

## Karuna® Corporation Internet Reseller Policies Minimum Advertised Price (MAP) & Suggested Retail Price (SRP)

### General Karuna Policies

Karuna Corporation (hereinafter Karuna) provides its products, professional-strength nutritional therapeutics, exclusively to licensed health care professionals (hereinafter LHCPs) who utilize the products with patients. Karuna products are intended to be selected by and provided to patients by LHCPs, and only LHCPs approved by Karuna have the right to purchase products directly from Karuna.

Karuna expressly reserves certain rights, including but not limited to: a) denying the applications of any LHCPs to purchase products directly from Karuna; b) discontinuing Karuna product sales to any LHCPs; c) instructing authorized Karuna distributors and/or anyone else to discontinue and/or refrain from selling Karuna products to any LHCPs or other persons or entities; and d) amending at any time any of its policies regarding the sale of Karuna products either to LHCPs or to any other person or entities. Amendment or other modification of its policies by Karuna will be communicated to all interested parties by mail and/or email.

In the event Karuna elects to modify, suspend or eliminate the right of any LHCPs or other persons or entities to purchase Karuna products, Karuna will provide notice by phone and email or standard mail, informing the notified party of Karuna's reasons for taking this action. At the same time, Karuna will take all necessary actions to prevent the notified party from purchasing and/or presenting for sale, in any manner, any and all Karuna products. It is and will remain within the sole discretion of Karuna whether the notified party will have the opportunity to regain the right to purchase products from Karuna by remedying the practices or policies to which Karuna objects and which are the grounds for notice and other Karuna actions.

The integrity of the Karuna brand will be protected at all times. This protection covers "Karuna brand" content, all of which is copyrighted and/or trademarked, including but not limited to Karuna website content, product packaging, information/technical sheets, brochures, name(s), logo(s) and all advertising, promotional and marketing materials.

### Internet Reseller Policy: Websites Operated by LHCPs

Only LHCPs approved by Karuna may sell Karuna products through their websites, it being required that the health care professional is available to patients through the website or in some other form of direct contact. Karuna has the right to review such approved websites and, within the sole discretion of Karuna, ask the health care

professional operating the website to make changes deemed necessary by Karuna to uphold and extend the professional relationship, assure the patient adequate levels of interaction and service, and protect the integrity of the Karuna brand, which includes but is not limited to website pricing policies, manner of presentation of Karuna products for sale, and any and all statements or inferences regarding Karuna products.

Websites directly supervised by Karuna-approved LHCPs, through which patients can readily and directly interact with their health care professionals, and for which LHCPs can order directly from Karuna, will have Karuna's respect, support and regular review.

### Internet Reseller Policy: Websites Operated by non-LHCPs

Karuna is aware that online retailers are acquiring Karuna products for sale and offering Karuna products at various prices on their websites. Said online retailers may acquire Karuna products from an authorized Karuna distributor or even from LHCPs approved by Karuna and purchasing from Karuna. Websites not operated by Karuna-approved LHCPs are problematic for Karuna, because these online retailers are diluting and/or eliminating the important relationship between practitioner and patient. Whether or not these online retailers claim to have LHCPs "available for consultation", or whether said retailers "password protect" patient access to purchase of Karuna products, Karuna is aware that the primary objective is selling products rather than promoting the good health and wellness of the patient by providing proper guidance in the use of Karuna products and actively overseeing patient results from said use of Karuna products.

The right to purchase from Karuna will be revoked for any LHCPs discovered to be purchasing products from Karuna that are thereafter being sold on websites operated by non-LHCPs. In addition, Karuna will actively search out and review websites operated by non-LHCPs, it being Karuna's intention to protect its brand and the integrity of the patient-practitioner relationship.

### Minimum Advertised Price (MAP) & Suggested Retail Price (SRP)

Karuna's MAP and SRP policies do not apply to the dispensing of Karuna products by LHCPs to patients, in the offices of LHCPs, for patient use only. In their offices, LHCPs may sell Karuna products directly to patients at the prices chosen by the practitioners.

For any and all Internet sales of Karuna products, Karuna MAP and SRP policies apply without exception, unless an exception is specifically authorized in writing by Karuna. This applies to Internet sales of Karuna products by approved LHCPs purchasing from Karuna and by LHCPs and non-LHCPs not purchasing from Karuna. As stated, Karuna will continually search out and review websites selling Karuna products, determining, in Karuna's sole discretion, whether said websites are violating Karuna's rights, policies and/or interests, and taking appropriate restriction and enforcement actions.

