

STARMARK PET PRODUCTS, INC.
US Minimum Advertised Price and Authorized Distribution Policy
Effective August 1, 2017

Starmark Pet Products, Inc. (“Starmark”) and its retailers and distributors (each a “Reseller”) have made significant investments in the research, design, manufacture, distribution and marketing of unique and innovative specialty pet products. As a result of these ongoing efforts and investments, STARMARK[®]-branded products enjoy a reputation in the market for high quality, safety and effectiveness. To preserve that reputation, Starmark has adopted the following unilateral Minimum Advertised Price and Authorized Distribution Policy (“MAP Policy”) for certain designated STARMARK[®]-branded products (“Covered Products”).

While Resellers remain free to set their own resale prices for Covered Products, all Resellers are required to comply with this MAP Policy. Starmark, in its discretion, may terminate or decline to renew its relationship with any Reseller that intentionally advertises any Covered Product below the designated Minimum Advertised Price (“MAP”) or engages in unauthorized sales or distribution of any Covered Product.

1. Policy and Guidelines. Each Covered Product and its MAP shall be designated on the current Starmark Covered Product MAP Bulletin as issued by Starmark from time to time. The current Covered Product MAP Bulletin may be obtained by contacting a Starmark sales representative. Upon written notice by Starmark, the MAP for one or more Covered Products may be amended from time to time and may be suspended periodically for national, regional and/or seasonal promotions sponsored by Starmark.

This MAP Policy applies to any advertisement of any Covered Product in any and all media, including, without limitation, flyers, posters, coupons, mailers, inserts, newspapers, magazines, catalogs, mail order catalogs, product listings, public signage, and any form of electronic media including websites, forums, email newsletters, email solicitations, television, and radio. Advertisement also includes online “shopping cart” or “shopping bag” prices displayed prior to the customer logging in or providing personal information to initiate a sales transaction.

It is each Reseller’s responsibility to review all advertisements before publication to ensure compliance with this MAP Policy. Any consumer or public advertisement of any Covered Product that results in a net price that is below the MAP for such Covered Product is a violation of this MAP Policy, including advertising two or more Covered Products for sale together at a net price less than the combined MAPs for each Covered Product. Net price is defined as the price less the value of any advertised discounts or instant rebates, including online sitewide and category-wide discount offers, but excluding offers of free shipping.

It is a violation of this Policy for a Reseller to make any statements or other indications on a website in connection with any Covered Product that states or implies that a lower price may be found at the online checkout, including any of or anything similar to the following:

- a. “Click here for lower price”
- b. “Call for lower price” or “Call for price”

- c. “Add to cart for lower price”
 - d. “Check cart for lower price”
 - e. “Email for a better price”
 - f. “Mouse over for price”
 - g. “Log-in for price”
 - h. “See price in cart”
- 2. Exemptions.** This MAP Policy does not apply to the following:
- a. Advertising of Covered Products distributed or displayed prior to July 1, 2017;
 - b. Advertising and promotion of special programs (if any) expressly authorized by Starmark;
 - c. Online sitewide or category-wide discounts for which the Reseller has obtained advance written approval by Starmark with respect to the Covered Products to which such discounts may be applied;
 - d. The offer of one or more Covered Products subject to a discount that is part of an ongoing subscription or auto-replenishment program offered or provided by a Reseller to actual or potential customers, provided that Starmark has expressly approved, in writing, the Covered Products that may be offered and the program discount (if any) that may be advertised;
 - e. Advertising of a discontinued Covered Product;
 - f. Advertising of a Covered Product no more than **[60]** days prior to its “sell by” date;
 - g. Price tags or signs located within a physical retail store and not visible from outside the store;
 - h. The actual price that a Covered Product is sold in a retail location, over the telephone, or in a response to an individual consumer inquiry.
 - i. Advertising of products that are not designated by Starmark as Covered Products.
- 3.** This MAP Policy does not establish maximum advertised prices or require specific prices to be advertised.
- 4.** No Reseller may engage in the sale or distribution of STARMARK[®]-branded products to any other Reseller without prior written authorization by Starmark. It is a violation of this Policy to sell any STARMARK[®]-branded products to any Reseller without such authorization or after notice that Starmark has rescinded a previously granted authorization. Resellers engaging in the sale or distribution of any STARMARK[®]-branded products to other Resellers must provide such Resellers with a copy of this MAP Policy and the current Covered Product MAP Bulletin.
- 5.** Each Reseller is required to disclose to Starmark the names and locations of all e-commerce websites and physical retail locations owned, operated or controlled by that Reseller

and any wholesale customers of the Reseller. A violation of this Policy by one website or store location owned, operated or controlled by a Reseller shall be treated as a violation of the Policy by all other websites and store locations under common ownership, operation or control by that Reseller.

6. Starmark may monitor advertisements and advertised prices of Covered Products, either directly or via the use of third parties. In the event that Starmark determines that a Reseller has violated this Policy, Starmark will take appropriate action to the extent permitted under applicable law, including but not limited to the following:

- a. First Violation:** The Reseller will have two (2) business days from the date of notice by Starmark of a first violation to take corrective action. If the violation is not corrected to Starmark's satisfaction in this period of time, a second violation will be deemed to have occurred.
- b. Second Violation:** The Reseller will have two (2) business days from the date of notice by Starmark of a second violation to take corrective action, during which time Starmark may refuse to accept any purchase orders from the Reseller and rescind any cooperative advertising allowances accrued on the basis of sales made during the calendar year quarter(s) in which the Reseller engaged in noncompliant advertising. If the violation is not corrected to Starmark's satisfaction in this period of time, a third violation will be deemed to have occurred.
- c. Third Violation:** In the event of a third violation Starmark may, without further notice to the Reseller, refuse to accept any future purchase orders from the violating Reseller or otherwise terminate its relationship with the Reseller, and notify Starmark's other Resellers that the noncompliant Reseller is no longer authorized to purchase Covered Products, directly or indirectly, until further notice by Starmark.

7. Subject to existing contractual obligations and applicable law, Starmark reserves the right to choose the Resellers with which it will do business, to discontinue selling Covered Products to any Reseller, and to revoke the right to use Starmark's product photos, data and pricing at any time and for any reason that it determines to be in the best interest of Starmark.

8. Starmark representatives and employees are not authorized to modify or renegotiate any aspect of this MAP Policy, nor are they authorized to seek or accept any assurances of any Reseller's future compliance with the Policy. An approval required by this Policy shall not be effective absent an affirmative written response to a Reseller's written request. All inquiries regarding this MAP Policy and all requests for approval should be directed in writing to:

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