

KLEAN ATHLETE
UNITED STATES MINIMUM ADVERTISED PRICE POLICY
Effective September 17, 2018

HVL LLC dba Douglas Laboratories® (“DL”), purveyor of Klean Athlete®-brand products, has determined that certain advertising practices undermine DL’s trade reputation, brands, and premium image within the target consumer population and discourage DL’s resellers from investing in the Klean Athlete product lines and providing the best possible service and support to consumers. Accordingly, to protect the integrity of the Klean Athlete brand, DL has adopted this unilateral Minimum Advertised Price Policy (the “Policy”), which applies to all authorized resellers of Klean Athlete products in the United States of America.

The MAP will be established solely by Klean Athlete and communicated to Resellers of Klean Athlete products. The MAP for each product is equal to the suggested retail price listed for each product on www.KleanAthlete.com. If Klean Athlete changes the MAP on any Product, it will provide at least 30 days’ notice to Resellers before such change takes effect.

DL is solely responsible for establishing the minimum advertised price (“MAP”) for each Covered Product and communicating the MAP to all resellers. While resellers remain free to advertise and sell all Klean Athlete products at any price they deem appropriate, it is a violation of this Policy for a reseller to advertise any Covered Product at a price lower than the MAP. Such advertisements include, but are not limited to:

- I. Offering coupons, discounts, reseller rebates, or other inducements that, when applied, result in a price lower than the MAP, including through use of a storewide sale, promotional code, or other similar provision that can be applied to Covered Products.
- II. Bundling Covered Products with other products or services (whether made by or provided by DL or another entity) in a manner that implies below-MAP pricing for the bundled Covered Product.
- III. Strikeouts or strikethroughs of pricing information, “see price in cart,” or other statements that suggest that a lower price for a Covered Product may be found at the final online checkout stage.
- IV. Permitting any third-party to alter the advertised price for any Covered Product.

Direct or indirect attempts to circumvent this Policy also violate this Policy; however, it is not a violation to advertise that a customer may “call for price,” “text for price,” or “email for price” as long as no price is listed and no automated call, text message, or “bounce-back” email is used in response. Discounts offered through subscription-based services also are not covered by this Policy.

For purposes of this Policy, the terms “advertise” and “advertisement” include all promotional or pricing information displayed via any type of media, including, but not limited to, newspapers, catalogs, magazines, flyers, brochures, television, radio ads, billboards, signage (except signs displayed within a brick-and-mortar selling location), websites, blogs, social media, affiliate marketing networks/comparison shopping engines, reseller-initiated text messages or emails to customers or prospective customers, mobile/smart phone applications, banner ads, online product ads, paid search ads, pay-per-click ads, display ads, mobile ads, product listing ads, sponsored links, ads in any other media in a digital format that is communicated or conveyed via the Internet, and any other marketing or promotional materials, whether displayed online or through broadcast or other media.

Notwithstanding the foregoing, pricing information displayed at the final online checkout stage of a transaction is not considered “advertising” under this Policy. The “final online checkout stage” is the stage when the Covered Product is put into a shopping cart that contains the customer’s name, shipping address, email address, and payment information. Pricing information in the “shopping cart” or “checkout” stages must be

obscured technically so that it is not retrievable by shopping and pricing engines, and not displayed on search page results within the reseller's own website.

From time to time, DL also may offer bundled product discounts on kleanathlete.com. While such promotional periods are in effect, resellers may advertise the same discount without violating this Policy.

Further, the advertisement of free or reduced-price shipping is not a violation of this Policy as long as such offer applies to all or almost all other products offered by a reseller in the same product category.

This Policy does not constitute an agreement between DL and any other entity. DL neither solicits nor will it accept any assurance of compliance with this Policy from any reseller or other party. Each reseller must independently choose whether to comply with the terms of this Policy. This Policy is not negotiable and will not be altered for any individual reseller. This Policy applies only to advertised prices and does not affect the prices that a reseller may charge for Klean Athlete products.

NON-COMPLIANCE

DL will take the following actions against any reseller that fails to comply with this Policy with respect to the advertisement of any Covered Product:

- I. For a reseller's first violation of the Policy, DL will notify the reseller in writing of such failure and will immediately place the reseller's account on shipping hold for thirty (30) days. DL will revoke its acceptance of any pending orders, cancel any pending shipments to the reseller, and not accept any new orders from reseller during this 30-day period.
- II. For a reseller's second violation of the Policy during a 12-month period following the first violation, DL will notify the reseller in writing of such failure and will immediately place the reseller's account on shipping hold for ninety (90) days. DL will revoke its acceptance of any pending orders, cancel any pending shipments to the reseller, and not accept any new orders from reseller during this 90-day period.
- III. For a reseller's third violation of the Policy during a 12-month period following the first violation, DL will terminate its business relationship with the reseller. DL will revoke its acceptance of any pending orders and cancel any pending shipments to the reseller.

Although DL is not directing any reseller to require that its customers comply with this Policy, a violation of this Policy by any such third party will constitute a violation by the reseller.

The Policy will be enforced by DL in its sole discretion and without notice. Resellers have no right to enforce the Policy.

POLICY ADMINISTRATION

DL may update, revise, suspend, terminate, reinstitute, or modify this Policy at any time in its sole discretion. DL shall make any such modifications available to all authorized resellers. If DL changes the MAP on any Product, it will provide at least 14 days' notice to resellers before such change takes effect.

No DL employee or agent, including a reseller's sales representative, is authorized to modify, interpret, or grant exceptions to this Policy; solicit or obtain the agreement of any person to this Policy; or otherwise discuss any aspect of this Policy with any reseller, including that reseller's or any other reseller's compliance with the terms of the Policy. Any questions about this Policy should be submitted in writing and directed to DL's MAP

Policy Administrator at MAP@douglaslabs.com. DL will accept no other form of communication from resellers regarding the Policy.

This Policy is effective September 17, 2018 and supersedes all prior DL policies and/or representations regarding minimum advertised prices or resale prices for Klean Athlete products applicable to any reseller. To the extent that any provision, term, or agreement governing the relationship between DL and any reseller may be construed in a manner that is inconsistent with the terms of this Policy, the terms of this Policy control.