Karuna's MAP and SRP policies are in writing and clear. Karuna will contact any website not in compliance with these policies, providing notification to said website's management and/or ownership of said lack of compliance and demanding immediate MAP/SRP compliance. If Karuna's demand(s) are not met to Karuna's satisfaction, Karuna will take action to eliminate said website's ability to purchase Karuna products.

Briefly stated, Karuna's MAP and SRP policies require that any online purchase of any Karuna product(s) is finalized at a price at or above Karuna's MAP/SRP. Any questions regarding these MAP/SRP policies should be directed to Karuna's Internet Enforcement division by calling 800-826-7225 and asking to speak with a Karuna representative who deals with Internet Enforcement situations/issues.

## Other Internet Restrictions

Karuna realizes that no document of this sort can effectively address all possibilities and eventualities relating to Internet sales of its products. The following specific restrictions are only examples of prohibited activities and violations of Karuna MAP/SRP policies:

- Prohibited are so-called "volume discounts" or other promotional practices that would cause unit pricing of Karuna products to be less than the SRP.
- If a website protects Karuna's interests by requiring "passwords" or "codes" in order to purchase Karuna products, prohibited is the publication of passwords or codes in a manner that corrupts this restricted-purchase-access process.
- Prohibited are any statements that may violate the FDA requirement that Karuna products are "not intended to diagnose, treat, cure, or prevent any disease", or otherwise subject Karuna to regulatory difficulty of any sort.
- Any Internet retailer selling Karuna products is solely responsible for compliance with all applicable laws and regulations and specifically agrees to solely assume all liability and responsibility for the resale of products through the Internet.
- Prohibited is the sale of Karuna products on a "third-party facilitated" website (Amazon.com, eBay, etc.), as well as the sale to or supplying of Karuna products to anyone selling Karuna products on a "third-party facilitated" website.
- Prohibited is the use of the Karuna name, logo, etc. and/or any Karuna product names in any Internet advertising, including but not limited to website, "pop-up" and/or banner advertisements, and sponsored searches (Google AdWords, etc.).
- Prohibited is the presentation on any website page(s), in any manner, of Karuna products without specific written announcement, on said page(s), that Karuna products are intended for professional use, under the guidance and supervision of LHCPs, and Karuna products or product information may not appear on any web page(s), or in any listing(s), that include(s) brands not intended for exclusive dispensing through LHCPs.
- Prohibited is Internet sale of any Karuna product(s) outside the United States

- Prohibited is the Internet display of any Karuna product photos, labels, logos or other information without Karuna’s express written permission.

## Restriction and Enforcement

If Karuna determines that an Internet reseller of Karuna products is in violation of Karuna’s MAP/SRP or other policies and/or rights, the violator will be given written notice, via phone and mail or email, of said violation(s). The violator will have 72 hours during which to correct the violation(s) to Karuna’s satisfaction. If the violator fails to correct the specified violation(s) to Karuna’s satisfaction, Karuna will immediately take action to prevent the violator from purchasing any Karuna products from any source. Thereafter, the violator will not regain the right to purchase Karuna products from any source without Karuna’s specific written permission, and the right to purchase will be subject to all conditions set forth in said specific written permission from Karuna.

Any failure or delay by Karuna in enforcing any provisions of the policies and rights set forth herein, as said provisions may subsequently be supplemented and/or modified, will in no way be deemed a waiver of said provisions or rights and will in no way prevent Karuna from enforcing them at a subsequent time.

## Agreement: Confirmation of Understanding and Acceptance

By signing where indicated below, the recipient of this document acknowledges clear understanding of its provisions, specifically of Karuna’s commitments to: a) protecting its brand, market, business model and legal rights; and b) preserving the integrity of the professional relationship within which Karuna products are provided to patients by a Karuna-authorized LHCP. The recipient of this document, by signing below, affirms understanding and acceptance of all Karuna policies, rights and procedures set forth in this document and reasonably to be inferred from this document, which is, as stated, is not intended to encompass all circumstances and/or possibilities.

Name (please print):

Date:

Website Affiliation(s):

Signature:

Accepted and Agreed To:

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Thomas K. Nash, for Karuna

Date: