



# A GUIDE TO Understanding Our Resale Policy

TRANSFORMING LIVES, TOGETHER



## WE VALUE OUR HEALTH CARE PROFESSIONAL PARTNERS

This policy helps protect the integrity of your relationship with your patients as well as your partnership with Standard Process. Those relationships are what empower all of us to transform lives. Please make sure you understand our resale policy, as detailed on the back page.

# Q&A

### WHY DO WE SELL THROUGH HEALTH CARE PROFESSIONALS?

Standard Process founder Dr. Royal Lee was an engineer, inventor, and nutritional pioneer who believed the optimal health benefits of his supplements could be more fully realized through guidance from health care professionals.

Standard Process' long history of partnering with health care professionals began shortly after the company's inception in 1929, when its products were made available only through practitioners. That exclusivity remains to this day.

One of the main reasons we don't sell directly to consumers is because we value the professional and personal relationships you have with your patients. We have the utmost confidence that our products are being used in safe and effective ways when recommended by and purchased through a health care professional.

**Together**, we are changing lives every day.

### WHY IS THE RESALE POLICY SO IMPORTANT?

You know the nutritional needs of your patients and understand Standard Process and MediHerb® products, enabling you to provide guidance, recommendations, and support.

We believe it is crucial to keep our supplements in the trusted hands of our health care professional partners, who can ensure their patients receive expert nutritional guidance.

The sale of our supplements through those who aren't health care professionals and through third-party channels like Amazon® and eBay® dilutes our philosophy and jeopardizes your relationships with your patients.

**Per the resale policy, Standard Process does not authorize the sale of our products on sites like Amazon and eBay.**

### WHAT ARE THE IMPORTANT RESALE POLICY TAKEAWAYS?

We need your help in preventing Standard Process supplements from being sold online through third-party sites, which is a direct violation of the resale policy.

We are aware that individuals, and even patients, have approached health care professionals asking to purchase large amounts of our products that are then resold online. If this happens to you, please report the activity to your sales representative or Standard Process customer service representative immediately.

Keep in mind that you are responsible for your account. Please protect it from anyone who may wish to take advantage of you and your account.

### HOW IS THE RESALE POLICY BEING ENFORCED?

We monitor the internet and customer account activity daily and invest in technology and resources to assist us in these efforts. Identifying resale policy violators is challenging, as their identities and websites can be changed quickly. Our legal counsel pursues actions against fraudulent accounts.

### HOW EFFECTIVE HAVE MONITORING EFFORTS BEEN?

Our enforcement of the policy does come at a cost to the company. Since 2007, we have closed more than 350 accounts representing more than \$20 million in sales.



### WHAT OPTIONS CAN I GIVE MY PATIENTS WHEN THEY ASK ABOUT ORDERING ONLINE?

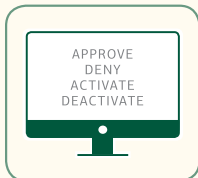
Currently, the only authorized channel for ordering our products online is Patient Direct by Standard Process. Patients should be warned against purchasing our products through unauthorized channels. We cannot guarantee the quality or price of those products.

Patient Direct is a convenient online ordering system that streamlines the process for you and your patients, shipping directly to them from our distribution sites.

For **practitioners**, this system has many benefits:



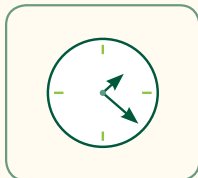
**Simplifies ordering for patients, positively impacting compliance**



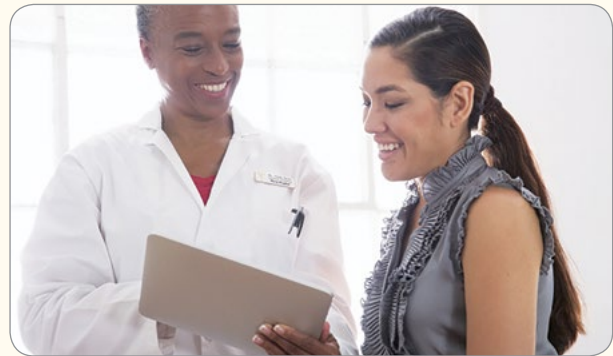
**The ability to manage patient accounts and information**



**Automated sales tax and remunerations reports**



**Frees up your time and clears inventory storage space**



For **patients**, Patient Direct:



**Makes online ordering easy**



**Delivers orders right to each patient's doorstep**



**Helps patients stay on track with your recommendations**

Visit [www.standardprocess.com/patient-direct](http://www.standardprocess.com/patient-direct) or call 800-558-8740 for more information.

