



Internet Minimum Advertised Price (IMAP) and Anti-Diversion Policy

The entire Carlson product line will be covered under the Carlson IMAP Policy at no more than a 15% off discount. Resellers not listed on the Authorized Online Reseller page at <https://carlsonlabs.com/authorized-online-resellers> — and who have not previously disclosed their third-party reseller name(s) to Carlson — are prohibited from selling Carlson products on any domestic or foreign third-party website, including, but not limited to, Amazon.com, Walmart.com and eBay.

Introduction

Effective September 1, 2017, Carlson Laboratories, Inc. (“Carlson”) has adopted the following Internet Minimum Advertised Price Policy (“IMAP” or “Policy”) applicable to all Carlson Laboratories, Inc. distributors, dealers and resellers (collectively, the “Resellers”). International accounts must reflect pricing as translated into their local currency.

Carlson has been building a trusted, high-quality brand since 1965. The Policy has been implemented in order for Carlson to protect its image and to better compete in the market for premium vitamin and supplement products. In particular, Carlson has determined that adoption of the Policy is a necessary component of its strategy to avoid distribution channel conflicts and to ensure that the Carlson product line is appropriately promoted and supported in the marketplace. The Policy is intended to help ensure that consumers purchase from Resellers based on loyalty and customer care expectations. If Carlson allows your company to resell its products, you must comply with the requirements and restrictions, as may be amended from time to time, stated in this Policy. This Policy is subject to change at any time by Carlson Laboratories, Inc. in its sole discretion.

Covered Products

This Policy applies to the Carlson® brand name products listed in the Covered Products list. Any adjustments that may be made in the sole discretion of Carlson will be posted 30 days in advance at carlsonlabs.com/imap. In addition, Carlson will take reasonable steps to provide advance notice of adjustments to its online Resellers via email updates. The Policy does not apply to discontinued, close-out, or distressed merchandise, or to special over-stock promotions as announced by Carlson. Carlson may also, from time to time, announce promotional periods during which the Policy will not apply with respect to all or some Covered Products.

Policy

IMAP pricing shall be the discount off the current Carlson MSRP as stated on Exhibit A (currently 15% off MSRP on ALL Carlson SKUs). IMAP pricing for non-USA resellers (Exhibit B) shall be calculated by converting USA MSRP into the local currency per the following formula: Carlson US MSRP x (times) the average annual exchange rate at the time US pricing is adjusted x (times) 1.05 (5% exchange rate buffer). This policy is unilateral, non-negotia-

ble and will not be altered for any Reseller. All Resellers of Covered Products remain free to sell the Covered Products at any price they choose in their sole and absolute discretion. As used in this Policy “Internet Advertising” means advertising or otherwise promoting the Covered Products using the Internet, including using any online or internet ad campaigns with respect to the sale of Covered Products as well as sponsored links, websites operated by, affiliated with, and/or linked to the Internet Reseller’s website(s).

Anti-Diversion

Effective January 1, 2019, Carlson began enforcing anti-diversion requirements as part of this Policy. All Covered Products purchased by distributors, dealers, or resellers in the USA are intended for sale to end consumers in the USA. Authorized international distributors are restricted to the terms of their applicable distribution agreement. Carlson prohibits the diversion of Covered Products to unauthorized foreign markets or other distributors. The diversion of products to foreign markets or to other distributors, dealers or resellers without the prior written consent of Carlson, will result in penalties or termination consistent with the violation penalties described in this Policy.

E-bay & Other Auction Websites:

“Buy It Now” options must be listed at a price equal to the IMAP Policy or greater. For auctions, the reserve and/or opening bids must start at the IMAP Policy price without a “Buy It Now” option. “Best Offer” auctions are not allowed.

No Carlson Laboratories, Inc. employee or sales representative has any authority to modify or alter this Policy or to negotiate this Policy or any agreement with respect to it with any Reseller.

Violations

If, after making an investigation into any alleged or discovered violation Carlson determines to its satisfaction that a Reseller has engaged in Internet Advertising of any Covered Products at a net resale price less than the IMAP price, or if it has determined that Covered Products sold by a Reseller to any other person or entity which engages in Internet Advertising, advertises any Covered Products at a net resale price less than the IMAP price, Carlson may take one or more of the following steps: