

PRISM NUTRACEUTICALS dba MEDIFOOD INTERNET MINIMUM ADVERTISED PRICE POLICY

INTRODUCTION

This Internet Minimum Advertised Price Policy (this “Policy”) is implemented in order for Prism Nutraceuticals dba MediFood (“MediFood,” “we” or “us”) to better compete in the market for nutraceuticals. MediFood has built a strong reputation and following among consumers. In order to retain our image, MediFood has determined that it will not support advertising or promotional materials that may affect our goodwill, or diminish, detract and/or damage the value of our products and standards. In particular, MediFood has determined that adoption of this Policy is a necessary component of our strategy to avoid distribution channel conflicts. This Policy is subject to change at any time by MediFood, in its sole discretion. This Policy replaces and supersedes all prior Internet Minimum Advertised Price Policies and related policies issued by MediFood. No MediFood employee or sales representative has any authority to modify or alter this Policy or to negotiate this Policy or any agreement with respect to any Reseller (as defined below).

The Policy applies to all distributors, dealers, retailers and resellers of MediFood products who are located or sell MediFood products in the United States (each, a “Reseller”).

This Policy is unilateral, non-negotiable and will not be altered for any Reseller. Each Reseller is free to independently decide whether or not to follow this Policy. This Policy governs the minimum advertised price of Covered Products (defined below) and does not apply to the price at which the Covered Products are actually sold. All Resellers of Covered Products remain free to sell the Covered Products at any price they choose in their sole and absolute discretion.

The terms of this Policy are confidential and may not be disclosed by you to any other party.

COVERED PRODUCTS

This Policy applies to all products distributed under the MediFood brand name through any Internet Advertising (such products, the “Covered Products”). As used in this Policy, “Internet Advertising” means displaying a price below the published internet minimum advertised price (“IMAP”) established in this Policy on any internet site, including but not limited to any online or internet ads, campaigns or coupons with respect to the sale of Covered Products as well as sponsored links, websites operated by, affiliated with, and/or linked to the Reseller’s website(s). Additionally, this includes

pricing displayed in internet search engine results, including but not limited to those displayed as a result of your website- or reseller-run stores at online merchants such as Amazon or Ebay. An "Internet Advertisement" is any advertisement constituting Internet Advertising.

POLICY AND VIOLATIONS

The IMAP for the Covered Products shall be 100% of the suggested retail price, as shown on the most current MediFood price sheet/order form.

The most current price sheet/order form is available by contacting MediFood 800-753-4145 or email jennifer@medifood.info.

Each Reseller may not advertise a Covered Product at a price that is lower than its IMAP or advertise a Covered Product in a manner that implies that its price is less than its IMAP. The following are examples of advertising that do not comply with this Policy and, therefore, constitute Policy violations:

- Advertising a Covered Product at a net price that is less than the established IMAP.
- Advertising a single Covered Product that is part of a bundle of products (regardless of whether or not the bundle contains non-Covered Products) and/or advertising a single Covered Product bundled with a free product to net the price down.
- Advertising a Covered Product that uses coupons, rebates (no sales tax events, etc.), or other similar promotional language where the final price of the Covered Product, after deducting the value of the promotion scheme, would be below the IMAP.
- Advertising a Covered Product in which shipping and/or handling is used to evade the applicable IMAP. *Example:* Where IMAP is \$99.99 and an advertisement indicates the price of the product is \$79.00 plus \$20.00 shipping and handling, a Policy violation has occurred.
- Advertising a Covered Product in any other manner that circumvents or is intended to circumvent the intent of this Policy. For example, dealers may not use different product numbers or any other means of identifying Covered Product to circumvent the terms of this Policy.
- Using "hover-over" or other similar techniques that do not require a user to "click" their mouse to see the actual price is a violation of this Policy.

You may not use any MediFood product names, trademarks or copyrights in any search engine registrations or paid search engine result listings or as

part of a URL (Universal Resource Locator), metatags, key words or file names.

If, after making an investigation into any alleged or discovered violation, MediFood determines that a Reseller has engaged in Internet Advertising of any Covered Products at a net resale price less than the respective IMAP, or if it is determined that a Covered Product sold by a Reseller to any other person or entity which engages in Internet Advertising or advertises any Covered Product at a net resale price less than the respective IMAP, MediFood will consider the reseller to be an unauthorized distributor of MediFood products and will:

1. Terminate the Reseller's wholesale account and place the Reseller on the list of MediFood Unauthorized Resellers.
2. Notify all other major distributors of the unauthorized reseller and ask they be placed on the unauthorized reseller list (whereby the distributor will not sell to the reseller).
3. Take action against the reseller as needed to protect the MediFood trademarks and brand from all unauthorized resellers.

Any notices sent pursuant to this Policy may be sent by MediFood by e-mail, in which case such notice will be deemed received on the day in which the e-mail was sent.

Note: This Policy is not intended to restrict MediFood's rights to manage its distribution channels and to make and change its decisions regarding the Resellers and others with whom it will do business. Among other things, depending on the severity of the violation and the response of the Reseller when advised of a violation of this IMAP, MediFood may deem it appropriate to bypass some or all of the steps above, immediately cease doing business with the Reseller, and take any other action it deems appropriate or necessary.

Note: MediFood reserves the right to make changes to this Policy, including its terms, conditions, benefits, and to Covered Products and their pricing in MediFood's sole discretion at any time. The interpretation and enforcement of this Policy is at the sole discretion of MediFood.

PRISM NUTRACEUTICALS dba MEDIFOOD IMAP POLICY ADMINISTRATOR

Questions about this Policy should be directed to:

IMAP Policy Administrator
MediFood
11312 200th Street East

Graham WA 98338
800-753-4145