



# VetriSCIENCE<sup>®</sup>

## Laboratories

### MINIMUM ADVERTISED PRICE POLICY (MAP)

Effective March 1, 2018

The VetriScience Laboratories unit of FoodScience Corporation ("VetriScience") has implemented a Minimum Advertised Pricing (MAP) Policy (the "Policy") effective as of March 1, 2018.

This "Policy" is set out below and is applicable to each VetriScience-authorized veterinary clinic, retailer and reseller selling physically or electronically in either or both of the United States of America and Canada receiving this Policy (individually, a "Reseller") with respect to each of the VetriScience products for which a minimum advertised price ("Minimum Advertised Price" or "MAP" and, referring to either the singular or the plural or both, "MAP(s)") is specified on the price list(s) or product list(s) provided or otherwise made available to such Reseller by VetriScience or otherwise communicated in writing or electronically by VetriScience to such Reseller (individually, a "Covered Product" and collectively, the "Covered Products"):

#### Violations of this Policy

FoodScience Corporation recognizes that pricing is at the sole discretion of the retailer. Although each Reseller remains free to establish its own resale prices, VetriScience, without assuming any liability, will take one or more of the following actions immediately following verification by VetriScience to its satisfaction that such Reseller has violated this Policy by (a) offering (whether through advertising, promotion, proposal, quotation or otherwise and regardless of place or medium used), (b) selling (whether face-to-face, on-premise, online, through a catalog or otherwise) or (c) otherwise providing (except in exchange for bona fide returns) one or more of the Covered Products during the Policy Period at a net adjusted price less than the corresponding MAP(s) established by VetriScience from time to time and communicated to such Reseller:

***For the first violation during the Policy Period:*** If such violation is due to:

(i) ***an offer***, such Reseller will remove or stop or cause to be removed or stopped the offending reference(s), text or conduct after receiving notice thereof from VetriScience (A), in the case of a violation involving the Internet, no later than two (2) business days later, and (B), in all other cases, no later than three (3) business days later or by the conclusion of the time period otherwise specified by VetriScience or (ii) ***a sale or otherwise providing one of the Covered Products***, VetriScience will provide notice of such violation to such Reseller.

***For the second violation during the Policy Period:*** If (i) the offending reference(s), text or conduct that caused the first violation is or are not so removed or stopped (if VetriScience determines that it or they can be) after such Reseller receives notice of such first violation from VetriScience or (ii) such Reseller violates this Policy a second time with the same item(s) of the Covered Products or violates this Policy with any other item(s) of the Covered Products, effective as of the date specified in notice from VetriScience to such Reseller and continuing for the next sixty (60) days, the authorization of such Reseller to purchase each stock-keeping unit ("SKU") of the Covered Products determined by VetriScience to be involved in the second violation will be immediately revoked by VetriScience, so that all pending orders (even if accepted) will be cancelled and no new orders will be accepted from such Reseller for each such SKU.

***For the third violation during the Policy Period:*** If (i) the offending reference(s), text or conduct that caused the second violation is or are not so removed or stopped (if VetriScience determines that it or they can be) after such Reseller receives notice of such second violation from VetriScience (A), in the case of a violation involving the Internet, no later than one (1) business day later, and (B), in all other cases, no later than three (3) business days later or the conclusion of the time period otherwise specified by VetriScience or (ii) such Reseller violates this Policy a third time with the same item(s) of the Covered Products or violates this Policy with any other item(s) of the Covered Products, effective as of the date specified in notice from VetriScience to such Reseller and continuing until VetriScience provides notice to such Reseller otherwise, if ever, the authorization of such Reseller to purchase any or all of the VetriScience products designated by VetriScience will be immediately revoked by VetriScience, so that all pending orders (even if accepted) will be cancelled and no new orders will be accepted from such Reseller for any or all of such products.

Each violation of this Policy is cumulative. The consequences of each subsequent violation take effect regardless whether the

consequences for the prior violation(s) are still running. The same act(s) or failure(s) to act may result in multiple violations. In the case of a Reseller that purchases through one or more distributors, this Policy will be enforced through a Do-Not-Sell List or the equivalent issued to each such distributor.

