

DOUGLAS LABORATORIES AUTHORIZED RESELLER POLICY

(Effective June 1, 2018)

This Douglas Laboratories Authorized Reseller Policy (the “Reseller Policy”) is issued by HVL, LLC *dba* Douglas Laboratories (“DL”) and applies to all Authorized Resellers (“Resellers”) of Douglas Laboratories products (the “Products”) in the United States. By purchasing Products from an Authorized DL Distributor for retail sale, you (“Reseller”) agree to adhere to the following terms and conditions.

1. Manner of Sale. Reseller is authorized to offer Products purchased from an Authorized DL Distributor for retail sale in accordance with the terms herein. Sales in violation of these terms are strictly prohibited and may result in DL’s immediate revocation of Reseller’s status as an Authorized Reseller, in addition to other remedies. Products sold to unauthorized persons or through unauthorized channels, including unauthorized Internet sites, shall not be eligible for certain DL promotions, services, and/or benefits, including, unless prohibited by law, coverage under any DL Product guarantees.

1.1 Reseller shall sell Products solely to end users of the Products. Reseller shall not sell to anyone a quantity of the Products greater than that generally purchased by an individual for personal use.

1.2 Reseller shall not sell, ship, invoice, or promote the Products outside the United States without obtaining DL’s prior written consent.

1.3 Reseller shall not sell or transfer any of the Products to any person or entity for re-sale without the prior written consent of DL. This includes sales to B2B accounts, wholesalers, freight forwarders/drop shippers for other resellers, or any other person or entity Reseller knows or has reason to know intends to re-sell the Products.

1.4 Reseller shall not offer Products for sale or fulfill sales of Products through any website without the prior written consent of DL, which is granted solely through execution by DL of the Authorized Online Reseller Agreement. Execution by DL of the Authorized Online Reseller Agreement constitutes the only authorized means of providing consent to sell Products online. No DL employee or agent may authorize online sales through oral statements, other written agreement, or by any other means. Selling on third-party marketplace sites, including eBay, Walmart Marketplace, Sears Marketplace, and Jet, or through drop-ship accounts (e.g. Rakuten, Newegg, Overstock), classified sites (e.g. Craigslist, Facebook Marketplace), or social media is strictly prohibited. DL maintains an agreement with one exclusive Amazon.com retailer. Therefore, the Products may not be advertised or sold on Amazon.com or any of its affiliates by anyone except this retailer. Any Reseller that violates this exclusive agreement is subject to immediate and permanent suspension of purchasing privileges.

2. Product Inspection. Reseller shall inspect Products upon receipt and during storage for damage, defect, evidence of tampering, or other non-conformance. Reseller must also confirm that product seals have not been broken. If any defect is identified, Reseller must not offer the Product for sale and must report the defect to DL at customerservice@douglaslabs.com or 800-245-4440. Furthermore, Reseller shall inspect its inventory regularly for expired or soon-to-be expired Products and shall remove those Products from inventory. Reseller shall not sell expired Products.

3. Product Storage and Handling. Reseller shall store the Products in a cool, dry place, away from direct sunlight, extreme heat, and dampness, and in accordance with any additional storage guidelines specified by DL.

4. Alterations Prohibited. Reseller shall sell Products in their original packaging, with all seals intact. Relabeling, repackaging (including the separation of bundled products or the bundling of products), and other alterations to the Products or their packaging is prohibited. Reseller shall not tamper with, deface, or otherwise alter serial numbers, lot or batch codes, or other identifying information on Products or packaging. Removing, translating, or modifying the contents of any label or literature on or accompanying the Products is also prohibited.

5. Recall and Consumer Safety. To ensure the safety and well-being of the end users of the Products, Reseller shall communicate all safety information to consumers and cooperate with DL with respect to any Product recall.

6. Customer Service. Reseller must be able to accurately describe, demonstrate, and sell each Product kept in inventory and be able to advise patients and/or clients on how to use the Products safely and properly. Reseller must be available to respond to customer questions and concerns both before and after sale of the Products and should endeavor to respond to customer inquiries promptly. Resellers must represent the Products in a professional manner and refrain from any conduct that is or could be detrimental to the reputation of DL.

7. Consumer Confusion. Resellers are prohibited from advertising, marketing, displaying, or demonstrating non-Douglas Laboratories products together with DL Products in a manner that would create the impression that the non-Douglas Laboratories products are made by, endorsed by, or associated with DL.

8. Compliance with Applicable Laws. Resellers shall comply with any and all applicable laws, rules, regulations, and policies related to the advertising, sale, and marketing of the Products. This requirement includes any and all consumer safety- or consumer protection-related laws, including, but not limited to California Proposition 65.

