alcoholism or drug abuse, either of which materially impair the ability of the executive employee to perform his/her duties and responsibilities hereunder or is injurious to the business of the Company;

3. The conviction of a felony or pleading guilty or nolo contender to a felony involving moral turpitude;

4. Intentionally causing the Company to violate any local, state or federal law, rule or regulation that harms or may harm the Company in any material respect;

5. Gross negligence or willful misconduct in the conduct or management of the Company which materially affects the Company, not remedied within thirty (30) days after receipt of written notice from the Company;

6. Willful refusal to comply with any significant policy, directive or decision of the Chief Executive Officer, any other executive(s) of the Company to whom the executive employee reports, or the Board in furtherance of a lawful business purpose or willful refusal to perform the duties reasonably assigned to the executive employee by the Chief Executive Officer, any other executive(s) of the Company to whom the executive employee reports or the Board consistent with the executive employee's functions, duties and responsibilities, in each case, in any material respect, not remedied within thirty (30) days after receipt of written notice from the Company;

7. Breach (other than by reason of physical or mental illness, injury, or condition) of any other material obligation to the Company that is or could reasonably be expected to result in material harm to the Company not remedied within thirty (30) days after receipt of written notice of such breach from the Company;

8. Violation of the Company's operating and or financial/accounting procedures which results in material loss to the Company, as determined by the Company;

9. The death or disability of the executive employee (for purposes of this Policy, "disability" shall mean the executive employee's inability, with reasonable accommodation, to perform effectively the essential functions of the executive employee's duties hereunder because of physical or mental disability for a cumulative period of 180 days in any consecutive 210-day period or other long term disability under the terms of the Company's long-term disability plan, as then in effect); or

10. Violation of the Company's confidentiality, non-compete or non-solicit requirements or Code of Business Conduct.

In addition to the foregoing, with respect to any particular executive employee, Cause also shall include the elements of a "cause" definition set forth in a separate agreement, if any, between the Company and such executive employee. If subsequent to the commencement of payment of Severance Benefits under the Policy, the Company discovers that the executive employee committed acts while employed with the Company which would have constituted Cause for termination, or the executive employee otherwise should not have been considered to be eligible for Severance Benefits under the Policy, the Company may cease further payments of benefits hereunder and may require the executive employee to reimburse the Company for all benefits paid previously.

(2) Change in Control. Severance Benefits under this Policy for termination of an executive employee's employment upon or within two (2) years after a Change in Control either (i) by the Company other than for Cause or (ii) by the executive employee due to an Adverse Change in Status shall be governed by Section III.B(2) of this Policy.

For purposes of this Policy, "Change in Control" shall mean the first (and only the first) to occur of the following:

1. Any "person" as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the "1934 Act") (other than the Company, any trustee or other fiduciary holding securities under any employee benefit plan of the Company, or any company owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of common stock of the Company), becoming the beneficial owner (as defined in Rule 13d-3 under the 1934 Act), directly or indirectly, of securities of the Company representing more than 50% of the combined voting power of the Company's then outstanding securities on the date in which any "person" directly or indirectly becomes the beneficial owner; or

2. A merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than 50% of the combined voting power of the voting securities of the Company or such surviving entity outstanding immediately after such merger or consolidation; provided, however, that a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no person (other than those covered by the exceptions in paragraph (a) of this definition) acquires more than 50% of the combined voting power of the Company's then outstanding securities shall not constitute a Change in Control of the Company on the date in which the merger or consolidation as stated herein is finalized; or

3. The sale of all or substantially all of the Company's assets other than the sale or disposition of all or substantially all of the assets of the Company to a person or persons who beneficially own, directly or indirectly, 50% or more of the combined voting power of the outstanding voting securities of the Company at the time of the sale.

Notwithstanding the foregoing, a transaction that constitutes a Change in Control for purposes of this Policy is required to also satisfy the requirements of a change in control

event for purposes of Section 409A of the Internal Revenue Code of 1986, as amended, and the rules and regulations promulgated thereunder (the "Code") in order to avoid any adverse tax under Section 409A of the Code.

For purposes of this Policy, "Adverse Change in Status" shall mean either of the following which occurs without the written consent of the executive employee and which is not remedied by the Company within thirty (30) days after the executive employee gives written notice to the Board, which written notice must be provided within ninety (90) days of being advised of such change:

1. A material adverse change in the executive employee's total compensation, function, duties, title or responsibilities from those in effect at the time of the Change in Control; or

2. If the executive employee is required to permanently commute or relocate more than a fifty (50) mile radius from the Company's office location at the time of the Change in Control but only if such new commute increases the executive employee's commute prior to the change.

(3) Change in Position. Severance Benefits under the Policy will not be granted if, either prior to the occurrence of a Change in Control or more than two (2) years after a Change in Control, the Company restructures or eliminates the position in which the executive employee was employed and the executive employee rejects an offer of employment by the Company of a position with the same or better compensation and benefits, taken as a whole, as the executive employee's compensation and benefits with the Company immediately prior to such change in position, and in the same metropolitan area as the executive employee's employment with the Company, all within the sole discretion of the Company. A change in position upon or within two (2) years following a Change in Control may result in Severance Benefits if the change is an Adverse Change in Status.

B. Severance Benefits

(1) Non-Change in Control Severance. Executive employees who meet all of the requirements for benefits under the Policy prior to the occurrence of a Change in Control or more than two (2) years after a Change in Control will be eligible to receive Severance Benefits under this Section III.B(l) of the Policy, subject to Section III.B(3). The Severance Benefits are as follows:

(i) if a termination of employment occurs within the first year of employment, then the severance period and the amount of severance pay will be equal to twenty-six (26) weeks of the executive employee's annual base salary; or if a termination of employment occurs after the first year of employment, then the severance period and the amount of severance pay will be equal to fifty-two (52) weeks of the executive employee's annual base salary, and subject to Section III.B(3), such severance pay shall be payable in installments over the severance period, commencing on the sixty-fifth (65^{th}) day following the executive employee's termination of employment; provided, however, that if the required release agreement has become effective, in the sole discretion of the Company, payment could be made at any time within thirty (30) days prior to this designated commencement date, in either instance with the first installment equal to any weekly amounts that would have otherwise accrued during the period following the executive employee's termination of employment and the remaining weekly amounts paid in installments over the remainder of the severance period, all in accordance with the Company's regular payroll practices;

(ii) if, but only if, the executive employee is terminated more than six (6) months after the start of the fiscal year, and if, but only to the extent the Company achieves its performance targets under the bonus plan in which the executive employee participated during the fiscal year in which the executive employee's termination of employment occurred, a cash payment equal to the annual bonus the executive employee would have received based on the Company's achievement of its performance targets for such year, multiplied by a fraction the numerator of which shall be the number of full months the executive employee was employed by the Company during such year and the denominator of which is twelve (12), such bonus to be paid at the time that such bonuses are paid by the Company to similarly situated employees, and in all events on or before two and one-half (2½) months following the end of the year to which the bonus relates;

(iii) if the executive employee timely elects to continue health insurance (medical, dental and/or vision) coverage pursuant to COBRA, during the severance period, or such earlier date as executive employee becomes eligible for insurance coverage from a subsequent employer or becomes eligible for Medicare, the Company agrees, to the extent permitted by applicable law and plans of the Company and without imposition of a penalty or tax on the Company, to pay the same portion of the executive employee's COBRA premiums (including that of the executive employee's spouse and eligible dependents) that it had paid for such health insurance coverage immediately prior to the separation of service (the "Employer Portion"); provided, that, the executive employee will be responsible for paying the full cost of the COBRA premiums and the Company will reimburse the executive employee for the Employer Portion on a monthly basis within thirty (30) days following the end of the applicable month; and provided that these reimbursement payments will be treated as a bonus, subject to applicable withholding taxes;

(iv) payment of all accrued but unused vacation as of the date of termination, to be paid with the first payment of severance; and

All payments of Severance Benefits shall be subject to all applicable federal, state and local tax withholding, and any other withholding requirements applicable to such payments.

(2) Change in Control Severance. Executive employees whose employment is terminated upon or within two (2) years after a Change in Control either by the Company other than for Cause or by the executive employee due to an Adverse Change in Status, and who in either case meet all the requirements for benefits under the Policy, will be eligible to receive Severance Benefits under this Section III.B(2) of this Policy, under either subsection (a) or (b), as described therein, and subject to Section III.B(3).

(a) For Named Executive Officers, Section 16 Officers and Senior Vice Presidents. At the time the Change in Control occurs, if the executive employee was a named executive officer, a Section 16 officer or held the title of Senior Vice President ("Executive Officer"), the severance period for such Executive Officers shall be two (2) years and the Severance Benefits are as follows:

(i) a lump sum cash payment equal to the result of multiplying (A) the sum of (x) the executive employee's base salary, plus (y) the executive employee's target annual bonus by (B) 2.00;

(ii) if the Company's performance equals or exceeds the performance targets in the Company's bonus plan for the year in which the Change in Control occurs, a cash payment equal to the greater of the executive employee's target (100%) annual bonus for the fiscal year in which the executive employee's date of termination occurs and the annual bonus the executive employee

would have received based on the Company's achievement of its performance targets for the year in which the termination occurs, multiplied by a fraction the numerator of which shall be the number of full calendar months the executive employee was employed by the Company during the fiscal year in which the date of termination occurred and the denominator of which is 12;

(iii) if the executive employee timely elects to continue health insurance (medical, dental and/or vision) coverage pursuant to COBRA, for a period of eighteen (18) months following the executive employee's separation from service, or such earlier date as executive employee becomes eligible for insurance coverage from a subsequent employer or becomes eligible for Medicare, the Company agrees, to the extent permitted by applicable law and plans of the Company and without imposition of a penalty or tax on the Company, to pay the Employer Portion of the executive employee's COBRA premiums (including that of the executive employee's spouse and eligible dependents), provided that the executive employee will be responsible for paying the full cost of the COBRA premiums and the Company will reimburse the executive employee for the Employer Portion on a monthly basis within thirty (30) days following the end of the applicable month, and provided that, these reimbursement payments will be treated as a bonus, subject to applicable withholding taxes;

(iv) for a period of one (1) year following the executive employee's date of termination, the Company shall make certain reasonable executive-level outplacement services available to the executive employee, as provided by the outplacement providers with whom the Company has a relationship at the time of the executive employee's date of termination;

(v) payment of all accrued but unused vacation as of the date of termination; and

Subject to Section III.B(3), the cash payments specified in paragraphs (i) and (v) of this Section III.B(2)(a) shall be paid on the sixty-fifth (65^{th}) day (or the next following business day if the sixty-fifth (65^{th}) day is not a business day) following the date of termination. All payments of Severance Benefits shall be subject to all applicable federal, state and local tax withholding, and any other withholding requirements applicable to such payments.

(b) Other Officers. The severance period for those executive employees who are not Executive Officers, as defined under Section III.B(2)(a) above, shall be the sum of twelve (12) months plus one (1) month for each completed year of service with the Company, measured as the date of the executive employee's termination of employment, with the sum not to exceed twenty-four (24) months total, and the Severance Benefits, subject to Section III.B(3), are as follows:

(i) lump sum cash payment equal to the result of multiplying (A) the sum of (x) the executive employee's base salary, plus (y) the executive employee's target annual bonus by (B) the sum of (x) 1.00 plus (y) one twelfth (1/12) for each completed year of service by the executive employee with the Company, measured as of the date of the executive employee's termination of employment, with the sum not to exceed a total of 2.00; and

(ii) if the Company's performance equals or exceeds the performance targets in the Company's bonus plan for the year in which the Change in Control occurs, a cash payment equal to the greater of the executive employee's target (100%) annual bonus for the fiscal year in which the executive employee's date of termination occurs and the annual bonus the executive employee would have received based on the Company's achievement of its performance targets for the year in which the termination occurs, multiplied by a fraction the numerator of which shall be the number

of full calendar months the executive employee was employed by the Company during the fiscal year in which the date of termination occurred and the denominator of which is 12;

(iii) If the executive employee timely elects to continue health insurance (medical, dental and/or vision) coverage pursuant to COBRA, for the severance period but in no event longer than eighteen (18) months following the executive employee's separation from service, or such earlier date as executive employee becomes eligible for insurance coverage from a subsequent employer, the Company agrees, to the extent permitted by applicable law and plans of the Company and without imposition of a penalty or tax on the Company, to pay the Employer Portion of the executive employee's COBRA premiums (including that of the executive employee's spouse and eligible dependents); provided, that the executive employee will be responsible for paying the full cost of the COBRA premiums and the Company will reimburse the executive employee for the Employer Portion on a monthly basis within thirty (30) days following the end of the applicable month; and provided that these reimbursement payments will be treated as a bonus, subject to applicable withholding taxes;

(iv) for a period of one (1) year following the executive employee's date of termination, the Company shall make certain reasonable executive-level outplacement services available to the executive employee, as provided by the outplacement providers with whom the Company has a relationship at the time of the executive employee's date of termination;

(v) payment of all accrued but unused vacation as of the date of termination; and

Subject to Section III.B(3), the cash payments specified in paragraphs (i) and (v) of this Section III.B(2)(b) shall be paid on the sixty-fifth (65th) day (or the next following business day if the sixty-fifth (65^{th}) day is not a business day) following the date of termination. All payments of Severance Benefits shall be subject to all applicable federal, state and local tax withholding, and any other withholding requirements applicable to such payments.

