



## MINIMUM ADVERTISED PRICE POLICY

(Updated May 2017)

Herb Pharm, LLC ("HP") has unilaterally adopted this Minimum Advertised Price Policy (this "Policy") to ensure quality control for the marketing and distribution of HP's products and to promote the quality of HP's brand. This Policy applies to all distributors, dealers, and other resellers of HP products in the United States (collectively, "Resellers"). This Policy works under the following guidelines:

1. The Minimum Advertised Price ("MAP") for all HP products will be no less than twenty percent (20%) off the Manufacturer's Suggested Retail Price ("MSRP") listed in HP's then current price list, except in the case of any special promotion pre-approved in writing by HP. MAP is established by HP and may be adjusted by HP at its sole discretion.
2. This Policy applies to all advertisements of HP products in any and all media, including but not limited to, flyers, posters, coupons, mailers/emails, inserts, newspapers, magazines, catalogs, mail order catalogs, internet or similar electronic media, television, radio, and other public displays. Website features, such as "click for price," automated "bounce-back" pricing e-mails, preformatted e-mail responses, automatic price display, and any other display of pricing or any statement that a price discount is available before an item is placed in the customer's shopping cart, are considered to be communications initiated by the retailer (rather than the customer) and thereby constitute price "advertising" under this Policy. This Policy does not apply to any physical in-store advertising that is not distributed to the customer.
3. HP retains the right to modify MSRP at any time and will notify Resellers of modifications to MSRP. Resellers will have sixty (60) days following modification of MSRP to comply with this Policy with respect to such modified MSRP.
4. "Bundling" or the inclusion in advertising of free or discounted products (whether made by HP or another manufacturer) with a product covered by this Policy would be contrary to this Policy if it has the effect of discounting the advertised price of the covered product below the MAP, as, for example, when the bundle is advertised for less than the MAP price sum total of all bundled products.
5. This Policy applies only to advertised prices and does not apply to the price at which HP products are actually sold or offered for sale to an individual consumer within the Reseller's retail location. "Retail location" is defined as the physical place where end-users can physically buy and take immediate delivery of HP products. The final sales price remains

totally at the Reseller's discretion. It shall not be a violation of this Policy to advertise in general that the reseller has the “lowest prices” or will match or beat its competitors’ prices, or to use similar phrases, so long as the reseller does not advertise below MAP as defined in this Policy and otherwise remains in compliance with this Policy.

6. HP may periodically discontinue products or engage in promotions with respect to certain products. In such event, HP may, in its sole discretion, modify or suspend this Policy with respect to specified HP products.
7. In the event of any violation of this Policy by a Reseller, the Reseller will be allowed forty-eight (48) hours to bring its advertising into compliance with this Policy or HP may cease supplying products to the Reseller. HP is solely responsible for determining whether a violation of this Policy has occurred, as well as determining appropriate sanctions. This Policy also applies to any activity that HP determines, in its sole discretion, is designed or intended to circumvent this Policy.
8. Distributors of HP products will supply a copy of this Policy to each retail Reseller of the distributor and will provide HP with evidence that each such retail Reseller received and has reviewed a copy of this Policy.
9. HP reserves the right and sole discretion at any time to modify, suspend, discontinue or enforce this Policy in whole or in part and to designate promotional periods during which the terms of this Policy change or periods of time during which this Policy will not apply. HP sales personnel or other employees have no authority to modify or grant exceptions to this Policy.