### Certain Definitions

For purposes of this Policy: (a) the "**Policy Period**" with respect to a Reseller means the time period beginning on the Policy Effective Date and ending on the termination date described in a future written or electronic notice to such Reseller from VetriScience and (b) "**net adjusted price**" means the lower of the price at which a Covered Product is offered by or on behalf of a Reseller to a customer (potential or actual) or that is actually paid to or for the benefit of a Reseller for a Covered Product by such customer after (i) applying all discounts and similar price reductions, (ii) excluding certain taxes and shipment charges and (iii) giving effect to the value of free or reduced-price bundles. Specifically, net adjusted price will be calculated by:

- taking into account all discounts, deductions, rebates and allowances offered, otherwise made available or given to such customer (regardless of source, whether given or taken at the time of sale or otherwise and considered by VetriScience to be part of such offer or sale); except that an offer or sale using or applying a rebate, coupon or the equivalent (as determined by VetriScience) will not be considered part of net adjusted price if such rebate, coupon or the equivalent is provided by VetriScience (A) directly to such customer or (B) to such Reseller for provision to and use by such customer;
- excluding, if to be paid or paid by such customer, all applicable taxes and all shipping, delivery and insurance charges (However, if such Reseller offers to pay or pays any or all of such taxes and such charges that otherwise would be paid by such customer, the amount paid by such Reseller will be considered a discount, except as otherwise provided in this Policy.);
- subtracting, in the case of free goods, services and similar benefits for such customer provided or made available by such Reseller, ninety-five percent (95%) of the fair market value (as determined by VetriScience) of all such goods, services and benefits (regardless of source, whether given or taken at the time of sale or otherwise and considered by VetriScience to be part of such offer or sale); and
- subtracting, in the case of reduced-price goods and services and similar benefits for such customer provided or made available by such Reseller, the difference between: (A) ninety-five percent (95%) of the fair market value (as determined by VetriScience) of all such goods, services and benefits (regardless of source, whether given or taken at the time of sale or otherwise and considered by VetriScience to be part of such offer or sale) and (B) the amount to be paid or actually paid for such goods, services and benefits.

From time to time, VetriScience may communicate to a Reseller in writing or electronically what it considers to be the fair market value for particular goods or services.

### Minimum Advertised Price

VetriScience, at any time, may vary the Minimum Advertised Price for a Covered Product or add to or delete any or all of the Covered Products, which may, among other things, be based on whether such product(s) is or are offered or sold under or subject to one or more select VetriScience program(s) or any other VetriScience policy or in any other situation announced by VetriScience from time to time. VetriScience will endeavor to provide prior notice of each new MAP or such change in the Covered Products, generally not less than five (5) days in advance. While VetriScience will communicate each MAP and such change through the price list(s) or product list(s) provided or made available to each Reseller electronically or otherwise, such Reseller is responsible for making sure that it is aware of the appropriate MAP(s) and the Covered Products in each circumstance.

### Free or Reduced-Price Shipping Not Considered Discount

Notwithstanding anything to the contrary in this Policy, free or reduced-price shipping may be offered or provided by a Reseller without it being considered to be a discount when offered or provided in connection with a purchase that includes at least one of the Covered Products, as long as the value thereof is reasonable (as determined by VetriScience).

### Additional Restrictions

Use by a Reseller (directly or through another party on behalf or for the benefit of such Reseller) of any or all of the following terms, descriptions, conditions or offers (or the substantive equivalent of any or all of them as determined by VetriScience) in connection (directly or indirectly) with the offering or sale of any or all of the Covered Products (or, if so noted below, any or all of VetriScience products, regardless whether it or they is or are one or more of the Covered Products) will be deemed to be a violation of this Policy with the same effect as advertising, promoting, offering, selling or otherwise providing each of the Covered Products in connection with such use at less than its Minimum Advertised Price:

- knowingly or negligently directly or indirectly advertising, promoting or selling any or all items of the Covered Products (or, if so designated by VetriScience, just one or more particular items of the Covered Products) through (a) an online auction site (b) an online marketplace (such as that operated by Amazon or any of its affiliate(s)) or (c) an online site which is not or is

no longer approved by VetriScience (but such Reseller may advertise, offer and sell such products on its own (non-auction) website, as long as such Reseller (i) has not received notice disapproving such site from VetriScience and (ii) otherwise complies with this Policy and each agreement between VetriScience and such Reseller);

- if a price for a Covered Product is shown in Internet advertising or promotion or as part of an Internet sale permitted by this Policy: (a) the price for such product does not appear on the initial webpage depicting or describing such product or (b) such price varies with respect to such product (exclusive of applicable taxes and all shipping, delivery and insurance charges) across any or all of: (i) such initial webpage, (ii) the in-the-cart (or other container) price, (iii) the checkout price and (iv) the substantive equivalent of any or all of them as determined by VetriScience;
- (a) the failure to expressly exclude any and all of the Covered Products (using a disclaimer provided by VetriScience or, if not so provided, a disclaimer acceptable to VetriScience) from an offer or use of a coupon, discount or rebate that applies to all or many of the products offered by such Reseller or in a category of products offered by such Reseller relevant to the Covered Products (such as pet supplements) when such offer or use has or would have the effect of reducing the price of any or all of the Covered Products below the applicable MAP(s) or (b) the use of any statement(s) or material(s) promoting such coupon, discount or rebate that mentions, uses, depicts or otherwise refers to any or all of the Covered Products, except for such disclaimer;
- the promotion or sale to group purchasers, except at price(s) no less than each applicable MAP;
- any form of low-price guarantee;
- advertising or promoting a trade-in offer for any or all VetriScience product(s) or any other product(s) in connection with or applicable to any or all of the Covered Products, regardless whether a specific trade-in price or value is advertised or promoted; and
- except as otherwise directed by this Policy, on any or all proposals, quotations, contracts, invoices and receipts provided to or prepared for the benefit of any or all of such Reseller's potential and actual customers in connection with the offer or sale of any or all of the Covered Products (individually and collectively, "Customer Communications"), the failure of such Reseller to itemize the price charged for each of the products and services shown or referred to on such Customer Communications, regardless whether such Customer Communications contain(s) any reference to any or all of the Covered Products.

### The Exemptions

As long as a Reseller does not otherwise violate this Policy, such Reseller offering or selling to a potential or actual customer one or more of the Covered Products after the Policy Effective Date below its or their respective MRP(s) is exempt from this Policy and will not violate it, if such offering or selling is consistent with an exemption described in this Policy (collectively, the "Exemptions"). The Exemptions are as follows and apply to offering or selling which is part of a potential or actual sale by such Reseller:

- bona fide advertising and promotional materials (including without limitation printed catalogs) that cannot reasonably be modified prior to the Policy Effective Date or the effective date of a change in the MAP(s), the Covered Products or this Policy until such time that it is reasonable to revise such materials (as determined by VetriScience) to be consistent with this Policy;
- each bona fide written contract between such Reseller and a customer that became effective no later than January 1, 2018 (the "Policy Announcement Date") or, in the case of a change in the MAP(s), the Covered Products or this Policy, the day before such change is announced by VetriScience;
- the offer or sale of one or more of the Covered Products based on a bona fide proposal or quotation given prior to (a) the Policy Announcement Date or (b) the effective date of a change in the MAP(s), the Covered Products or this Policy, which makes such proposal, quotation or sale non-compliant with this Policy (as long as, if this Policy was in place at the time such proposal, quotation or sale was given or made, it complied with this Policy); provided that, in either case, (i) such proposal or quotation is effective for no longer than thirty (30) days after the Policy Effective Date or ten (10) days after the effective date of such change and (ii) each of the Covered Products subject to such accepted proposal or quotation will be delivered to such customer no later than thirty (30) days after such acceptance;
- the offer under one or more special programs (if any) designated by VetriScience;
- a discount, credit or rebate associated with the use of a specified credit or debit card that would, after its application result in offer or sale price(s) for any or all of the Covered Products below its or their respective MAP(s), as long as: (a) such discount, credit or rebate may be applied to all or most of the products offered by such Reseller or, in the case of a category-wide sale (such as pet supplements), all or most of the other products in the category and (b) none of the statements or materials promoting such discount, credit or rebate mentions, uses, depicts or otherwise refers to any or all of the Covered Products;
- the accrual of "points" or other things of value ("Loyalty Points") in connection with the purchase of any or all VetriScience products and the application of Loyalty Points, even if such application results in price(s) for any or all of the Covered Products below its or their respective MAP(s), as long as: (a) Loyalty Points may be applied to all or most of the products offered by such Reseller and (b) the Loyalty Points accumulation rate for the purchase of VetriScience products is no more than that for the products from other manufacturers; and (c) none of the statements or materials promoting Loyalty

