## BIO-LAB, INC. MINIMUM ADVERTISED PRICE POLICY

Effective: February 7, 2022

## **Purpose and Scope**

Bio-Lab, Inc. ("BioLab") has unilaterally adopted this Minimum Advertised Price Policy ("MAP Policy") with respect to each of the BioGuard®, SpaGuard®, Soft Soak® TRIO® or Soft Soak®products designated from time to time by BioLab as covered by this MAP Policy (the "Products"). This MAP Policy has been established in order to protect and strengthen our well-known BioGuard, SpaGuard, Soft Soak TRIO, and Soft Soak brands, to seek to mitigate potential risks related to product safety and quality, and to encourage our dealers to provide services to our customers commensurate with the reputation for quality and goodwill our customers associate with our products.

This MAP Policy applies to all resellers of the Products in Canada, including BioGuard Platinum Dealers and other dealers. As used in this MAP Policy, dealers and other resellers are referred to as "Dealers". This policy is not a contract, nor an offer to form a contract. Instead, this policy describes the terms under which Biolab may, in its sole discretion and within its rights under the law, continue to supply to you our products, allow you to use our valuable intellectual property, including but not limited to BioGuard®, SpaGuard®, Soft Soak® TRIO®, and Soft Soak® well-known trademarks, trade dress, advertising and product images.

This MAP Policy may be amended or altered by BioLab from time to time, in its sole discretion.

This MAP Policy is non-negotiable, and no employee of BioLab is authorized to modify or alter this Policy for any Dealer.

Each Dealer is free to independently decide whether or not to follow this MAP Policy. Each Dealer also remains free to set the prices at which it resells the Products. However, if a Dealer elects not to comply with this MAP Policy, BioLab may, in its sole discretion and without incurring any liability, take the steps referred to below under "BioLab's Rights".

## **Application**

- 1. National minimum advertised prices ("National MAP") and in some regions regional minimum advertised prices ("Regional MAP", and collectively with the National MAP, "MAP") for the Products have been established by BioLab to maintain the quality and brand image of the Products. The MAP may be adjusted by BioLab from time to time in BioLab's sole discretion.
- 2. The Dealer's advertised prices of the Products must not be advertised below the minimum advertised price listed on the MAP.
- 3. Once this MAP Policy has been received by any Dealer, they have thirty (30) days to comply with the MAP Policy.
- 4. For purposes of comparing (a) the MAP and (b) a Dealer's advertised prices for the Products, "price" includes all price promotions or discounts of any sort related to the Product. By way of example, and not limitation, this includes all coupons, rebates, gift cards, discounts to special groups, quantity discounts, subscription discounts, the use of any Products as a premium or as a qualifier for discounts on other or future purchases of Products or other bundling of products. For clarity, Products sold in bundles may not be advertised at a price less than the sum of the MAP of each individual MAP Product included in the bundle. It shall be a violation of this MAP Policy for Products to be sold with non-BioLab products.

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- 5. This MAP Policy applies to all advertisements of Products in any and all media, including, without limitation, Internet or similar electronic media including websites, email, pop-ups, pop-unders, Internet auctions, any other form of Internet sales, newspapers, magazines, catalogs, mail order catalogs, flyers, inserts, mailers, coupons, posters, television, radio and public signage. The listing of the prices listed in the MAP with a strike-out or similar legend, or the listing of a specified price with a statement that the price is a "Minimum Advertised Price," "List Price," or the like, is a violation of this MAP Policy. In addition, any online method which gives a purchaser instant access to a price (i.e. "Click for Price" or instant email verification systems) is also a violation of this MAP Policy.
- 6. Where a Regional MAP has been established to meet local market conditions, the Regional MAP will govern all local advertisements of BioLab Products, but the National MAP shall be applicable to all advertisements that are not regional including, without limitation, Internet or similar electronic media for Internet sales, mail order catalogs, and newspapers, magazines, catalogs, flyers, inserts, mailers, coupons, posters, television, and radio that are not limited to the region.
- 7. Notwithstanding the foregoing, the following activities are not violations of this MAP Policy:
  - (a) The Dealer may offer free shipping and handling.
  - (b) The MAP Policy does not in any way limit the ability of any Dealer to advertise that it has "the lowest prices," or that it "will meet or beat any competitor's price," or that consumers should "call for a price" or the like, so long as the price advertised for the products is not less than MAP.
  - (c) Prices listed on customer invoices, website "shopping cart" displays, or written or electronic correspondence in response to a request for a price quotation for a specified Product, are not subject to this MAP Policy.
  - (d) Nothing in this MAP Policy shall prevent a Dealer from advertising a price in excess of the MAP.

## BioLab's Rights

- 1. BioLab has sole discretion in determining whether this MAP Policy has been violated. BioLab also has sole discretion in enforcing this MAP Policy.
- 2. BioLab's failure to enforce this MAP Policy against a Dealer does not constitute, and should not be construed as, a waiver of this MAP Policy with respect to that Dealer or any other Dealer.
- 3. If BioLab determines that any Product is being advertised by any Dealer in a manner that contravenes this MAP Policy, including, without limitation, advertising any Product below the MAP, BioLab reserves the right to:
  - (a) Give notice to such Dealer requesting that it cease and desist from further activities in violation of this MAP Policy within 48 hours; and
  - (b) Upon a third notice, if the Dealer fails to cure its violations, BioLab may in its sole discretion, and without incurring any liability, take any of the following steps, notification of which will be made promptly to Dealer: (i) disqualify the Dealer or reduce the funds available to any such Dealer that is a BioGuard Platinum Dealer from their participation in BioGuard's Co-Op Advertising Program, (ii) disqualify the Dealer or reduce the funds available to any Dealer from their BioGuard year-end rebate, (iii) cease supplying the Products to the Dealer for a specified

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period of time as determined by BioLab, (iv) immediately cancel all orders from the Dealer, (v) refuse to accept any future order from the Dealer, or (vi) any combination of the foregoing.

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