

# MINIMUM ADVERTISED PRICE POLICY

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Effective February 19, 2021

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 minimum advertised price (“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](http://www.KleanAthlete.com). If Klean Athlete changes the MAP on any Product, it will provide at least thirty (30) days’ notice to Resellers before such change takes effect.

DL is solely responsible for establishing the 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. Except as otherwise provided under this Policy, 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.

## **AUTHORIZED PROMOTIONS**

From time to time, DL may announce MAP holidays or promotions that are applicable to all resellers, during which periods a reseller that advertises a Covered Product in accordance with the terms of the authorized promotion will not be deemed to have violated the Policy. These MAP holidays and/or authorized promotions will be identified on the Authorized Promotions Schedule, which may be reviewed at [<https://www.kleanathlete.com/map-policy>]. Resellers are responsible for reviewing the Authorized Promotions Schedule, and DL recommends resellers do so on at least a quarterly basis.

In addition to the authorized promotions described on the Authorized Promotions Schedule, it is not a violation of this Policy to:

- Advertise “build your own bundle” promotions applicable to Covered Products, provided that (a) the promotion requires that customers include at least two Klean Athlete products (including Covered Products) in the bundle to receive the discount, (b) the value of the discount for the bundle is no more than ten percent (10%) of the sum of the bundled products’ pre-bundling discount advertised prices, and (c) the pre-bundling discount advertised prices for any Covered Products included in the bundle are otherwise in compliance with this Policy.
- Advertise discounts for Covered Products that are part of an ongoing subscription or auto-replenishment program offered by a reseller, provided that (a) the discount applies only to the initial subscription or auto-replenishment order and not recurring orders, (b) the value of the discount is no more than ten percent (10%) of the Covered Product’s MAP, and (c) the non-subscription advertised price is otherwise in compliance with this Policy.
- Offer a coupon or discount code that can be applied to Covered Products in exchange for a customer signing up for a reseller’s newsletter, email list, or similar

communication, provided (a) the offer may only be used one time by a single customer and (b) the value of the coupon or discount is no more than ten percent (10%) off a Covered Product's MAP.

- Advertise free or reduced-price shipping as long as such offer applies to all or almost all other products offered by a reseller in the same product category.

## **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**

**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.

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 thirty (30) 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](mailto:MAP@douglaslabs.com). DL will accept no other form of communication from resellers regarding the Policy.

This Policy is effective February 19, 2021 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.