- Points mentions, uses, depicts or otherwise refers to any or all of the Covered Products; and
- the offer or sale of one or more of the Covered Products to an employee of such Reseller for his or her personal use (and not for resale), provided that such offer is reasonable (as determined by VetriScience).

If such Reseller otherwise violates this Policy or VetriScience determines that such Reseller does not qualify for or abused any or all of the Exemptions, such exemption(s) will be deemed withdrawn by VetriScience retroactive to the Policy Effective Date or such other date specified by VetriScience. Except in extraordinary circumstances, VetriScience will not consider any requests for other exemptions.

#### **Additional Policy Terms and Conditions**

Effective as of the Policy Effective Date, this Policy supersedes and cancels each other policy from VetriScience, if any, regarding minimum advertised prices and resale prices or either thereof, including. For any reason(s) deemed appropriate by VetriScience (including without limitation based the request of a Reseller for VetriScience to consider such things as, but not necessarily restricted to, limited-time promotional offers for an event in which such Reseller is participating or otherwise), but in no case other than as the unilateral decision of VetriScience, this Policy may be modified, extended, waived, suspended, discontinued or rescinded in whole or part by notice from VetriScience at any time (including without limitation during any VetriScience-designated promotional period(s)), with such action(s) effective immediately or as otherwise described by VetriScience. If VetriScience negotiates a price with a customer that is less than the MAP(s) and offers a Reseller the opportunity to fulfill one or more orders at such price, acceptance by such Reseller of such opportunity will not constitute a violation of this Policy.

Regardless whether expressly indicated in this Policy, each notice referred to herein: (a) may, as determined by VetriScience, be given in writing or electronically (including without limitation posting on a website) and (b) will be considered to be received as designated by VetriScience. The Explanation (which also may be referred to as "Frequently Asked Questions," "FAQs" or the equivalent as determined by VetriScience), if any, accompanying or associated with this Policy is intended to help answer questions in connection with it, but is not part of this Policy. In the event of any disagreement over the interpretation or enforcement of this Policy, the view of VetriScience will control.

VetriScience will not discuss any conditions of acceptance related to this Policy. In addition, VetriScience neither solicits, nor will it accept, any assurance of compliance with this Policy. Notwithstanding anything to the contrary which may be expressed or implied in or by one or more agreements between a Reseller and VetriScience or such Reseller and the distributor(s) from which such Reseller obtains any or all of the Covered Products, nothing therein shall constitute an agreement by such Reseller to comply with this Policy, as, among other things, this Policy is not and should not be construed to be one of the VetriScience Policies as such term is or may be used in any or all of such agreements.

#### **Questions, Additional Information or Information Regarding Potential Violations**

All questions or requests for additional information regarding this Policy or information regarding potential violations of this Policy (which must be in writing) are to be addressed to the persons at VetriScience responsible for this Policy (the "Policy Committee"):

Policy Committee  
FoodScience Corporation  
929 Harvest Lane  
Williston VT 05495  
FSCPPolicyComm@FoodScienceCorp.com

Only the Policy Committee or the Policy Committee's designated representative(s) is or are authorized by VetriScience to answer questions regarding this Policy, to comment on this Policy or to accept information regarding potential violations.