(3) General Provisions.

(a) Golden Parachute Cutback. Notwithstanding anything in this Policy to the contrary, in the event it shall be determined that (i) any payment, award, benefit or distribution (or any acceleration of any payment, award, benefit or distribution) by the Company (or any of its affiliated entities) or any entity which effectuates a change in control (or any of its affiliated entities) under Section 2800 of the Code to or for the benefit of an executive employee (whether pursuant to the terms of this Policy or otherwise) would be subject to the excise tax imposed by Section 4999 of the Code (the "Excise Tax"), and (ii) the reduction of the amounts payable to an executive employee under this Policy to the maximum amount that could be paid to the executive employee without giving rise to the Excise Tax (the "Safe Harbor Cap") would provide the executive employee with a greater after tax amount than if such amounts were reduced, then the amounts payable to the executive employee under this Policy shall be reduced (but not below zero) to the Safe Harbor Cap. The reduction of the amounts payable hereunder, if applicable, shall be made by reducing first the severance pay (under Section III.B(2)(a)(i) or Section III.B(2)(b)(i) above) and then bonus (under Section III.B(2)(a)(ii) or Section III.B(2)(b)(ii) above), as applicable.

(b) Special Provisions Regarding Code Section 409A. If any portion of the Severance Benefits payable under the Policy is determined not to be exempt from Code Section 409A under the separation pay and/or short-term deferral exceptions as set out in applicable Treasury Regulations promulgated pursuant to Code Section 409A, then payments hereunder shall be deferred to the extent necessary to avoid violation of the prohibition under Code Section 409A(a)(2)(B)(i) (regarding payments made to certain "specified employees" within six (6) months after the date of such employee's separation from service) and will be paid or provided (or will commence being paid or provided, as applicable) to the executive employee on the earlier of the six (6) month anniversary of the executive employee's date of termination or the executive employee's death. In addition, any payment or benefit that represents a "deferral of compensation" within the meaning of Section 409A due upon a termination of the executive employee's employment shall be paid or provided to the executive employee only upon a "separation of service" as defined in Treasury Regulation Section 1.409A-l(h). To the extent that this Policy requires that a payment of "deferred compensation" within the meaning of Section 409A shall be made following the execution of a release agreement (which shall include customary provisions, including an agreement not to disparage the Company and other released parties) such payment or payments will only be made if the release agreement is executed prior to the 60th day following the termination of employment; provided, that if this 60 day period commences in one tax year and ends in the next tax year, no payment of deferred compensation which is the subject of such release agreement may be made or commence (in the case of a series of payments), until the second of the tax years. The executive employee may not designate the year of such payment. Payments in respect of an executive employee's termination of employment under this Policy are designated as separate payments for all purposes under Section 409A. Notwithstanding anything in this Policy to the contrary, the Company does not guarantee the tax treatment of any severance payments or benefits under this Policy, including without limitation pursuant to the Code, federal, state or local tax laws or regulations. Neither the Company nor any of its directors, officers employees or advisors (other than the executive employee) shall be held liable for taxes, penalties, interest or other monetary amounts owed by executive employee as a result of the application of Code Section 409A with respect to any payments made under this Policy.

(c) Forfeiture and Repayment. Amounts payable under this Policy are subject to forfeiture and recoupment and may be cancelled without payment and/or a demand for repayment of any previously paid amounts may be made upon the executive employee on the basis of any provision of the Company's forfeiture and recoupment policies or on the basis of any of the following circumstances: (i) if during the course of employment the executive employee engages in conduct, or it is discovered that the executive employee has engaged in conduct, that is (x) materially adverse to the interest of the Company, which include failures to comply with the Company's written rules or regulations and material violations of any agreement with the Company, (y) fraud, or (z) conduct contributing to any financial restatements or irregularities occurring during or after employment; (ii) if during the course of employment, the executive employee competes with, or engages in the solicitation and/or diversion of customers, vendors or employees of, the Company or it is discovered that the executive employee has engaged in such conduct; (iii) if following termination of employment, the executive employee violates any post-termination obligations or duties owed to, or any agreement with, the Company, which includes this Policy, any employment agreement and other agreements restricting post-employment conduct; (iv) if following termination of employment,

the Company discovers facts that would have supported a termination for Cause had such facts been known to the Company before the termination of employment; and (v) if compensation that is promised or paid to the executive employee is required to be forfeited and/or repaid to the Company pursuant to applicable regulatory requirements as in effect from time to time and/or such forfeiture or repayment affects amounts or benefits payable under the Policy.

(d) Cooperation. During and after the executive employee's employment with the Company, the executive employee is required to cooperate with any reasonable request of the Company: (i) in the defense or prosecution of any claims or actions that relate to events or occurrences that transpired while the executive employee was employed by the Company, or (ii) in connection with any investigation or review of any federal, state or local regulatory, quasi-regulatory or self-governing authority (including, without limitation, the Securities and Exchange Commission) as any such investigation or review relates to events or occurrences that transpired while the executive employee was employed by the Company. The executive employee's cooperation in connection with the foregoing shall include, but not be limited to, being available, upon reasonable notice, to meet with counsel to prepare for discovery or trial and to act as a witness on behalf of the Company at mutually convenient times. The Company will reimburse the executive employee for any reasonable out-of-pocket expenses incurred in connection with the performance of these obligations. Any such reimbursements are subject to generally applicable Company policies, and shall be paid not later than the end of the calendar year following the calendar year in which such expenses were incurred. Failure to satisfy these cooperation obligations may result in forfeiture of payments yet to be paid under this Policy, and recoupment of payments already paid under this Policy.

(e) Special Provision. Notwithstanding the foregoing, the Company may, with approval by the Compensation Committee, provide an executive employee with all or some portion of his or her Severance Benefits even though the Company is not otherwise obligated to provide such benefits under applicable provisions of the Policy.

C. Non-Compete, Non-Solicitation and Confidentiality

(1) Non-Compete. The non-compete and non-solicitation provision of any agreement signed by the executive employee shall remain in effect for the time period defined in said agreement; provided however, that if no signed agreement exists, then during the severance period the executive employee shall not, without the Company's prior written consent, directly or indirectly, own, manage, operate, join, control or participate in the ownership, management, operation or control of, or be connected as a director, officer, employee, partner, consultant or otherwise with, any profit or non-profit business or organization in the United States that, directly or indirectly, manufactures, markets, distributes or sells (through wholesale, retail or direct marketing channels including, but not limited to, mail order and internet distribution) vitamins, minerals, nutritional supplements, herbal products, sports nutrition products, bodybuilding formulas or homeopathic remedies (the "Competitive Products") if, except with respect to the companies listed below, the sale/distribution of the Competitive Products represent one third (1/3) or more of such business or organization’s gross sales in the proceeding twelve (12) months from the executive employee's termination of the employment date (the "Competitive Business"); provided, however, that an executive employee can work for a business or organization (other than the companies listed below) that sells Competitive Products that is less than one third (1/3) of such gross sales only if the executive employee is not directly or indirectly involved in that part of the business or organization that deals with, or has

knowledge of, the Competitive Products. Notwithstanding, and without limiting, the foregoing, the following companies constitute a Competitive Business: GNC, Rite Aid, Whole Foods, Vitacost, Walgreens, CVS, Nature's Bounty, Bodybuilding.com, Swanson, Sprout's Sunflower Markets and Vitamin Cottage. Notwithstanding the foregoing, the executive employee may be a passive owner (which shall not prohibit the exercise of any rights as a shareholder) of not more than 5% of the outstanding stock of any class of any public corporation that engages in a Competitive Business.

(2) Non-Solicitation. For the longer of the severance period and the twelve (12) month period following the termination date of the executive employee's employment, the executive employee shall not directly or indirectly (i) cause any person or entity to, either for the executive employee or for any other person, business, partnership, association, firm, company or corporation, hire from the Company or attempt to hire, divert or take away from the Company, any of the officers or employees of the Company who were employed by the Company during the twelve (12) months prior to the termination date of the executive employee's employment; or (ii) cause any other person or entity to, either for the executive employee or for any other person, business, partnership, association, firm, company or corporation, attempt to divert or take away from the Company or its subsidiaries any of the business or vendors of the Company.

(3) Confidentiality. The obligation of confidentiality by the executive employee set forth in the Company's agreements(s) with the executive employee or policies of the Company binding on or covering the executive employee shall remain in effect for perpetuity regardless of any cessation of payment pursuant to this Policy, such that the executive employee shall not disclose confidential information of or pertaining to the Company at any time.

(4) Remedies. The executive employees and the Company acknowledge that the restrictions imposed by this Section III.C are reasonably necessary to protect the legitimate business interests of the Company, and that the Company would not be willing to offer the Severance Benefits pursuant to this Policy in the absence of such agreement. The executive employee agrees that any breach of this Section III.C by the executive employee would cause irreparable damage to the Company and that in the event of such breach the Company shall have, in addition to any and all remedies of law, the right to an injunction, specific performance or other equitable relief to prevent the violation of any obligations hereunder, without the necessity of posting a bond, plus if the Company prevails with respect to any dispute between the Company and the executive employee as to the interpretation, terms, validity or enforceability of this Section III.C, the recovery of any and all costs and expenses incurred by the Company, including reasonable attorneys' fees in connection with the enforcement of this Section III.C. The executive employee further acknowledges and agrees that any period of time during which he or she is in violation of the covenants set forth in this Section III.C shall be added to the applicable restricted period. Resort to such equitable relief shall not be construed to be a waiver of any other rights or remedies that the Company may have for damages or otherwise.

D. Continuing Benefits and Reimbursement of Expenses

An executive employee who is eligible for benefits under this Policy shall retain any of his or her vested right to benefits payable under any retirement or pension plan or under any other employee benefit plan of the Company, and all such benefits shall continue, in accordance with, and subject to, the terms and conditions of such plans, to be payable in full to or on account of the executive employee after such termination. Such executive employee shall also be reimbursed for any and all out-of-pocket expenses reasonably incurred by the executive employee consistent with Company

policy prior to the date of such termination. To the extent that any expense reimbursement is determined to be subject to Section 409A of the Code, the amount of any such expenses eligible for reimbursement in one (1) calendar year shall not affect the expenses eligible for reimbursement in any other taxable year, in no event shall any expenses be reimbursed after the last day of the calendar year following the calendar year in which the executive employee incurred such expenses, and in no event shall any right to reimbursement be subject to liquidation or exchange for another benefit.

E. Employment Contracts or Other Written Agreements In Effect

If on the date of termination, an employment contract or other written agreement between an executive employee and the Company is in effect, then the executive employee shall receive the amount provided by the terms of such employment contract or agreement under and pursuant to, and in accordance with the form and time specified in, such contract or agreement. To the extent the Severance Benefits payable in accordance with this Policy exceed the pay and benefits provided in such individual agreement, the executive employee shall receive only such excess amount under this Policy, and in accordance with the payment schedules set forth herein. In no event shall the executive employee be entitled to duplicate benefits under the Policy and any separate agreement.

F. Non-Uniform Determinations

The Company's determinations under this Policy need not be uniform and may be made by it selectively, for any nondiscriminatory reason and for no reason, among the persons who receive, or are eligible to receive, awards hereunder (whether or not such persons are similarly situated).

G. Policy Construction and Administration

The Company is the Plan Administrator for the Policy, and in this capacity, the Company and/or its duly authorized designee(s) have the exclusive right, power and authority, in its sole and absolute discretion, to administer, apply, construe and interpret the terms of this Policy, including any related plan documents, and to decide all matters (including factual matters) arising in connection with the operation or administration of the Policy. The Plan Administrator is the sole judge of the application and interpretation of the Policy and has the discretionary authority to construe the provisions of the Policy, to resolve disputed issues of fact, and to make determinations regarding eligibility. The Plan Administrator has the authority, in the Plan Administrator's sole discretion, to interpret the Policy and resolve ambiguities therein, to develop rules and regulations to carry out the provisions of the Policy, and to make factual determinations. However, the Plan Administrator has the authority to delegate certain of its powers and duties to a third party. All determinations and interpretations (including factual determinations) made by the Company and/or its duly authorized designee(s) shall be final and binding upon all participants, beneficiaries and any other individuals claiming benefits or an interest under the Policy. Employees who have questions with respect to the Policy may contact the Vice President of Human Resources.