**PLEASE NOTE:** Patient Direct may not be available in all areas.

## RESALE POLICY OF STANDARD PROCESS®, STANDARD PROCESS VETERINARY FORMULAS™, AND MEDIHERB® PRODUCTS

Practitioner Resale Policy of Standard Process Inc.®, Standard Process Veterinary Formulas™ and MediHerb® Products

Standard Process Inc. and its subsidiaries and affiliated entities (referred to as "Standard Process", "we" or "us") issues this Resale Policy of Standard Process Inc.®, Standard Process Veterinary Formulas™ and MediHerb® Products (the "Resale Policy"), which applies to all Authorized Practitioner Account Holders of Standard Process Inc.®, Standard Process Veterinary Formulas™ and MediHerb® products ("Products").

Please read this Resale Policy carefully. By purchasing Products from Standard Process or an Authorized Standard Process Distributor, establishing a Standard Process practitioner account, or by clicking to accept or agree to these terms when presented with this option, you ("Authorized Practitioner Account Holder", "you", "your") agree to abide by the terms and conditions herein. Until such status is otherwise revoked by Standard Process, you shall be considered an "Authorized Practitioner Account Holder" hereunder.

Any Authorized Practitioner Account Holder failing to comply with this Resale Policy will face immediate termination of its account, revocation of its Authorized Practitioner Account Holder status, and/or further legal action. Violations of this Resale Policy or other Standard Process policies may be reported to the Standard Process corporate headquarters at 800-848-5061.

This version of the Resale Policy is effective as of September 1, 2017 and supersedes all prior versions.

### 1. Manner of Sale.

(a) **Authorized Customers.** Authorized Practitioner Account Holder shall sell Products solely to end user patients whom they have a valid patient/provider relationship. Authorized Practitioner Account Holder shall evaluate and consider the nutritional needs of each patient when providing Product advice. Authorized Practitioner Account Holder shall sell the Products in unit volumes appropriate for individual use only. Authorized Practitioner Account Holder shall not sell or transfer any of the Products to any person or entity that Authorized Practitioner Account Holder knows or has reason to know intends to re-sell the Products.

(b) **Online Sales.** Authorized Practitioner Account Holder shall not sell, solicit, or accept orders for Products via the internet or any e-commerce format, except through Patient Direct by Standard Process ("Patient Direct") (may not be available in your area). This prohibition includes, without limitation, third-party-facilitated retail or auction websites such as eBay, Amazon.com, NexTag.com, Jet, Rakuten, Sears Marketplace, Price-Grabber.com, Shopzilla.com, Walmart Marketplace, or Best-Price.com.

(c) **Sales Through Patient Direct.** You shall not disclose, advertise, or promote your unique Patient Direct individual health care professional code on websites, through social media, including Facebook, Twitter, etc., or in any manner outside of your direct personal communication with a patient/customer. Furthermore, you shall control the use of the unique individual health care professional code assigned to you upon your registration for an account with Patient Direct. It is Authorized Practitioner Account Holder's responsibility to limit use of this individual code to authorized personnel only, and Authorized Practitioner Account Holder agrees to be held liable for any use of this code by third persons. You agree to promptly inform Standard Process if your code has been compromised.

(d) **Geographic Restrictions.** Authorized Practitioner Account Holder shall not sell, ship, invoice, or promote the Products outside the United States of America, or to anyone Authorized Practitioner Account Holder knows or has reason to know intends to ship the Products outside the United States of America, without the prior written consent of Standard Process.

(e) **Sales in Retail Settings.** Authorized Practitioner Account Holder shall not sell Products in a retail setting direct to the general public in any manner. Sales in licensed pharmacies, health food stores, or other retail establishments are permitted, provided that (i) each customer receives a face-to-face nutritional consultation by an in-house qualified health care professional; and (ii) Products are kept behind the counter and/or in a nonretail designated professional only area.

(f) **Sales Practices.** Authorized Practitioner Account Holder shall conduct its business in a reasonable and ethical manner at all times, whether engaged in the sale of Standard Process Products or other products, and shall not engage in any deceptive, misleading, or unethical practices or advertising at any time, nor make any warranties or representations concerning the Products except as expressed or authorized by Standard Process. Authorized Practitioner Account Holder shall comply with any and all applicable laws, rules, regulations, and policies related to the advertising, sale, and marketing of the Products. Authorized Practitioner Account Holder must represent the Products in a professional manner and refrain from any conduct that is or could be detrimental to the reputation of Standard Process. Authorized Practitioner Account Holder shall be responsible for the actions of its employees, administrators, agents, contractors, or consultants and shall ensure that such personnel comply with the terms herein. Authorized Practitioner Account Holder agrees to cooperate fully with Standard Process in any

investigation or evaluation of such matters.