9. Use of Douglas Laboratories Intellectual Property. Reseller is granted a limited, non-exclusive, non-transferable, revocable license to use the following trademarks: DOUGLAS LABORATORIES®, U.S. Reg. No. 5,254,589; DOUGLAS LABORATORIES®, U.S. Reg. No. 4,367,369; DOUGLAS LABORATORIES®, U.S. Reg. No. 3,258,347; DOUGLAS LABORATORIES DL®, U.S. Reg. No. 1,450,313; KLEAN ATHLETE®, U.S. Reg. No. 4,269,826; and KLEAN ATHLETE®, U.S. Reg. No. 4,384,600, and a limited, non-exclusive, non-transferrable revocable sublicense to use the following trademarks: WOBENZYM®, U.S. Reg. No. 1,714,967 and GENESTRA BRANDS®, U.S. Reg. No. 2,420,774 (collectively, all of the trademarks, the “DL Trademarks”) solely for purposes of marketing and selling the Products as set forth herein, and this license and sublicense shall cease immediately upon termination of a Reseller’s status as an Authorized Reseller or in the event of Reseller’s breach of any quality requirements set forth by DL or the DL Trademarks owners. DL may review, approve, and/or reject Reseller’s use of the DL Trademarks at any time. Upon request by DL, Reseller shall be required to submit samples of any manner of its display of the DL Trademarks and samples of the Products. All goodwill arising from Reseller’s use of the DL Trademarks shall inure solely to the benefit of the DL Trademarks owners.

10. Termination. If a Reseller violates any provision of the Reseller Policy, DL reserves the right to terminate Reseller’s status as an Authorized Reseller in addition to all other available remedies. Upon termination of Reseller’s status, Reseller shall immediately cease selling the Products, representing itself as an Authorized Reseller of DL Products, and all use of anything that may give the impression that Reseller is an Authorized Reseller of DL Products or has any affiliation whatsoever with DL.

11. Availability of Injunctive Relief. If there is a breach or threatened breach of paragraphs 1 through 10 of this Reseller Policy, it is agreed and understood that DL shall have no adequate remedy in money or other damages and accordingly shall be entitled to injunctive relief and other equitable remedies; provided, however, no specification in this Reseller Policy of any particular remedy shall be construed as a waiver or prohibition of any other remedies in the event of a breach or threatened breach of this Reseller Policy. No failure, refusal, neglect, delay, waiver, forbearance, or omission by DL to exercise any right(s) herein or to insist upon full compliance by Reseller with Reseller's obligations herein shall constitute a waiver of any provision or otherwise limit DL's right to fully enforce any or all provisions and parts thereof.

12. Modification. DL reserves the right to update, amend, or modify this Reseller Policy at any time.

13. WARRANTY DISCLAIMER. DL DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AND ALL OTHER WARRANTIES ARISING BY OPERATION OF LAW, COURSE OF DEALING, CUSTOM OF TRADE OR OTHERWISE. DL SHALL NOT BE LIABLE TO RESELLER UNDER ANY CIRCUMSTANCES FOR SPECIAL, INDIRECT, INCIDENTAL, PUNITIVE, OR CONSEQUENTIAL DAMAGES, LOSS OF SALES, OR LOSS OF PROFITS.

14. Miscellaneous. This Reseller Policy and any dispute arising under it shall be governed by, construed, and enforced in accordance with the laws of the Commonwealth of Pennsylvania, without regard to its choice of law rules. In the event of a dispute over the terms or performance under the Reseller Policy, Reseller expressly submits to personal jurisdiction and venue in the federal or state courts in Pittsburgh, Pennsylvania. If any provision of the Reseller Policy is held contrary to law, the remaining provisions shall remain valid.

15. DL has a unilateral Minimum Advertised Price Policy ("MAP Policy") that applies to all resellers of DL Products located within the United States. This paragraph is intended to inform you of the MAP Policy. It does not constitute consideration for any agreement between you and DL, and does not separately constitute an agreement between you and DL regarding the prices you will charge your customers for the Products. DL does not seek, nor will it accept, from Reseller any assurance of compliance with the MAP Policy.

HVL, LLV dba Douglas Laboratories
United States Minimum Advertised Price Policy
Effective June 1, 2018

HVL LLC dba Douglas Laboratories (“DL”), purveyor of Douglas Laboratories-, Genestra-, Klean Athlete- and Wobenzym-brand products, has determined that advertising its products at a price below levels that Douglas Laboratories deems sufficient to support a high level of service discourages the commitment and investment of our customers in the brand and undermines Douglas Laboratories’ trade reputation, brand, and image within the target consumer population. To this end, Douglas Laboratories has adopted this unilateral Minimum Advertised Price (“MAP”) Policy (the “Policy”), which applies to all authorized sellers of Douglas Laboratories products in the United States (hereinafter “Resellers”).

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

This Policy does not constitute an agreement between any Reseller or other party and Douglas Laboratories. Each Reseller must independently choose whether to comply with the terms of this Policy. Douglas Laboratories neither solicits nor will it accept any assurance of compliance with this Policy from any Reseller or other party. This Policy is not negotiable and will not be altered for any individual Reseller.

It is a violation of this Policy for a Reseller to advertise any Douglas Laboratories Product(s) at a price lower than the published MAP. Although Douglas Laboratories 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.

This Policy applies to all advertisements of Douglas Laboratories products in any and all media as well as any advertising within brick and mortar and other selling venues. An “advertisement” includes any and all promotional or pricing information displayed via any type of media including, but not limited to, all website pages and banners, social media, emails, blogs, newspapers, catalogs, magazines, flyers, brochures, television, radio ads, billboards, electronic coupons, coupon codes, and any other marketing or promotional materials. Professionals who operate web-stores exclusively for their direct patients may advertise Douglas Laboratories products at below MAP only if the discounted price is not visible to any customer who is not logged in with a password-protected email. Additionally, passwords cannot be made available online, via a broadcast email, or through any other means by which a password is shared beyond the Professional’s direct patients.

Direct or indirect attempts to circumvent this Policy will be considered a violation of this Policy. Such attempts may include, but are not limited to:

- i. Coupons, discounts, rebate offers, or other inducements that advertise a price lower than the MAP;
- ii. The advertising of any volume discount or other promotion that would cause the per unit sales price to be advertised at less than the MAP;
- iii. Bundling Douglas Laboratories products with other products or services when such bundling has the effect of reducing the advertised price of the Douglas Laboratories product below the MAP;
- iv. Statements or other indications on a website or in other promotional materials that indicate or imply that a lower price may be found at the online checkout stage, including but not limited to, “See Price in Cart,” “Add to Cart to See Price” or other similar features; and

- v. Any other Reseller-initiated communication or form of advertisement that has the effect of advertising a price below the MAP, such as a price-off coupon, storewide sale, promotional code or other similar items that can be applied to Douglas Laboratories products or from which Douglas Laboratories products are not excluded. However, price-off coupons or promotional codes that are found on the products or their packaging and accessible only after a product has been purchased are not “advertising” under this Policy, and a Reseller’s use of such promotional methods is not a violation of this Policy.

It is not a violation of this Policy to advertise that a customer may “call for price” or “email for price” or use similar language as long as no price is listed. Use of phrases that advertise “the lowest prices,” “will match or beat competitor’s prices,” or similar phrases also do not violate this Policy so long as the Reseller does not include any advertised price below the MAP.

This Policy does not affect the prices that a Reseller may charge for Douglas Laboratories products. Resellers are free to sell Douglas Laboratories products at any price they choose. This Policy applies only to Resellers’ advertised prices, not selling prices.

Douglas Laboratories reserves the right to impose penalties if Douglas Laboratories, in its sole discretion, believes that:

- i. A Reseller has violated the provisions of this Policy; or
- ii. A Reseller has engaged in any activity that Douglas Laboratories determines, in its sole discretion, is designed or intended to circumvent the intent of this Policy.

Specifically, Douglas Laboratories will take the following actions, which apply to all Resellers, should a Reseller fail to comply with the Policy:

- i. For a Reseller’s first violation of the Policy, Douglas Laboratories will issue a warning notifying the Reseller of the noncompliance.
- ii. For a Reseller’s second violation of the Policy, Douglas Laboratories will place the account on shipping hold for 30 days.
- iii. For a Reseller’s third violation of the Policy, Douglas Laboratories will terminate its business relationship with the Reseller.

No Douglas Laboratories employee or agent is authorized to modify, interpret, or grant exceptions to this Policy with any Reseller. No person has the authorization to modify this Policy or to solicit or obtain agreement of any person to this Policy, and any such modification or agreement is invalid. Any questions about this Policy should be submitted in writing and directed to Douglas Laboratories’ MAP Liaison at MAP@atrium-innovations.com.

The Policy will be enforced by Douglas Laboratories in its sole discretion and without notice. Resellers have no right to enforce the Policy. Violations of this Policy may result in the aforementioned sanctions up to and including termination of our business relationship.

This Policy may be updated, revised, suspended, terminated, reinstated, or modified at any time by Douglas Laboratories in its sole discretion. Douglas Laboratories shall make any such modifications available to all authorized Resellers.