Except to the extent this Policy is subject to ERISA, the interpretation, construction and performance of this Policy shall be governed by and construed and enforced in accordance with the internal laws of the State of New Jersey, without regard to the principle of conflicts of laws, and applicable federal laws. The invalidity or unenforceability of any provision of this Policy shall not affect the validity or enforceability of any other provision of this Policy, which other provisions shall remain in full force and effect.

IV. AMENDMENT OR TERMINATION OF POLICY

The Company reserves the right to amend, modify or terminate this Policy or any portion of it at any time prior to a Change in Control or following the second anniversary of a Change in Control, and for any reason. Any such action shall be authorized in writing. Notwithstanding the foregoing, during the period commencing on a Change in Control and ending on the second anniversary of the Change in Control, the Policy may not be amended (except as may be required to comply with applicable law) or terminated by the Company (or any successor thereto), and any employee's participation hereunder may not be terminated, in each case, in any manner which is materially adverse to the interests of any employee-participant without the prior written consent of such employee.

V. CLAIMS

Executive employees who are eligible for Severance Benefits under this Policy will be notified by the Company. If you believe that you did not receive the Severance Benefits to which you were entitled, you need to make a claim with the Chief Compliance Officer. The Chief Compliance Officer will review and make a decision with respect to your claim within ninety (90) days of receipt of your claim, unless the Chief Compliance Officer determines that special circumstances require an extension of time for processing the claim, in which case you will receive a written notice of the extension before termination of the initial ninety (90) day period. The extension notice will indicate the special circumstances requiring the extension and the date by which the Chief Compliance Officer expects to render the benefit determination.

If any claim is denied in whole or in part, you or your beneficiary will receive written notification within ninety (90) days, including the reasons for the denial; reference to the specific Policy provisions on which the denial was based; information about additional material needed to pursue the claim, if any, and why such material is needed; and an explanation of the claim appeal procedure including a statement of your right to bring a civil action under § 502(a) of ERISA following an adverse benefit determination on appeal. Within sixty (60) days of the date of the notice of denial, you or your beneficiary may submit a written request for reconsideration of the claim to Chief Compliance Officer.

You or your representative may submit written comments, documents, records, and other information relating to the claim for Severance Benefits. Upon request and free of charge, you or your representative may have reasonable access to, and copies of, all documents, records, and other information relevant to your claim for Severance Benefits.

The review by the Chief Compliance Officer will take into account all comments, documents, records, and other information you submit relating to the claim, without regard to whether such information was submitted or considered in the initial Severance Benefits determination.

The Chief Compliance Officer will make a decision on your appeal within sixty (60) days after the receipt of the appeal. If the Chief Compliance Officer determines that special circumstances require an extension of time for processing the appeal, you will receive a written notice of the extension before the end of the initial sixty (60) day period. The extension notice shall indicate the special circumstances requiring the extension and the date by which the Policy expects to render the determination on appeal.

If your appeal is denied in whole or in part, you will receive a written notification including the reasons for the denial; reference to the specific Policy provisions on which the denial was based; a statement that you are entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to your claim for Severance Benefits; and a statement describing any voluntary appeal procedures offered by the Plan and your right to obtain information about such procedures, as well as a statement of your right to bring a civil action under§ 502(a) of ERISA.

A document, record, or other information is relevant to a claim for Severance Benefits if it:

- was relied upon in making the Severance Benefits determination;
- was submitted, considered, or generated in the course of making the Severance Benefits determination, without regard to whether such document, record, or other information was relied upon in making the Severance Benefits determination; or
- demonstrates compliance with the administrative processes and safeguards in making Severance Benefit determinations.

The Compliance Officer will decide whether a hearing will be held on the claim and will notify you at least fourteen (14) days before the hearing, if one is to be held.

To the extent permitted by law, decisions reached under the claims procedures set forth in this Section V shall be final and binding on all parties. No action (whether at law, in equity or otherwise) shall be brought by or on behalf of any executive employee or beneficiary of an executive employee for or with respect to benefits due under this Policy unless the person bringing such action has timely exhausted the Policy's claim review procedure. In any such legal action, the claimant may only present evidence and theories which the claimant presented during the claims procedure. Any claims which the claimant does not in good faith pursue through the review stage of the claims procedure shall be treated as having been irrevocably waived. Judicial review of a claimant's denied claim shall be limited to a determination of whether the denial was an abuse of discretion based on the evidence and theories the claimant presented during the claims procedure.

Any action (whether at law, in equity or otherwise) must be commenced within one (1) year and must be brought in a court of competent jurisdiction sitting in Hudson County, New Jersey. This one (1) year period shall be computed from the earlier of: (a) the date a final determination denying such benefit, in whole or in part, is issued under the Plan's claim review procedure; and (b) the date such individual's cause of action first accrued (as determined under the laws of the State of New Jersey without regard to principles of choice of laws).

VI. BASIC PLAN INFORMATION

Name of the Plan:

The name of the plan is the Vitamin Shoppe Executive Severance Pay Policy.

Plan Sponsor:

The Plan Sponsor's name and address are as follows:

Vitamin Shoppe Industries Inc.
300 Harmon Meadow Blvd.
Secaucus, NJ 07094

Type of Plan:

The plan is intended to be an employee welfare benefit plan, as defined in Section 3(1) of ERISA, as a top-hat plan under Section 2520.104-24 of the Department of Labor Regulations, maintained primarily for the purpose of providing employee welfare benefits to the extent that it provides welfare benefits; and an employee pension plan as defined in Section 3(2) of ERISA, as a top-hat plan under Section 2520.104-23 of the Department of Labor Regulations exempt from Sections 201, 301 and 401 of ERISA, as a plan that is unfunded and maintained primarily for the purpose of providing deferred compensation, to the extent that it provides such compensation, in each case for a select group of management or highly compensated employees *(i.e.,* a "top hat" plan).

Plan Administrator:

The Plan Administrator is the Company. The Plan Administrator's name, address and telephone number are as follows:

Vitamin Shoppe Industries Inc.
300 Harmon Meadow Blvd.
Secaucus, NJ 07094
Tel.: 201-868-5959
Fax: 201-624-3804

All correspondence or inquires to the Plan Administrator should be directed to the attention of Vice President, Human Resources.

Employer and Plan Identification Numbers:

The employer identification number for the Sponsor is 13-2993785.

The Executive Severance Pay Policy's identification number is 505.

Agent for Service of Legal Process:

The agent for service of legal process is:

Vitamin Shoppe Industries Inc.
300 Harmon Meadow Blvd.
Secaucus, NJ 07094
Attention: General Counsel

Plan Year:

The Policy is administered on a calendar year basis, so that the Plan Year ends on December 31.

Source of Severance Benefits:

The Policy is an unfunded plan maintained primarily for the purpose of providing severance pay for eligible employees. All payments under the Policy are made from the Company's general assets. Benefits under this Policy are not insured under Title IV of ERISA.

Statement of ERISA Rights:

As a participant in the Policy, you are entitled to certain rights and protections under ERISA. ERISA provides that all plan participants shall be entitled to:

Receive Information About Your Plan and Benefits

Examine, without charge, at the Plan Administrator's office and at other specified locations, all documents governing the Policy, and a copy of the latest annual report (Form 5500 Series), if any, filed by the plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.

Obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the Policy, and copies of the latest annual report (Form 5500 Series), if any, and updated summary plan description, if any. The Plan Administrator may make a reasonable charge for the copies.

Receive a summary of the Policy's annual financial report, if any. The plan administrator may be required by law to furnish each participant with a copy of this summary annual report.

Prudent Actions by Plan Fiduciaries

In addition to creating rights for plan participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate this Policy, called "fiduciaries" of the Policy, may have a duty to do so prudently and in the interest of you and other plan participants and beneficiaries. No one, including your employer, your union, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a (pension or welfare) benefit or exercising your rights under ERISA.

Enforce Your Rights

If your claim for a benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of plan documents or the latest annual report, if any, from the plan administrator and do not receive them within thirty (30) days, you may file suit in a Federal court. In such a case, the court may require the plan administrator to provide the materials and pay you up to $110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the plan administrator or were not required to be generated. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or federal court. If it should happen that plan fiduciaries misuse the plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If you are successful the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

Assistance with Your Questions

If you have any questions about this Policy, you should contact the plan administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the plan administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C.

20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

Exhibit 10.03

March 24, 2016

Brenda Galgano
c/o Vitamin Shoppe, Inc.
300 Harmon Blvd.
Secaucus, NJ 07982

Re: Continued Employment

Dear Brenda:

This letter will serve as confirmation of the terms of your continued employment with Vitamin Shoppe, Inc., a Delaware corporation ("**Parent**"), and Vitamin Shoppe Industries Inc., a New York corporation (the "**Company**"). You hereby acknowledge that the Employment and Non-Competition Agreement dated March 29, 2012 (the "**Prior Agreement**") will expire in accordance with its terms on March 31, 2016. Accordingly, commencing April 1, 2016, your employment will be governed by the terms of this letter and the policies and plans of Parent and the Company as may be in effect from time to time, including without limitation, the Management Incentive Program, the Executive Severance Pay Policy, the forfeiture and recoupment policies, your equity award agreement(s) and related equity plan(s), and the Dispute Resolution Program.

1. Position and Duties. You will continue to serve as Executive Vice President, Chief Financial Officer of each of Parent and the Company and, in such capacity, will be responsible for the general financial, affairs and management of Parent and the Company, will perform such duties as are customarily performed by an officer with similar responsibilities of a company of a similar size, together with such other responsibilities that may be assigned to you by the Chief Executive Officer and the Board of Directors of Parent or the Company, and will have such power and authority as will reasonably be required to enable you to perform your duties hereunder; provided, however, that in exercising such power and authority and performing such duties, you will at all times be subject to the authority of the Chief Executive Officer and the Board of Directors of Parent and the Company. You agree to devote substantially all of your business time, attention and services to the diligent, faithful and competent discharge of such duties for the successful operation of Parent's and the Company's business. Notwithstanding the foregoing, upon the approval of the Audit Committee of Parent, you may serve as a director of a publicly traded company that is not competitive, provided that such service does not interfere with your obligations hereunder.

2. Compensation, Salary, Bonus and Other Benefits. During your employment, the Company will pay you, or you will be eligible for, the following compensation and employee benefits, subject to all applicable federal, state and local withholding, payroll and other taxes and other deductions.

a. Salary. In consideration of your services to the Company and Parent, the Company will pay you a base salary of $500,000 per annum (the "Base Salary"). The Base Salary shall be reviewed and payable in conformity with the Company's customary practices for executive compensation, as such practices shall be established or modified from time to time but shall be payable not less frequently than monthly.

b. Bonus. Each calendar year, you will be eligible for a cash bonus award (the "**Annual Cash Bonus**") with a target amount of fifty percent (50%) of your then current Base Salary, pursuant to the Company's then current Management Incentive Program ("**MIP**"). You acknowledge that the Company reserves the right to change the structure of the MIP from time to time in its sole discretion. Pursuant to the terms of the current MIP, the Annual Cash Bonus shall be paid on or before March 1st of the calendar year following the year to which such bonus relates, but in all events on or before March 15th of such year, so long as you are employed on, and have not given notice of resignation prior to, the payment date.

Notwithstanding the foregoing, in the event that your employment is terminated due to your death or Disability (as defined below), you (or your estate) shall be entitled to receive (i) the full amount of any unpaid Annual Cash Bonus for any calendar year prior to the year in which your employment is terminated, and (ii) if your employment is terminated after one-half (1/2) or more of a calendar year has transpired, the Fraction (as defined below) times the Annual Cash Bonus you would have received based on the performance of the Company as a whole, but not any portion thereof that is attributable to your performance. The numerator of the Fraction shall be the number of months (including any fractional month as a full month) that you were an employee of the Company during such calendar year, and the denominator of the Fraction shall be twelve (12). As an example, if your employment with the Company is terminated in the first week of the tenth (10th) month, the Fraction shall be ten-twelfths (10/12). The parties acknowledge that the determination of the Annual Cash Bonus for the calendar year in which your employment terminates due to death or Disability (and possibly for the prior calendar year) shall not be known on the date your employment terminates, and, if any, shall be paid by the Company to you not more than thirty (30) days after the determination thereof, but in all events on or before March 15th of the calendar year following the calendar year of termination.

For purposes of this letter, "**Disability**" shall mean your inability, with reasonable accommodation, to perform effectively the essential functions of your duties hereunder because of physical or mental disability for a cumulative period of 180 days in any consecutive 210-day period or other long term disability under the terms of the Company's long-term disability plan, as then in effect. In the event the parties are unable to agree as to whether you are suffering a Disability, you and the Company shall each select a physician and the two (2) physicians so chosen shall make the determination or, if they are unable to agree, they shall select a third physician, and the determination as to whether you are suffering a Disability shall be based upon the determination of a majority of the three (3) physicians. Any other rights and benefits that you may have under employee benefit plans and programs of the Company generally in the event of your Disability shall be determined in accordance with the terms of such plans and programs.

c. Benefits. You shall continue to be entitled to participate, in accordance with the provisions thereof, in any health, disability and life insurance and other employee benefit plans and programs made available by the Company to executives in positions comparable to your position.

d. Reimbursement of Expenses. The Company shall reimburse you for any and all out-of-pocket expenses reasonably incurred by you during your employment in connection with your duties and responsibilities as Chief Financial Officer of the Company, provided that you comply with the policies, practices and procedures of the Company regarding expense reimbursement, including submission of expense reports, receipts or similar documentation of such expenses. All reimbursements under this Section 2(d) shall be made as soon as practicable following submission of a reimbursement request, but no later than the end of the calendar year following the year during which the underlying expense was incurred.

e. Vacation. You shall be entitled to vacation time in accordance with the plans, practices, policies, and programs applicable to the Company's management employees generally, but in no event less than four (4) weeks per year.

3. At-Will Employment. Your employment shall continue until terminated by either you or the Company by written notice to the other party. Your employment status with the Company shall be "at-will," which means that either you or the Company may terminate the employment relationship at any time, for any reason, with or without cause. You are not entitled to any severance or other termination benefits from and after the termination of your employment, except as provided in paragraph 2(b), or pursuant to the Vitamin Shoppe, Inc. Executive Severance Pay Plan, as may be in effect from time to time.

4. Restrictive Covenants. You hereby acknowledge that you are bound by confidentiality, non-competition and non-solicitation obligations pursuant to the terms of the Restricted Stock Award Agreement between you and Parent, and you hereby ratify the covenants contained therein.

5. Key Man Life Insurance. The Company may apply for and obtain and maintain a "Key Man" life insurance policy in your name in such amount as the Company may determine, the beneficiary of which shall be the Company. You agree to submit to physical examinations and answer reasonable questions in connection with the application for and, if obtained, the maintenance of, such insurance policy.

6. Indemnification. If you become, or are threatened to be made, a party to any threatened, pending or completed action, suit or proceeding by reason of the fact that you are or were an officer, director, agent or employee of the Company or Parent, or are or were serving at the request of the Company or Parent as an officer, director, agent or employee of another corporation or other entity, the Company or Parent shall indemnify you to the maximum extent permitted by applicable law and not inconsistent with the provisions of the certificate of incorporation and by-laws of the Company or Parent, as applicable. This right of indemnification shall not be deemed exclusive of any other rights to which you may be entitled as a matter of law and any rights of indemnity under any policy of insurance carried by the Company or Parent.

7. General Provisions.

a. This letter and the terms of your employment with the Company and Parent shall be governed by and construed in accordance with the laws of the state of New Jersey, without giving effect to any conflict of law provisions thereof.

b. This letter, together with the documents referenced herein, sets forth the entire agreement and understanding between you and the Company and Parent relating to its subject matter and supersedes all prior verbal and written discussions between us (including the Prior Agreement).

c. You acknowledge that the services to be rendered by you are unique and personal. Accordingly, you may not assign any of your rights or delegate any of your duties or obligations under this letter. The Company shall have the right to assign this letter to its successors and assigns, and the rights and obligations of the Company and Parent under this letter shall inure to the benefit of, and shall be binding upon, the successors and assigns of the Company or Parent.

We look forward to our ongoing working relationship.

VITAMIN SHOPPE, INC.

By: /s/ Teresa Orth
Name: Teresa Orth
Its: SVP, Human Resources March 25, 2016

VITAMIN SHOPPE INDUSTRIES INC.

By: /s/ Michael A. Jaffe
Name: Michael A. Jaffe
Its: VP, Deputy General Counsel

Acceptance:

I understand and accept the terms of my continued employment with Vitamin Shoppe, Inc. and Vitamin Shoppe Industries Inc. as set forth herein. I understand that my employment with the Company is at-will, which means that either I or the Company and Parent may terminate the employment relationship at any time, for any reason, with or without cause.

/s/ Brenda Galgano Date signed: March 30, 2016
Brenda Galgano

Exhibit 10.06

PSU # _____

PERFORMANCE STOCK UNIT AWARD AGREEMENT

pursuant to the

VITAMIN SHOPPE 2009 EQUITY INCENTIVE PLAN

* * * * *

Participant: _____

Grant Date: _____

Number of Performance Stock Units granted (at Target): _____

* * * * *

THIS AWARD AGREEMENT (this "Agreement"), dated as of the Grant Date specified above, is entered into by and between Vitamin Shoppe, Inc., a company organized in the State of Delaware (the "Company"), and the Participant specified above, pursuant to the Vitamin Shoppe 2009 Equity Incentive Plan, as in effect and as amended from time to time (the "Plan"); and

WHEREAS, it has been determined by the Committee that it would be in the best interests of the Company to grant the Performance Stock Units provided herein to the Participant.

NOW, THEREFORE, in consideration of the mutual covenants and promises hereinafter set forth and for other good and valuable consideration, the parties hereto hereby mutually covenant and agree as follows:

1. Incorporation By Reference; Plan Document Receipt. This Agreement is subject in all respects to the terms and provisions of the Plan (including, without limitation, any amendments thereto adopted at any time and from time to time unless such amendments are expressly intended not to apply to the award provided hereunder), all of which terms and provisions are made a part of and incorporated in this Agreement as if they were expressly set forth herein. Any capitalized term not defined in this Agreement shall have the same meaning as is ascribed thereto in the Plan. The Participant hereby acknowledges receipt of a true copy of the Plan and that the Participant has read the Plan carefully and fully understands its content. In the event of a conflict between the terms of this Agreement and the terms of the Plan, the terms of the Plan shall control.

2. Grant of Performance Stock Unit Award. The Company hereby grants to the Participant, as of the Grant Date specified above, the number of Performance Stock Units specified above. Except as otherwise provided by Section 10 of the Plan, the Participant agrees and understands that nothing contained in this Agreement provides, or is intended to provide, the Participant with any protection against potential future dilution of the Participant's interest in the Company for any reason. Other than as specified in Section 5 hereof, the Participant shall not have the rights of a stockholder (including any voting rights) in respect of the shares of Common Stock underlying this award until such Common Stock is delivered to the Participant in accordance with Section 4.

3. Vesting. The Performance Stock Units subject to this grant shall vest in accordance with the terms of Exhibit A attached hereto.

4. Delivery of Common Stock.

4.1. Subject to the terms of the Plan, to the extent the Performance Stock Units awarded by this Agreement vest, the Company shall promptly distribute to the Participant the number of shares of Common Stock equal to the number of Performance Stock Units that so vested; provided that the Company may defer distribution of shares of Common Stock to a date the Participant is not subject to any Company "blackout" policy or other trading restriction imposed by the Company; provided, further, that absent an election made pursuant to Section 4.2, any distribution of Common Stock shall in any event be made by the date that is 2-1/2 months from the end of the calendar year in which the applicable Performance Stock Units vested. In connection with the delivery of the shares of Common Stock pursuant to this Agreement, the Participant agrees to execute any documents reasonably requested by the Company. In no event shall the Performance Stock Unit be settled in fractional shares of Common Stock (fractional shares of Common Stock will be rounded down to the next lowest whole number).

4.2. If permitted by the Company, the Participant may elect, in accordance with written plans or procedures adopted by the Company from time to time, to defer the distribution of all or any portion of the shares of Common Stock that would otherwise be distributed to the Participant hereunder ("Deferred Shares"). Upon the vesting of Performance Stock Units that have been so deferred, the applicable number of Deferred Shares shall be credited to a bookkeeping account established on the Participant's behalf (the "Account"). Subject to Section 5, the number of shares of Common Stock equal to the number of Deferred Shares credited to the Participant's Account shall be distributed to the Participant in accordance with written plans or procedures adopted by the Company from time to time.

5. Dividends and Other Distributions. Participants holding Performance Stock Units shall be entitled to receive all dividends and other distributions paid with respect to such Shares, provided that any such dividends or other distributions will be subject to the same vesting requirements as the underlying Performance Stock Unit and shall be paid at the time the Common Stock is delivered pursuant to Section 4. If any dividends or distributions are paid in Shares, the Shares shall be deposited with the Company and shall be subject to the same restrictions on transferability and forfeitability as the Performance Stock Units with respect to which they were paid.

6. Special Rules Regarding Restrictive Covenants.

6.1. Company Rights. In the event that the Participant's employment with the Company or one of its Subsidiaries or Related Companies is terminated for "Cause" (as defined below) or if Participant fails to comply with this Section 6, the Company may cancel any outstanding Performance Stock Unit.

(a)For purposes of this Agreement, "Cause" means any of the following: (i) theft or misappropriation of funds or other property of the Company; (ii) alcoholism or drug abuse, either of which materially impair the ability of the Participant to perform his/her duties and responsibilities hereunder or is injurious to the business of the Company; (iii) the conviction of a felony or pleading guilty or nolo contender to a felony involving moral turpitude; (iv) intentionally causing the Company to violate any local, state or federal law, rule or regulation that harms or may harm the Company in any material respect; (v) gross negligence or willful misconduct in the conduct or management of the Company which materially affects the Company, not remedied within thirty (30) days after receipt of written notice from the Company; (vi) willful refusal to comply with any significant policy, directive or decision of the Chief Executive Officer, any other executive(s) of the Company to whom the Participant reports, or the Board in furtherance of a lawful business purpose or willful refusal to perform the duties reasonably assigned to the Participant by the Chief Executive Officer, any other executive(s) of the Company to whom the Participant reports or the Board consistent with the Participant's functions, duties and responsibilities, in each case, in any material respect, not remedied within thirty (30) days after receipt of written notice from the Company; (vii) breach (other than by reason of physical or mental illness, injury, or condition) of any other material obligation to the Company that is or could reasonably be expected to result in material harm to the Company not remedied within thirty (30) days after receipt of written notice of such breach from the Company; (viii) violation of the Company's operating and or financial/accounting procedures which results in material loss to the Company, as determined by the Company; or (ix) violation of the Company's confidentiality, non-compete or non-solicit requirements (including those set forth in this Agreement) or Code of Business Conduct.

6.2. Nondisclosure of Confidential and Proprietary Information. The obligation of confidentiality by the Participant set forth in the Company's agreements(s) with the Participant or policies of the Company binding on or covering the Participant shall remain in effect for perpetuity regardless of any cessation of payment pursuant to this Agreement, such that the Participant shall not disclose confidential information of or pertaining to the Company at any time.

6.3. Non-Competition. During the period of a Participant's employment and for one year thereafter (or two years thereafter, in the event of a termination following a Change

of Control), the Participant shall not, without the Company's prior written consent, directly or indirectly, own, manage, operate, join, control or participate in the ownership, management, operation or control of, or be connected as a director, officer, employee, partner, consultant or otherwise with, any profit or non-profit business or organization in the United States that, directly or indirectly, manufactures, markets, distributes or sells (through wholesale, retail or direct marketing channels including, but not limited to, mail order and internet distribution) vitamins, minerals, nutritional supplements, herbal products, sports nutrition products, bodybuilding formulas or homeopathic remedies (the "Competitive Products") if, except with respect to the companies listed below, the sale/distribution of the Competitive Products represent one third (1/3) or more of such business or organization's gross sales in the proceeding twelve (12) months from the Participant's termination of employment date (the "Competitive Business"); provided, however, that the Participant can work for a business or organization (other than the companies listed below) that sells Competitive Products that is less than one third (1/3) of such gross sales only if the Participant is not directly or indirectly involved in that part of the business or organization that deals with, or has knowledge of, the Competitive Products. Notwithstanding, and without limiting, the foregoing, the following companies constitute a Competitive Business: GNC, Rite Aid, Whole Foods, Vitacost, Walgreens, CVS, Nature's Bounty, Bodybuilding.com, Swanson, Sprout's Sunflower Markets and Vitamin Cottage. Notwithstanding the foregoing, the Participant may be a passive owner (which shall not prohibit the exercise of any rights as a shareholder) of not more than 5% of the outstanding stock of any class of any public corporation that engages in a Competitive Business.

6.4. **Non-Solicitation**. During the period of a Participant's employment and for one year thereafter (or two years thereafter, in the event of a termination following a Change of Control), the Participant shall not directly or indirectly (i) cause any person or entity to, either for the Participant or for any other person, business, partnership, association, firm, company or corporation, hire from the Company or attempt to hire, divert or take away from the Company, any of the officers or employees of the Company who were employed by the Company during the twelve (12) months prior to the termination date of the Participant's employment; or (ii) cause any other person or entity to, either for the Participant or for any other person, business, partnership, association, firm, company or corporation, attempt to divert or take away from the Company or its subsidiaries any of the business or vendors of the Company.