### 2. Product Quality and Customer Care

(a) **Product Storage and Handling.** Authorized Practitioner Account Holder shall exercise due care in storing and handling the Products and shall store the Products in accordance with any directions on Product labels or other storage guidelines specified by Standard Process from time to time.

(b) **Product Inspection.** Promptly upon receipt of the Products, Authorized Practitioner Account Holder shall inspect the Products for damage, defect, broken seals, evidence of tampering, or other nonconformance (a "Defect"). If any Defect is identified, Authorized Practitioner Account Holder must not offer the Product for sale and must promptly report the Defect to Standard Process at info@standardprocess.com or 800-848-5061. Authorized Practitioner Account Holder shall inspect its inventory regularly for expired or soon-to-be expired Products and shall remove those Products from its inventory. Authorized Practitioner Account Holder shall not sell any Products that are expired.

(c) **Recall and Consumer Safety.** To ensure the safety and well-being of the end users of the Products, Authorized Practitioner Account Holder shall cooperate with Standard Process with respect to any Product recall or other consumer safety information dissemination efforts.

(d) **Product Packaging and Display.** Authorized Practitioner Account Holder shall sell Products in their original packaging. Relabeling, repackaging (including the separation of bundled Products or the bundling of Products), and other alterations to Products or their packaging are not permitted. Tampering with, defacing, or otherwise altering any serial number, UPC code, batch or lot code, or other identifying information on Products or their packaging is prohibited. Authorized Practitioner Account Holder may not remove, translate, or modify the contents of any label or literature on or accompanying the Products. Authorized Practitioner Account Holder shall not advertise, market, display, or demonstrate non-Standard Process products together with the Products in a manner that would create the impression that the non-Standard Process products are made by, endorsed by, or associated with Standard Process.

(e) **Product Knowledge and Customer Consultation.** Authorized Practitioner Account Holder agrees to professionally promote the Products and obtain sufficient knowledge regarding each Product kept in inventory to advise its patients on the selection and safe use of the Products. Authorized Practitioner Account Holder shall evaluate and consider the nutritional needs of each customer when providing such advice. Authorized Practitioner Account Holder must be available to respond to customer questions and concerns both before and after sale of the Products and should endeavor to respond to customer inquiries promptly.

3. **Intellectual Property.** Authorized Practitioner Account Holder is granted a limited, non-exclusive, non-transferable, revocable license to use the Standard Process brands, names, logos, trademarks, service marks, trade dress, copyrights, and other intellectual property associated with the Products (the "Standard Process IP") solely for the purposes of marketing and selling the Products as set forth herein. This license will cease upon termination of Authorized Practitioner Account Holder's status as an Authorized Practitioner Account Holder. Standard Process reserves the right to review and approve, in its sole discretion, Authorized Practitioner Account Holder's use or intended use of the Standard Process IP at any time, without limitation. Authorized Practitioner Account Holder acknowledges that it owns no right, title, or interest in any of the Standard Process IP except as granted herein.

4. **Miscellaneous.** Standard Process reserves the right to audit and/or monitor Authorized Practitioner Account Holder's activities for compliance with this Resale Policy, including, but not limited to, inspection of Authorized Practitioner Account Holder's facilities and records concerning the Products. If Authorized Practitioner Account Holder breaches or threatens to breach any provision of this Resale Policy, it is agreed and understood that Standard Process will have no adequate remedy in money or other damages at law; accordingly, Standard Process shall be entitled to injunctive relief and other equitable remedies, provided, however, no specification in this Resale Policy of any particular remedy shall be construed as a waiver or prohibition of any other remedies in the event of a breach or threatened breach of this Resale Policy. No failure, refusal, neglect, delay, waiver, forbearance, or omission by Standard Process to exercise any right(s) herein or to insist upon full compliance by Authorized Practitioner Account Holder with Authorized Practitioner Account Holder's obligations herein shall constitute a waiver of any provision herein or otherwise limit Standard Process' right to fully enforce any or all provisions and parts thereof. If any provision of the Resale Policy is held contrary to law, the remaining provisions shall remain valid. The Resale Policy and any dispute arising under it shall be governed by, construed, and enforced in accordance with the laws of the State of Wisconsin, without regard to its choice of law rules. In the event of a dispute over the terms of, or performance under, the Resale Policy, Authorized Practitioner Account Holder expressly submits to personal jurisdiction and venue in the federal or state courts located in Milwaukee County, Wisconsin.

