

# Pure Encapsulations Corporate Internet Reseller Policy

## I. Introduction and Rationale

The Pure Encapsulations, Inc. (Pure Encapsulations) Internet Reseller Policy governs the internet resale of products from Pure Encapsulations, a healthcare professional nutritional supplement company. This policy is provided to all new and existing healthcare professional (HCP) customers as a privilege and benefit of being a valued customer of Pure Encapsulations. Pure Encapsulations believes the guidance of a qualified and approved health professional is essential in order to maximize the effectiveness of our professional strength supplements; therefore, with few exceptions, only approved licensed healthcare professionals may order directly from Pure Encapsulations. All HCPs must submit their current license, degree or health practitioner certificate for Pure Encapsulations' review prior to being granted approval to establish an account. In addition, Pure Encapsulations chooses to promote its supplements and provide special wholesale pricing only to those healthcare professionals who advertise pricing that Pure Encapsulations deems sufficient to support a high level of service and to encourage the commitment and investment of our customers in the brand. Pure Encapsulations reserves the right to deny any application or revoke purchasing privileges at any time. Decisions regarding this policy are Pure Encapsulations' alone, and this policy can be amended at any time. Such amendments will be communicated via mail and/or email to all involved parties.

### **II. Policies and Restrictions**

**a. Authorized Resellers:** Only authorized healthcare professionals are allowed to sell Pure Encapsulations branded products through their website. An acceptable HCP reseller is someone who maintains and has submitted a current medical license, degree or certificate for Pure Encapsulations' verification and approval. Such approved licensed HCP customers may resell HCP exclusive products through a website where he/she is accessible. Please note a "storefront" on Amazon.com is not considered an HCP website under this policy. Sale of Pure Encapsulations' products on Amazon.com violate agreements with third parties and is strictly prohibited (See II.j. below).

**b.** The HCP Internet Sales Channel: The internet is a means of communication, and opening the Pure Encapsulations brand to internet sales does not change the nature of the sales channel from an HCP channel to a DTC (direct to customer)/ retail channel. The internet virtualizes the traditional pattern of the HCP-patient relationship. HCP customers shall sell products in unit volumes appropriate for individual personal



use only.

**c. Copyright and Trademark:** The philosophy and integrity of the Pure Encapsulations brand must be consistently protected at all times. Content displayed on the Pure Encapsulations website, in brochures, advertisements, product packaging, product information sheets and other marketing materials are copyrighted and trademarked. All content appearing on or associated with all privately labeled product, is copyrighted and trademarked as well.

**d. Brand Representation:** The unauthorized use of copyrights, trademarks, logos, manufacturing images, product images, copy or other Pure Encapsulations information on the internet without expressed consent is prohibited. All photos, images, and product and/or company description content pertaining to or describing Pure Encapsulations must be current and obtained from Pure Encapsulations directly. This information cannot be pulled from the Pure Encapsulations website or other internet sources, unless specifically directed in writing by Pure Encapsulations. This information may be updated and amended at any time. Such amendments will be communicated via mail and/or email to all involved parties.

**e. Internet Landscape:** When listed on a website or online storefront for sale, the Pure Encapsulations name or logo and all associated product information shall be displayed and classified as a "Healthcare Practitioner Brand". Examples of this include but are not limited to displaying the Pure Encapsulations brand on a distinct page of the website entitled, "Healthcare Practitioner Brands", or designating it as such through a symbol or abbreviation when listed in the brand index.

**f. Information Disclosure:** All individuals or companies intending to resell Pure Encapsulations products through the internet agree to disclose all ownership or association of any kind with other affiliated websites of any type. Pure Encapsulations must be notified of any website or online storefront url changes, launches, and/or storefront name changes prior to implementation. Websites where Pure Encapsulations products are sold or advertised must provide access to the current and approved licensed HCP account holder, including his/her complete phone number, email and office address contact information.

**g. International Restrictions:** Products are for distribution in the United States only. Due to international supplement regulations and policies governing such products, and to protect the integrity and rights of our international distributors, products cannot be shipped internationally.

**h. Compliance with Laws:** The HCP customer is solely responsible to comply with all applicable laws and regulations where it advertises or sells Pure Encapsulations products.



**i. Payment and Returns:** Customers are to submit either prepaid check or credit card as method of payment. Account terms are not permitted. Additionally, returns and/or credits will not be granted.

**j. Amazon.com:** Pure Encapsulations maintains an agreement with one exclusive Amazon.com retailer. Therefore, Pure Encapsulations products may not be advertised or sold on Amazon.com and any of its affiliates by anyone except for this retailer. Customers who violate this exclusive agreement are subject to immediate and permanent suspension of purchasing privileges.

**k. Pricing Provisions:** Authorized approved HCPs must abide by the Minimum Advertised Price (MAP) Policy, as outlined in section III of this document when advertising the resale of Pure Encapsulations products.

### III. Minimum Advertised Price (MAP) Policy

**a.** Liability: The Minimum Advertised Price (MAP) Policy applies to all customers including those that own, operate or manage websites, online clinics and pharmacies. The MAP policy applies to all printed and electronic advertisements of Pure Encapsulations products including but not limited to catalogs, brochures, websites, email solicitations, special offers, newsletters and electronic coupons or coupon codes. HCP customers agree to assume all liability and responsibility for the resale of products through the internet.

**b.** Advertising: Through the purchase of Pure Encapsulations products, customers agree not to advertise through any medium of mass communication any product at less than the Suggested Retail Price (SRP) for each respective product as listed on the Pure Encapsulations professional product list in effect at the time of the advertising. This policy prohibits the advertising of any volume discount or other promotion that would cause the per unit sales price to be advertised at less than the SRP. Similarly, any language referring to or speaking of inferred discounts that a customer may receive through a website is prohibited. This does not apply to advertising within a practitioner's office setting. The "practitioner's office setting" is defined as the physical location where patients are medically seen and treated by the licensed HCP approved by Pure Encapsulations.

#### **IV. Failure to Comply**

In order to preserve brand integrity, Pure Encapsulations requires compliance with the terms and conditions outlined in this policy. If a customer fails to comply with the terms of Section II., a. through k., Pure Encapsulations shall notify them via phone, email or standard mail of the violation and immediately place the customer's account on hold until the customer has come into compliance. Failure to comply with the



MAP policy in Section II., k., and Section III., may result in temporary revocation of the customer's wholesale purchasing privileges, suspension of the account or termination of the account. Pure Encapsulations reserves the right to revoke the customer's wholesale price purchasing privileges and/or terminate the account of any customer in violation of any of the terms or conditions outlined in this policy with or without prior notice. Violation of any such terms automatically forfeits the account holder's ability to purchase products in any capacity.