6.5. **Remedies**. The Participant and the Company acknowledge that the restrictions imposed by this Section 6 are reasonably necessary to protect the legitimate business interests of the Company, and that the Company would not be willing to offer the Performance Stock Unit pursuant to this Agreement in the absence of such agreement. The Participant agrees that any breach of this 6 by the Participant would cause irreparable damage to the Company and that in the event of such breach the Company shall have, in addition to any and all remedies of law, the right to an injunction, specific performance or other equitable relief to prevent the violation of any obligations hereunder, without the necessity of posting a bond, plus if the Company prevails with respect to any dispute between the Company and the Participant as to the interpretation, terms, validity or enforceability of this Section 6, the recovery of any and all costs and expenses incurred by the Company, including reasonable attorneys' fees in connection with the enforcement of this Section 6. The Participant further acknowledges and agrees that any period of time during which

he or she is in violation of the covenants set forth in this Section 6 shall be added to the applicable restricted period. Resort to such equitable relief shall not be construed to be a waiver of any other rights or remedies that the Company may have for damages or otherwise.

6.6. Forfeiture and Repayment. The Participant may be required to repay to the Company the proceeds received in connection with, or return to the Company, the Performance Stock Unit: (i) if during the course of employment the Participant engages in conduct, or it is discovered that the Participant has engaged in conduct, that is (x) materially adverse to the interest of the Company, which include failures to comply with the Company's written rules or regulations and material violations of any agreement with the Company, (y) fraud, or (z) conduct contributing to any financial restatements or irregularities occurring during or after employment; (ii) if during the course of employment, the Participant competes with, or engages in the solicitation and/or diversion of customers, vendors or employees of, the Company or it is discovered that the executive employee has engaged in such conduct; (iii) if following termination of employment, the Participant violates any post-termination obligations or duties owed to, or any agreement with, the Company, which includes this Agreement, any employment agreement and other agreements restricting post-employment conduct; (iv) if following termination of employment, the Company discovers facts that would have supported a termination for Cause had such facts been known to the Company before the termination of employment; and (v) if compensation that is promised or paid to the Participant is required to be forfeited and/or repaid to the Company pursuant to applicable regulatory requirements as in effect from time to time and/or such forfeiture or repayment affects amounts or benefits payable under this Agreement.

7. Non-transferability. Performance Stock Units , and any rights and interests with respect thereto, issued under this Agreement and the Plan shall not, prior to vesting, be sold, exchanged, transferred, assigned or otherwise disposed of in any way by the Participant (or any beneficiary(ies) of the Participant), other than by testamentary disposition by the Participant or the laws of descent and distribution. Any such Performance Stock Units , and any rights and interests with respect thereto, shall not, prior to vesting, be pledged, encumbered or otherwise hypothecated in any way by the Participant (or any beneficiary(ies) of the Participant) and shall not, prior to vesting, be subject to execution, attachment or similar legal process. Any attempt to sell, exchange, transfer, assign, pledge, encumber or otherwise dispose of or hypothecate in any way any of the Performance Stock Units , or the levy of any execution, attachment or similar legal process upon the Performance Stock Unit, contrary to the terms and provisions of this Agreement and/or the Plan shall be null and void and without legal force or effect.

8. Entire Agreement; Amendment. This Agreement, together with the Plan contains the entire agreement between the parties hereto with respect to the subject matter contained herein, and supersedes all prior agreements or prior understandings, whether written or oral, between the parties relating to such subject matter. The Committee shall have the right, in its sole discretion, to modify or amend this Agreement from time to time in accordance with and as provided in the Plan. This Agreement may also be modified or amended by a writing signed by both the Company and the Participant. The Company shall give written notice to the Participant of any such modification or amendment of this Agreement as soon as practicable after the adoption thereof.

9. Acknowledgment of Employee. The award of this Performance Stock Unit does not entitle Participant to any benefit other than that granted under this Agreement. Any benefits granted under this Agreement are not part of the Participant's ordinary salary, and shall not be considered as part of such salary in the event of severance, redundancy or resignation. Participant understands and accepts that the benefits granted under the Plan are entirely at the grace and discretion of the Company and that the Company retains the right to amend or terminate the Plan at any time, at their sole discretion and without notice.

10. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware without reference to the principles of conflict of laws thereof.

11. Withholding of Tax. The Company shall have the power and the right to deduct or withhold, or require the Participant to remit to the Company, an amount sufficient to satisfy any federal, state, local and foreign taxes of any kind (including, but not limited to, the Participant's FICA and SDI obligations) which the Company, in its sole discretion, deems necessary to be withheld or remitted to comply with the Code and/or any other applicable law, rule or regulation with respect to the Performance Stock Unit and, if the Participant fails to do so, the Company may otherwise refuse to issue or transfer any Shares otherwise required to be issued pursuant to this Agreement.

12. No Right to Employment. Any questions as to whether and when there has been a termination of such employment and the cause of such termination shall be determined in the sole discretion of the Company. Nothing in this Agreement shall interfere with or limit in any way the right of the Company, its Subsidiaries or Affiliates or Related Companies to terminate the Participant's employment or service at any time, for any reason and with or without cause.

13. Notices. Any notice which may be required or permitted under this Agreement shall be in writing and shall be delivered in person, or via facsimile transmission, overnight courier service or certified mail, return receipt requested, postage prepaid, properly addressed as follows:

13.1. If such notice is to the Company, to the attention of the Secretary of Company or at such other address as the Company, by notice to the Participant, shall designate in writing from time to time.

13.2. If such notice is to the Participant, at his or her address as shown on the Company's records, or at such other address as the Participant, by notice to the Company, shall designate in writing from time to time.

14. Compliance with Laws. The issuance of the shares of Common Stock pursuant to this Agreement shall be subject to, and shall comply with, any applicable requirements of any federal and state securities laws, rules and regulations (including, without limitation, the provisions of the Securities Act of 1933, the 1934 Act and the respective rules and regulations promulgated thereunder) and any other law or regulation applicable thereto. The Company shall not be obligated to issue any of the shares of Common Stock pursuant to this Agreement if such issuance would violate any such requirements.

15. Securities Representations. The Performance Stock Unit are being issued to the Participant and this Agreement is being made by the Company in reliance upon the following express representations and warranties of the Participant. The Participant acknowledges, represents and warrants that:

15.1. The Participant has been advised that the Participant may be an "affiliate" within the meaning of Rule 144 under the Securities Act of 1933, as amended (the "Act") and in this connection the Company is relying in part on the Participant's representations set forth in this Section 15.

15.2. If the Participant is deemed an affiliate within the meaning of Rule 144 of the Act, the Shares must be held indefinitely unless an exemption from any applicable resale restrictions is available or the Company files an additional registration statement (or a "re-offer prospectus") with regard to the Shares and the Company is under no obligation to register the Shares (or to file a "re-offer prospectus").

15.3. If the Participant is deemed an affiliate within the meaning of Rule 144 of the Act, the Participant understands that the exemption from registration under Rule 144 will not be available unless (i) a public trading market then exists for the Common Stock of the Company, (ii) adequate information concerning the Company is then available to the public, and (iii) other terms and conditions of Rule 144 or any exemption therefrom are complied with; and that any sale of the Shares may be made only in limited amounts in accordance with such terms and conditions.

16. Binding Agreement; Assignment. This Agreement shall inure to the benefit of, be binding upon, and be enforceable by the Company and its successors and assigns. The Participant shall not assign any part of this Agreement without the prior express written consent of the Company.

17. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same instrument.

18. Section 409A. This Agreement is intended to comply with Section 409A of the Code or an exemption thereunder and shall be construed and interpreted in a manner that is consistent with the requirements for avoiding additional taxes or penalties under Section 409A of the Code. Notwithstanding the foregoing, the Company makes no representations that the payments and benefits provided under this Agreement comply with Section 409A of the Code and in no event shall the Company be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by the Grantee on account of non-compliance with Section 409A of the Code.

19. Headings. The titles and headings of the various sections of this Agreement have been inserted for convenience of reference only and shall not be deemed to be a part of this Agreement.

20. Further Assurances. Each party hereto shall do and perform (or shall cause to be done and performed) all such further acts and shall execute and deliver all such other agreements, certificates, instruments and documents as any other party hereto reasonably may request in order

to carry out the intent and accomplish the purposes of this Agreement and the Plan and the consummation of the transactions contemplated thereunder.

21. Waiver of Jury Trial. PARTICIPANT WAIVES ANY RIGHT IT MAY HAVE TO TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED ON, ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY COURSE OF CONDUCT, COURSE OF DEALING, VERBAL OR WRITTEN STATEMENT OR ACTION OF ANY PARTY HERETO.

22. Severability. The invalidity or unenforceability of any provisions of this Agreement in any jurisdiction shall not affect the validity, legality or enforceability of the remainder of this Agreement in such jurisdiction or the validity, legality or enforceability of any provision of this Agreement in any other jurisdiction, it being intended that all rights and obligations of the parties hereunder shall be enforceable to the fullest extent permitted by law.

[Remainder of Page Left Intentionally Blank]

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by its duly authorized officer, and the Participant has hereunto set his/her hand, all as of the Grant Date specified above.

VITAMIN SHOPPE, INC.

By: _____

Name: David M. Kastin

Senior Vice President, General Counsel & Corporate Secretary

_____

Participant

1189.2

Exhibit 10.07

NON-QUALIFIED STOCK OPTION AGREEMENT

pursuant to the

VITAMIN SHOPPE 2009 EQUITY INCENTIVE PLAN

* * * * *

Optionee: _____

Grant Date: _____

Per Share Exercise Price: _____

Number of Option Shares subject to this Option: _____

* * * * *

THIS NON-QUALIFIED STOCK OPTION AGREEMENT (this "Agreement"), dated as of the Grant Date specified above, is entered into by and between Vitamin Shoppe, Inc., a company organized in the State of Delaware (the "Company"), and the Optionee specified above (the "Optionee"), pursuant to the Vitamin Shoppe 2009 Equity Incentive Plan, as in effect and as amended from time to time (the "Plan"); and

WHEREAS, it has been determined under the Plan that it would be in the best interests of the Company to grant the non-qualified stock option provided for herein to the Optionee;

NOW, THEREFORE, in consideration of the mutual covenants and promises hereinafter set forth and for other good and valuable consideration, the parties hereto hereby mutually covenant and agree as follows:

1. Incorporation By Reference; Plan Document Receipt. This Agreement is subject in all respects to the terms and provisions of the Plan (including, without limitation, any amendments thereto adopted at any time and from time to time unless such amendments are expressly intended not to apply to the grant of the option hereunder), all of which terms and provisions are made a part of and incorporated in this Agreement as if they were each expressly set forth herein. The Optionee hereby acknowledges receipt of a true copy of the Plan and that the Optionee has read the Plan carefully and fully understands its content. In the event of any conflict between the terms of this Agreement and the terms of the Plan, the terms of the Plan shall control.

2. Grant of Option. The Company hereby grants to the Optionee, as of the Grant Date specified above, a non-qualified stock option (this "Stock Option") to acquire from the Company at the Per Share Exercise Price specified above, the aggregate number of Option Shares specified above (the "Option Shares").

3. No Dividend Equivalents. The Optionee shall not be entitled to receive a cash payment in respect of the Option Shares underlying this Stock Option on any dividend payment date for the Shares.

4. Exercisability of this Stock Option. Provided the Optionee is then Employed by (as defined below) the Company and/or one of its Subsidiaries or Related Companies, the Stock Options shall become unrestricted, vested, and exercisable, as described below.

4.1 This Stock Option shall become unrestricted, vested, and exercisable: (i) as to the first 33% of the Stock Option, on the first anniversary of the Grant Date specified above; (ii) as to the next 33% of the Stock Option, on the second anniversary of the Grant Date specified above; and (iii) as to the final 34% of the Stock Option, on the third anniversary of the Grant Date specified above

4.2 Unless earlier terminated in accordance with the terms and provisions of the Plan and/or this Agreement, this Stock Option shall expire and shall no longer be exercisable after the expiration of ten years from the Grant Date (the "Option Period").

4.3 If the Optionee is no longer Employed by the Company and/or its Subsidiaries or Related Companies due to the Optionee's death or Disability (as defined in Sections 4.5 below), this Stock Option shall become fully vested and exercisable as of the date of any such termination.

4.4 If the Optionee is no longer Employed by the Company and/or its Subsidiaries or Related Companies due to the Optionee's Retirement (as defined in Sections 4.6 below), this Stock Option shall continue to vest as if the Optionee continued to be Employed by the Company through each applicable vesting date specified in Section 4.1 above).

4.5 For purposes of this Agreement, "Disability" shall mean the Optionee's inability, with reasonable accommodation, to perform effectively the essential functions of the Optionee's duties hereunder because of physical or mental disability for a cumulative period of 180 days in any consecutive 210-day period or other long term disability under the terms of the Company's long-term disability plan, as then in effect

4.6 For purposes of this Agreement, "Retirement" shall have the same meaning set forth in any employment agreement between the Company (or any Subsidiary or Related Company) and the Optionee and in the absence of such an agreement, "Retirement" means the Optionee's voluntary termination from employment so long as the Optionee (i) is at least 62 years of age and (ii) has been Employed by the Company (or any Subsidiary or Related Company) for at least five (5) years.

4.7 Notwithstanding any provision contained in this Section 4 to the contrary, in the event of a Change of Control, if (i) the acquirer fails to assume the Stock Option held by the Optionee or (ii) the acquirer assumes the Stock Option held by the Optionee but within two years of a Change of Control following the Grant Date, the Optionee is terminated by Company for any reason other than for Cause (as defined below) or terminates voluntarily after experiencing an Adverse Change in Status (as defined below), any Stock Option then held by the Optionee shall

become fully unrestricted, vested, and exercisable upon such termination. For purposes of this Agreement "Adverse Change in Status" shall mean either of the following which occurs without written consent of the Optionee and which is not remedied by the Company within thirty (30) days after the Optionee gives written notice to the Board, which written notice must be provided within ninety (90) days of being advised of such change: (i) a material adverse change in the Optionee's total compensation, function, duties, title or responsibilities from those in effect at the time of the Change of Control; or (ii) if the Optionee is required to permanently commute or relocate more than a fifty (50) mile radius from the Company's office location at the time of the Change of Control but only if such new commute increases the Optionee's commute prior to the change.

4.8 The Committee may, in its sole discretion, accelerate the exercisability of any portion of the unexercisable portion of this Stock Option at any time. In no event shall this Stock Option be exercisable for a fractional Share.

5. Method of Exercise and Payment. This Stock Option shall be exercised by the Optionee by delivering to the Chief Financial Officer of the Company or his/her designated agent on any business day a written notice, in such manner and form as may be required by the Company, specifying the number of Option Shares the Optionee then desires to acquire (the "Exercise Notice"). The Exercise Notice shall be accompanied by payment of the aggregate Per Share Exercise Price specified above for such number of the Option Shares to be acquired upon such exercise. Such payment shall be made in the manner set forth in Section 5.6 of the Plan.

6. Termination of Employment.

6.1 Except as otherwise set forth in this Section 6, if the Optionee's employment with the Company and/or one of its Subsidiaries or Related Companies terminates for any reason, any then unvested and/or unexercisable portion of this Stock Option shall be forfeited by the Optionee and cancelled by the Company automatically for no consideration. For purposes of this Agreement, "Employed by, or employed with," means continued service to the Company and/or one of its Subsidiaries or Related Companies as an Employee, Independent Contractor or Member of the Board.

6.2 If the Optionee's employment is terminated for Cause (as defined below) all outstanding Stock Options will terminate immediately. If the Optionee's employment with the Company and/or one of its Subsidiaries or Related Companies terminates for any reason other than for Cause or due to the Optionee's death or Disability, the Optionee's rights, if any, to exercise any then exercisable portion of this Stock Option shall terminate ninety (90) days after the date of such termination, but not beyond the expiration of the Option Period, and thereafter this Stock Option shall be forfeited by the Optionee and cancelled by the Company for no consideration. For purposes of this Agreement, "Cause" means any of the following: (i) theft or misappropriation of funds or other property of the Company; (ii) alcoholism or drug abuse, either of which materially impair the ability of the Optionee to perform his/her duties and responsibilities hereunder or is injurious to the business of the Company; (iii) the conviction of a felony or pleading guilty or nolo contender to a felony involving moral turpitude; (iv) intentionally causing the Company to violate any local, state or federal law, rule or regulation that harms or may harm the Company in any material respect; (v) gross negligence or willful misconduct in the conduct or management of the Company which

materially affects the Company, not remedied within thirty (30) days after receipt of written notice from the Company; (vi) willful refusal to comply with any significant policy, directive or decision of the Chief Executive Officer, any other executive(s) of the Company to whom the Optionee reports, or the Board in furtherance of a lawful business purpose or willful refusal to perform the duties reasonably assigned to the Optionee by the Chief Executive Officer, any other executive(s) of the Company to whom the Optionee reports or the Board consistent with the Optionee's functions, duties and responsibilities, in each case, in any material respect, not remedied within thirty (30) days after receipt of written notice from the Company; (vii) breach (other than by reason of physical or mental illness, injury, or condition) of any other material obligation to the Company that is or could reasonably be expected to result in material harm to the Company not remedied within thirty (30) days after receipt of written notice of such breach from the Company; (viii) violation of the Company's operating and or financial/accounting procedures which results in material loss to the Company, as determined by the Company; or (ix) violation of the Company's confidentiality, non-compete or non-solicit requirements (including those set forth in this Agreement) or Code of Business Conduct.

6.3 If the Optionee's employment with the Company and/or one of its Subsidiaries or Related Companies is terminated due to the Optionee's death or Disability, the Optionee (or, in the case of the Optionee's death, the Optionee's estate, designated beneficiary or other legal representative, as the case may be, as determined by the Committee) shall have the right to exercise this Stock Option at any time within the one (1) year period following such termination, but not beyond the expiration of the Option Period, and thereafter this Stock Option shall be forfeited by the Optionee and cancelled by the Company.

6.4 If the Optionee's employment with the Company and/or one of its Subsidiaries or Related Companies is terminated due to the Optionee's Retirement, the Optionee (or, in the case of the Optionee's death, the Optionee's estate, designated beneficiary or other legal representative, as the case may be, as determined by the Committee) shall have the right, to the extent exercisable immediately prior to any such termination or as to when the remaining unexercisable portion of the Stock Option becomes exercisable following any such termination, to exercise this Stock Option at any time within the three (3) year period following such termination, but not beyond the expiration of the Option Period, and thereafter this Stock Option shall be forfeited by the Optionee and cancelled by the Company.

6.5 The Committee may, in its sole discretion, determine that all or any portion of this Stock Option, to the extent exercisable immediately prior to the Optionee's termination of employment with the Company and/or one of its Subsidiaries or Related Companies for any reason, may remain exercisable for an additional specified time period after the relevant period specified above in this Section 6 expires (subject to any other applicable terms and provisions of the Plan and this Agreement), but not beyond the expiration of the Option Period.

6.6 If the Related Company of the Company employing the Optionee ceases to be an Related Company of the Company, that event shall be deemed to constitute a termination of employment described in Section 6.2 above (in connection with such termination of employment, the provisions in Section 6.1 would also be applicable).

7. Special Rules Regarding Restrictive Covenants. In the event that the Optionee fails to comply with any of the restrictive covenants set forth in this Section 7, the Company may terminate outstanding Stock Options.

7.1 Confidentiality. The obligation of confidentiality by the Optionee set forth in the Company's agreements(s) with the Optionee or policies of the Company binding on or covering the Optionee shall remain in effect for perpetuity regardless of any cessation of payment pursuant to this Agreement, such that the Optionee shall not disclose confidential information of or pertaining to the Company at any time.

7.2 Non-Competition. During the period of a Optionee's employment and for one year thereafter (or two years thereafter, in the event of a termination following a Change of Control), the Optionee shall not, without the Company's prior written consent, directly or indirectly, own, manage, operate, join, control or participate in the ownership, management, operation or control of, or be connected as a director, officer, employee, partner, consultant or otherwise with, any profit or non-profit business or organization in the United States that, directly or indirectly, manufactures, markets, distributes or sells (through wholesale, retail or direct marketing channels including, but not limited to, mail order and internet distribution) vitamins, minerals, nutritional supplements, herbal products, sports nutrition products, bodybuilding formulas or homeopathic remedies (the "Competitive Products") if, except with respect to the companies listed below, the sale/distribution of the Competitive Products represent one third (1/3) or more of such business or organization's gross sales in the proceeding twelve (12) months from the Optionee's termination of employment date (the "Competitive Business"); provided, however, that the Optionee can work for a business or organization (other than the companies listed below) that sells Competitive Products that is less than one third (1/3) of such gross sales only if the Optionee is not directly or indirectly involved in that part of the business or organization that deals with, or has knowledge of, the Competitive Products. Notwithstanding, and without limiting, the foregoing, the following companies constitute a Competitive Business: GNC, Rite Aid, Whole Foods, Vitacost, Walgreens, CVS, Nature's Bounty, Bodybuilding.com, Swanson, Sprout's Sunflower Markets and Vitamin Cottage. Notwithstanding the foregoing, the Optionee may be a passive owner (which shall not prohibit the exercise of any rights as a shareholder) of not more than 5% of the outstanding stock of any class of any public corporation that engages in a Competitive Business.

7.3 Non-Solicitation. During the period of a Optionee's employment and for one year thereafter (or two years thereafter, in the event of a termination following a Change of Control), the Optionee shall not directly or indirectly (i) cause any person or entity to, either for the Optionee or for any other person, business, partnership, association, firm, company or corporation, hire from the Company or attempt to hire, divert or take away from the Company, any of the officers or employees of the Company who were employed by the Company during the twelve (12) months prior to the termination date of the Optionee's employment; or (ii) cause any other person or entity to, either for the Optionee or for any other person, business, partnership, association, firm, company or corporation, attempt to divert or take away from the Company or its subsidiaries any of the business or vendors of the Company.

7.4 **Remedies**. The Optionee and the Company acknowledge that the restrictions imposed by this Section 7 are reasonably necessary to protect the legitimate business interests of the Company, and that the Company would not be willing to offer the Stock Option pursuant to this Agreement in the absence of such agreement. The Optionee agrees that any breach of this 7 by the Optionee would cause irreparable damage to the Company and that in the event of such breach the Company shall have, in addition to any and all remedies of law, the right to an injunction, specific performance or other equitable relief to prevent the violation of any obligations hereunder, without the necessity of posting a bond, plus if the Company prevails with respect to any dispute between the Company and the Optionee as to the interpretation, terms, validity or enforceability of this Section 7, the recovery of any and all costs and expenses incurred by the Company, including reasonable attorneys' fees in connection with the enforcement of this Section 7. The Optionee further acknowledges and agrees that any period of time during which he or she is in violation of the covenants set forth in this Section 7 shall be added to the applicable restricted period. Resort to such equitable relief shall not be construed to be a waiver of any other rights or remedies that the Company may have for damages or otherwise.

7.5 **Forfeiture and Repayment**. The Optionee may be required to repay to the Company the proceeds received in connection with, or return to the Company, the Option Shares: (i) if during the course of employment the Optionee engages in conduct, or it is discovered that the Optionee has engaged in conduct, that is (x) materially adverse to the interest of the Company, which include failures to comply with the Company's written rules or regulations and material violations of any agreement with the Company, (y) fraud, or (z) conduct contributing to any financial restatements or irregularities occurring during or after employment; (ii) if during the course of employment, the Optionee competes with, or engages in the solicitation and/or diversion of customers, vendors or employees of, the Company or it is discovered that the executive employee has engaged in such conduct; (iii) if following termination of employment, the Optionee violates any post-termination obligations or duties owed to, or any agreement with, the Company, which includes this Agreement, any employment agreement and other agreements restricting post-employment conduct; (iv) if following termination of employment, the Company discovers facts that would have supported a termination for Cause had such facts been known to the Company before the termination of employment; and (v) if compensation that is promised or paid to the Optionee is required to be forfeited and/or repaid to the Company pursuant to applicable regulatory requirements as in effect from time to time and/or such forfeiture or repayment affects amounts or benefits payable under this Agreement.

8. **Non-transferability.**

8.1 Except as provided herein, this Stock Option, and any rights or interests therein, (i) shall not be sold, exchanged, transferred, assigned or otherwise disposed of in any way at any time by the Optionee (or any beneficiary(ies) of the Optionee), other than by testamentary disposition by the Optionee or by the laws of descent and distribution, (ii) shall not be pledged, encumbered or otherwise hypothecated in any way at any time by the Optionee (or any beneficiary(ies) of the Optionee) and (iii) shall not be subject to execution, attachment or similar legal process.

Any attempt to sell, exchange, pledge, transfer, assign, encumber or otherwise dispose of or hypothecate this Stock Option, or the levy of any execution, attachment or similar legal process upon this Stock Option, contrary to the terms of this Agreement and/or the Plan, shall be null and void and without legal force or effect.

8.2 During the Optionee's lifetime, the Optionee may, with the consent of the Committee, transfer without consideration all or any portion of this Stock Option to one or more members of his or her Immediate Family, to a trust established for the exclusive benefit of one or more members of his or her Immediate Family, to a partnership in which all the partners are members of his or her Immediate Family, or to a limited liability company in which all the members are members of his or her Immediate Family. For purposes of this Agreement, "Immediate Family" means the Optionee's children, stepchildren, grandchildren, parents, stepparents, grandparents, spouse, siblings (including half-brothers and half-sisters), in-laws, and all such relationships arising because of legal adoption; provided, however, that any such Immediate Family, or any such trust, partnership and limited liability company, shall agree to be and shall be bound by the terms and provisions of this Agreement and the Plan.

9. Entire Agreement; Amendment. This Agreement, together with the Plan contains the entire agreement between the parties hereto with respect to the subject matter contained herein, and supersedes all prior agreements or prior understandings, whether written or oral, between the parties relating to such subject matter. The Committee shall have the right, in its sole discretion, to modify or amend this Agreement from time to time in accordance with and as provided in the Plan. This Agreement may also be modified or amended by a writing signed by both the Company and the Optionee. The Company shall give written notice to the Optionee of any such modification or amendment of this Agreement as soon as practicable after the adoption thereof.

10. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without reference to the principles of conflict of laws thereof.

11. Withholding of Tax. The Company shall have the power and the right to deduct or withhold, or require the Optionee to remit to the Company, an amount sufficient to satisfy any federal, state, local and foreign taxes of any kind (including, but not limited to, the Optionee's FICA and SDI obligations) which the Company, in its sole discretion, deems necessary to be withheld or remitted to comply with the Code and/or any other applicable law, rule or regulation with respect to the Stock Option (or exercise thereof) and, if the Optionee fails to do so, the Company may otherwise refuse to issue or transfer any Option Shares otherwise required to be issued pursuant to this Agreement.

12. No Right to Employment. Any questions as to whether and when there has been a termination of such employment and the cause of such termination shall be determined in the sole discretion of the Company. Nothing in this Agreement shall interfere with or limit in any way the right of the Company, its Subsidiaries or Related Companies or Affiliates to terminate the Optionee's employment or service at any time, for any reason and with or without cause.

13. Notices. Any Exercise Notice or other notice which may be required or permitted

under this Agreement shall be in writing, and shall be delivered in person or via facsimile transmission, overnight courier service or certified mail, return receipt requested, postage prepaid, properly addressed as follows:

13.1 If such notice is to the Company, to the attention of the Secretary of Company or at such other address as the Company, by notice to the Optionee, shall designate in writing from time to time.

13.2 If such notice is to the Optionee, at his or her address as shown on the Company's records, or at such other address as the Optionee, by notice to the Company, shall designate in writing from time to time.

14. Compliance with Laws. The issuance of this Stock Option (and the Option Shares upon exercise of this Stock Option) pursuant to this Agreement shall be subject to, and shall comply with, any applicable requirements of any foreign and U.S. federal and state securities laws, rules and regulations (including, without limitation, the provisions of the Securities Act of 1933, the Securities Exchange Act of 1934 and the respective rules and regulations promulgated thereunder) and any other law or regulation applicable thereto. The Company shall not be obligated to issue this Stock Option or any of the Option Shares pursuant to this Agreement if any such issuance would violate any such requirements.

15. Binding Agreement; Assignment. This Agreement shall inure to the benefit of, be binding upon, and be enforceable by the Company and its successors and assigns. The Optionee shall not assign (except as provided by Section 9 hereof) any part of this Agreement without the prior express written consent of the Company.

16. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same instrument.

17. Further Assurances. Each party hereto shall do and perform (or shall cause to be done and performed) all such further acts and shall execute and deliver all such other agreements, certificates, instruments and documents as either party hereto reasonably may request in order to carry out the intent and accomplish the purposes of this Agreement and the Plan and the consummation of the transactions contemplated thereunder.

18. Headings. The titles and headings of the various sections of this Agreement have been inserted for convenience of reference only and shall not be deemed to be a part of this Agreement.

19. Severability. The invalidity or unenforceability of any provisions of this Agreement in any jurisdiction shall not affect the validity, legality or enforceability of the remainder of this Agreement in such jurisdiction or the validity, legality or enforceability of any provision of this Agreement in any other jurisdiction, it being intended that all rights and obligations of the parties hereunder shall be enforceable to the fullest extent permitted by law.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by its duly authorized officer, and the Optionee has hereunto set his hand, all as of the Grant Date specified above.

VITAMIN SHOPPE, INC.

By:
Name: David M. Kastin
Title: Senior Vice President, General Counsel & Corporate Secretary

Optionee:
Name:

Exhibit 10.08

Time Vesting Restricted Stock Award Number RES _____

RESTRICTED STOCK AWARD AGREEMENT

pursuant to the

VITAMIN SHOPPE 2009 EQUITY INCENTIVE PLAN

Participant: _____

Grant Date: _____

Fair Market Value per Share on the Grant Date: _____

Number of Shares of
Restricted Stock granted: _____

* * * * *

THIS RESTRICTED STOCK AWARD AGREEMENT (this "Agreement"), dated as of the Grant Date specified above, is entered into by and between Vitamin Shoppe, Inc., a company organized in the State of Delaware (the "Company"), and the Participant specified above, pursuant to the Vitamin Shoppe 2009 Equity Incentive Plan, as in effect and as amended from time to time (the "Plan"); and

WHEREAS, it has been determined under the Plan that it would be in the best interests of the Company to grant the shares of Restricted Stock provided herein to the Participant.

NOW, THEREFORE, in consideration of the mutual covenants and promises hereinafter set forth and for other good and valuable consideration, the parties hereto hereby mutually covenant and agree as follows:

1. Incorporation By Reference; Plan Document Receipt. This Agreement is subject in all respects to the terms and provisions of the Plan (including, without limitation, any amendments thereto adopted at any time and from time to time unless such amendments are expressly intended not to apply to the award provided hereunder), all of which terms and provisions are made a part of and incorporated in this Agreement as if they were expressly set forth herein. Any capitalized term not defined in this Agreement shall have the same meaning as is ascribed thereto in the Plan. The Participant hereby acknowledges receipt of a true copy of the Plan and that the Participant has read the Plan carefully and fully understands its content. In the event of a conflict between the terms of this Agreement and the terms of the Plan, the terms of the Plan shall control.

2. Grant of Restricted Stock Award. The Company hereby grants to the Participant, as of the Grant Date specified above, the number of shares of Restricted Stock specified above. Except as otherwise provided by Section 9 of the Plan, the Participant agrees and understands that nothing contained in this Agreement provides, or is intended to provide, the Participant with any protection against potential future dilution of the Participant's stockholder interest in the Company for any reason.

3. Time Vesting. Provided the Participant is then employed by the Company and/or one of its Subsidiaries or Related Companies, the Restricted Stock subject to this grant shall become unrestricted and vested as described below. For purposes of this Agreement, "Employed by, or employed with," means continued service to the Company and/or one of its Subsidiaries or Related Companies, as an Employee, Independent Contractor or Member of the Board.

3.1 The Restricted Stock subject to this grant shall become unrestricted and vested: (i) as to the first 50% of the shares of Restricted Stock, on the second anniversary of the Grant Date specified above; and (ii) as to the second 50% of the shares of Restricted Stock, on the third anniversary of the Grant Date specified above.

3.2 Except as otherwise provided in this Section 3, if the Participant is no longer Employed by the Company and/or its Subsidiaries or Related Companies for any reason prior to the vesting of all or any portion of the Restricted Stock awarded under this

Agreement, such unvested portion of the Restricted Stock shall immediately be cancelled and the Participant (and the Participant's estate, designated beneficiary or other legal representative) shall forfeit any rights or interests in and with respect to any such shares of Restricted Stock. The Committee, in its sole discretion, may determine, prior to or within ninety (90) days after the date of any such termination, that all or a portion of any the Participant's unvested shares of Restricted Stock shall not be so cancelled and forfeited.

3.3 If the Participant is no longer Employed by the Company and/or its Subsidiaries or Related Companies due to the Participant's death or Disability (as defined in Section 3.4 below), the Restricted Stock shall become unrestricted and vested as of the date of any such termination.

3.4 For purposes of this Agreement, "Disability" shall mean the Participant's inability, with reasonable accommodation, to perform effectively the essential functions of the Participant's duties hereunder because of physical or mental disability for a cumulative period of 180 days in any consecutive 210-day period or other long term disability under the terms of the Company's long-term disability plan, as then in effect.

3.5 Notwithstanding any provision contained in this Section 3 to the contrary, in the event of a Change of Control, if (i) the acquirer fails to assume the Restricted Stock held by the Participant or (ii) the acquirer assumes the Restricted Stock held by the Participant but within two years of a Change of Control following the Grant Date, the Participant is terminated by Company for any reason other than for Cause (as defined below) or terminates voluntarily after experiencing an Adverse Change in Status (as defined below), any Restricted Stock then held by the Participant shall become unrestricted and vested upon such termination. For purposes of this Agreement "Adverse Change in Status" shall mean either of the following which occurs without written consent of the Participant and which is not remedied by the Company within thirty (30) days after the Participant gives written notice to the Board, which written notice must be provided within ninety (90) days of being advised of such change: (i) a material adverse change in the Participant's total compensation, function, duties, title or responsibilities from those in effect at the time of the Change of Control; or (ii) if the Participant is required to permanently commute or relocate more than a fifty (50) mile radius from the Company's office location at the time of the Change of Control but only if such new commute increases the Participant's commute prior to the change.

3.6 If the Participant's employer ceases to be an Affiliate or Subsidiary or Related Company of the Company, that event shall be deemed to constitute a termination of employment under Section 3.2 above.

4. Period of Restriction; Delivery of Unrestricted Shares. During the Period of Restriction, the Restricted Stock shall bear a legend as described in Section 6.4.2 of the Plan and the Company shall hold the Restricted Stock as escrow agent as set forth in Section 6.3 of the Plan. When shares of Restricted Stock awarded by this Agreement become vested, the Participant shall be entitled to receive unrestricted Shares and if the Participant's stock certificates contain legends restricting the transfer of such Shares, the Participant shall be entitled to receive new stock certificates free of such legends (except any legends requiring compliance with securities laws). In connection with the delivery of the unrestricted Shares pursuant to this Agreement, the Participant agrees to execute any documents reasonably requested by the Company.

5. Dividends and Other Distributions. Participants holding Restricted Stock shall be entitled to receive all dividends and other distributions paid with respect to such shares, provided that any such dividends or other distributions will be subject to same vesting requirements as the underlying Restricted Stock and shall be paid at the time the Restricted Stock becomes vested pursuant to Section 3. If any dividends or distributions are paid in Shares, the Shares shall be deposited with the Company and shall be subject to the same restrictions on transferability and forfeitability as the Restricted Stock with respect to which they were paid.

6. Special Rules Regarding Restrictive Covenants.

6.1 Company Rights. In the event that the Participant's employment with the Company or one of its Subsidiaries or Related Companies is terminated for "Cause" (as defined below) or if Participant fails to comply with this Section 6, the Company may cancel any outstanding Restricted Stock or recoup funds.

6.1.1 For purposes of this Agreement, "Cause" means any of the following: (i) theft or misappropriation of funds or other property of the Company; (ii) alcoholism or drug abuse, either of which materially impair the ability of the Participant to perform his/her duties and responsibilities hereunder or is injurious to the business of the Company; (iii) the conviction of a felony or pleading guilty or nolo contender to a felony involving moral turpitude; (iv) intentionally causing the Company to violate any local, state or federal law, rule or regulation that harms or may harm the Company in any material respect; (v) gross negligence or willful misconduct in the conduct or management of the Company which materially affects the Company, not remedied within thirty (30) days after receipt of written notice from the Company; (vi) willful refusal to comply with any significant policy, directive or decision of the Chief Executive Officer, any other executive(s) of the Company to whom the Participant reports, or the Board in furtherance of a lawful business purpose or willful refusal to perform the duties reasonably assigned to the Participant by the Chief Executive Officer, any other executive(s) of the Company to whom the Participant reports or the Board consistent with the Participant's functions, duties and responsibilities,

in each case, in any material respect, not remedied within thirty (30) days after receipt of written notice from the Company; (vii) breach (other than by reason of physical or mental illness, injury, or condition) of any other material obligation to the Company that is or could reasonably be expected to result in material harm to the Company not remedied within thirty (30) days after receipt of written notice of such breach from the Company; (viii) violation of the Company's operating and or financial/accounting procedures which results in material loss to the Company, as determined by the Company; or (ix) violation of the Company's confidentiality, non-compete or non-solicit requirements (including those set forth in this Agreement) or Code of Business Conduct.

6.2 Confidentiality. The obligation of confidentiality by the Participant set forth in the Company's agreements(s) with the Participant or policies of the Company binding on or covering the Participant shall remain in effect for perpetuity regardless of any cessation of payment pursuant to this Agreement, such that the Participant shall not disclose confidential information of or pertaining to the Company at any time.

6.3 Non-Competition. During the period of a Participant's employment and for one year thereafter (or two years thereafter, in the event of a termination following a Change of Control), the Participant shall not, without the Company's prior written consent, directly or indirectly, own, manage, operate, join, control or participate in the ownership, management, operation or control of, or be connected as a director, officer, employee, partner, consultant or otherwise with, any profit or non-profit business or organization in the United States that, directly or indirectly, manufactures, markets, distributes or sells (through wholesale, retail or direct marketing channels including, but not limited to, mail order and internet distribution) vitamins, minerals, nutritional supplements, herbal products, sports nutrition products, bodybuilding formulas or homeopathic remedies (the "Competitive Products") if, except with respect to the companies listed below, the sale/distribution of the Competitive Products represent one third (1/3) or more of such business or organization's gross sales in the proceeding twelve (12) months from the Participant's termination of employment date (the "Competitive Business"); provided, however, that the Participant can work for a business or organization (other than the companies listed below) that sells Competitive Products that is less than one third (1/3) of such gross sales only if the Participant is not directly or indirectly involved in that part of the business or organization that deals with, or has knowledge of, the Competitive Products. Notwithstanding, and without limiting, the foregoing, the following companies constitute a Competitive Business: GNC, Rite Aid, Whole Foods, Vitacost, Walgreens, CVS, Nature's Bounty, Bodybuilding.com, Swanson, Sprout's Sunflower Markets and Vitamin Cottage. Notwithstanding the foregoing, the Participant may be a passive owner (which shall not prohibit the exercise of any rights as a shareholder) of not more than 5% of the outstanding stock of any class of any public corporation that engages in a Competitive Business.

6.4 Non-Solicitation. During the period of a Participant's employment and for one year thereafter (or two years thereafter, in the event of a termination following a Change of Control), the Participant shall not directly or indirectly (i) cause any person or entity to, either for the Participant or for any other person, business, partnership, association, firm, company or corporation, hire from the Company or attempt to hire, divert or take away from the Company, any of the officers or employees of the Company who were employed by the Company during the twelve (12) months prior to the termination date of the Participant's employment; or (ii) cause any other person or entity to, either for the Participant or for any other person, business, partnership, association, firm, company or corporation, attempt to divert or take away from the Company or its subsidiaries any of the business or vendors of the Company.

6.5 Remedies. The Participant and the Company acknowledge that the restrictions imposed by this Section 6 are reasonably necessary to protect the legitimate business interests of the Company, and that the Company would not be willing to offer the Restricted Stock pursuant to this Agreement in the absence of such agreement. The Participant agrees that any breach of this 6 by the Participant would cause irreparable damage to the Company and that in the event of such breach the Company shall have, in addition to any and all remedies of law, the right to an injunction, specific performance or other equitable relief to prevent the violation of any obligations hereunder, without the necessity of posting a bond, plus if the Company prevails with respect to any dispute between the Company and the Participant as to the interpretation, terms, validity or enforceability of this Section 6, the recovery of any and all costs and expenses incurred by the Company, including reasonable attorneys' fees in connection with the enforcement of this Section 6. The Participant further acknowledges and agrees that any period of time during which he or she is in violation of the covenants set forth in this Section 6 shall be added to the applicable restricted period. Resort to such equitable relief shall not be construed to be a waiver of any other rights or remedies that the Company may have for damages or otherwise.

6.6 Forfeiture and Repayment. The Participant may be required to repay to the Company the proceeds received in connection with, or return to the Company, the Restricted Stock: (i) if during the course of employment the Participant engages in conduct, or it is discovered that the Participant has engaged in conduct, that is (x) materially adverse to the interest of the Company, which include failures to comply with the Company's written rules or regulations and material violations of any agreement with the Company, (y) fraud, or (z) conduct contributing to any financial restatements or irregularities occurring during or after employment; (ii) if during the course of employment, the Participant competes with, or engages in the solicitation and/or diversion of customers, vendors or employees of, the Company or it is discovered that the executive employee has engaged in such conduct; (iii) if following termination of employment, the Participant violates any post-termination obligations or duties owed to, or any agreement with, the Company, which includes this Agreement, any employment agreement and other agreements restricting post-employment conduct; (iv) if following termination of employment, the Company discovers facts that would have supported a termination for Cause had such facts been known to the Company

before the termination of employment; and (v) if compensation that is promised or paid to the Participant is required to be forfeited and/or repaid to the Company pursuant to applicable regulatory requirements as in effect from time to time and/or such forfeiture or repayment affects amounts or benefits payable under this Agreement.

7. Non-transferability. Restricted Stock, and any rights and interests with respect thereto, issued under this Agreement and the Plan shall not, prior to vesting, be sold, exchanged, transferred, assigned or otherwise disposed of in any way by the Participant (or any beneficiary(ies) of the Participant), other than by testamentary disposition by the Participant or the laws of descent and distribution. Any such Restricted Stock, and any rights and interests with respect thereto, shall not, prior to vesting, be pledged, encumbered or otherwise hypothecated in any way by the Participant (or any beneficiary(ies) of the Participant) and shall not, prior to vesting, be subject to execution, attachment or similar legal process. Any attempt to sell, exchange, transfer, assign, pledge, encumber or otherwise dispose of or hypothecate in any way any of the Restricted Stock, or the levy of any execution, attachment or similar legal process upon the Restricted Stock, contrary to the terms and provisions of this Agreement and/or the Plan shall be null and void and without legal force or effect.

8. Entire Agreement; Amendment. This Agreement, together with the Plan contains the entire agreement between the parties hereto with respect to the subject matter contained herein, and supersedes all prior agreements or prior understandings, whether written or oral, between the parties relating to such subject matter. The Committee shall have the right, in its sole discretion, to modify or amend this Agreement from time to time in accordance with and as provided in the Plan. This Agreement may also be modified or amended by a writing signed by both the Company and the Participant. The Company shall give written notice to the Participant of any such modification or amendment of this Agreement as soon as practicable after the adoption thereof.

9. Acknowledgment of Employee. The award of the Restricted Stock does not entitle Participant to any benefit other than that granted under this Agreement. Any benefits granted under this Agreement are not part of the Participant's ordinary salary, and shall not be considered as part of such salary in the event of severance, redundancy or resignation. Participant understands and accepts that the benefits granted under this Agreement are entirely at the discretion of the Company and that the Company retains the right to amend or terminate this Agreement and the Plan at any time, at its sole discretion and without notice.

10. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware without reference to the principles of conflict of laws thereof.

11. Withholding of Tax. The Company shall have the power and the right to deduct or withhold shares, or require the Participant to remit to the Company, an amount sufficient to satisfy any federal, state, local and foreign taxes of any kind (including, but not limited to, the Participant's FICA and SDI obligations) which the Company, in its sole discretion, deems necessary to be withheld or remitted to comply with the Code and/or any other applicable law, rule or regulation with respect to the Restricted Stock or the vesting of such Restricted Stock.

12. No Right to Employment. Any questions as to whether and when there has been a termination of such employment and the cause of such termination shall be determined in the sole discretion of the Company. Nothing in this Agreement shall interfere with or limit in any way the right of the Company, its Subsidiaries or Related Companies to terminate the Participant's employment or service at any time, for any reason and with or without cause.

13. Notices. Any notice which may be required or permitted under this Agreement shall be in writing and shall be delivered in person, or via facsimile transmission, overnight courier service or certified mail, return receipt requested, postage prepaid, properly addressed as follows:

13.1 If such notice is to the Company, to the attention of the Secretary of Company or at such other address as the Company, by notice to the Participant, shall designate in writing from time to time.

13.2 If such notice is to the Participant, at his or her address as shown on the Company's records, or at such other address as the Participant, by notice to the Company, shall designate in writing from time to time.

14. Compliance with Laws. The issuance of the Restricted Stock or unrestricted Shares pursuant to this Agreement shall be subject to, and shall comply with, any applicable requirements of any federal and state securities laws, rules and regulations (including, without limitation, the provisions of the Securities Act of 1933, the Exchange Act and the respective rules and regulations promulgated thereunder), and any other law or regulation applicable thereto. The Company shall not be obligated to issue any of the Restricted Stock or unrestricted Shares pursuant to this Agreement if such issuance would violate any such requirements.

15. Securities Representations. The Restricted Stock is being issued to the Participant and this Agreement is being made by the Company in reliance upon the following express representations and warranties of the Participant. The Participant acknowledges, represents and warrants that:

15.1 The Participant has been advised that the Participant may be an "affiliate" within the meaning of Rule 144 under the Securities Act of 1933, as amended (the "Act") and in this connection the Company is relying in part on the Participant's representations set forth in this Section.

15.2 If the Participant is deemed an affiliate within the meaning of Rule 144 of the Act, the Shares must be held indefinitely unless an exemption from any applicable resale restrictions is available or the Company files an additional registration statement (or a "re-offer prospectus") with regard to the Shares and the Company is under no obligation to register the Shares (or to file a "re-offer prospectus").

15.3 If the Participant is deemed an affiliate within the meaning of Rule 144 of the Act, the Participant understands that the exemption from registration under Rule 144 will not be available unless (i) a public trading market then exists for the Common Stock of the Company, (ii) adequate information concerning the Company is then available to the public, and (iii) other terms and conditions of Rule 144 or any exemption therefrom are complied with; and that any sale of the Shares may be made only in limited amounts in accordance with such terms and conditions.

16. Binding Agreement; Assignment. This Agreement shall inure to the benefit of, be binding upon, and be enforceable by the Company and its successors and assigns. The Participant shall not assign any part of this Agreement without the prior express written consent of the Company.

17. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same instrument.

18. Headings. The titles and headings of the various sections of this Agreement have been inserted for convenience of reference only and shall not be deemed to be a part of this Agreement.

19. Further Assurances. Each party hereto shall do and perform (or shall cause to be done and performed) all such further acts and shall execute and deliver all such other agreements, certificates, instruments and documents as any other party hereto reasonably may request in order to carry out the intent and accomplish the purposes of this Agreement and the Plan and the consummation of the transactions contemplated thereunder.

20. Waiver of Jury Trial. PARTICIPANT WAIVES ANY RIGHT IT MAY HAVE TO TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED ON, ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY COURSE OF CONDUCT, COURSE OF DEALING, VERBAL OR WRITTEN STATEMENT OR ACTION OF ANY PARTY HERETO.

21. Severability. The invalidity or unenforceability of any provisions of this Agreement in any jurisdiction shall not affect the validity, legality or enforceability of the remainder of this Agreement in such jurisdiction or the validity, legality or enforceability of any provision of this Agreement in any other jurisdiction, it being intended that all rights and obligations of the parties hereunder shall be enforceable to the fullest extent permitted by law.

[Remainder of Page Left Intentionally Blank]

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by its duly authorized officer, and the Participant has hereunto set his hand, all as of the Grant Date specified above.

VITAMIN SHOPPE, INC.

By:
Name: David M. Kastin
Title: Senior Vice President, General Counsel & Corporate Secretary

Participant

1,191.2 6

Exhibit 31.1

CERTIFICATIONS

I, Colin Watts, certify that:

1. I have reviewed this Form 10-Q of Vitamin Shoppe, Inc.;

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 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 we 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 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 function):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 4, 2016

By: /s/ Colin Watts

Colin Watts

Chief Executive Officer

Exhibit 31.2

CERTIFICATIONS

I, Brenda Galgano, certify that:

1. I have reviewed this Form 10-Q of Vitamin Shoppe, Inc.;

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 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 we 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 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 function):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 4, 2016

By: /s/ Brenda Galgano

Brenda Galgano

EVP and Chief 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 this quarterly report on Form 10-Q of Vitamin Shoppe, Inc. (the "Company") for the quarter ended March 26, 2016 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Colin Watts, Chief Executive Officer of the Company, hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

(i) The Report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended; and

(ii) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Vitamin Shoppe, Inc.

Date: May 4, 2016

/s/ Colin Watts

Colin Watts
Chief Executive Officer
(Principal Executive Officer)

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of this Report.

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 this quarterly report on Form 10-Q of Vitamin Shoppe, Inc. (the "Company") for the quarter ended March 26, 2016 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Brenda Galgano, Chief Financial Officer of the Company, hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

(i) The Report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended; and

(ii) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Vitamin Shoppe, Inc.

Date: May 4, 2016

/s/ Brenda Galgano

Brenda Galgano
EVP and Chief Financial Officer
(Principal Financial Officer)

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of this Report.