



PRN PHARMACAL BRAND PROTECTION POLICY FOR THE UNITED STATES
Effective Date: January 1, 2022

This PRN Pharmacal Brand Protection Policy for the United States ("Brand Protection Policy") is issued by Pegasus Laboratories, Inc. d/b/a PRN Pharmacal ("PRN") and applies to Authorized Retailers and Authorized Veterinary Practices of prescription and/or non-prescription PRN products ("Product(s)") in the United States of America.¹ By purchasing Products from a PRN Authorized Distributor for use and/or resale, you ("Seller") agree to adhere to the following terms. This Brand Protection Policy supplements any then-current retailer or resale agreement between you and PRN. Until such status is otherwise revoked by PRN, in PRN's sole and absolute discretion, you shall be considered an "Authorized Seller." PRN may review Seller's activities for compliance with this Brand Protection Policy, and Seller agrees to cooperate with any such investigation, including, but not limited to, permitting inspection of Seller's facilities and records related to the sale of the Products.

1. **Authorized Customers.** Seller is authorized to sell Products only to End Users in the United States. An "End User" is any consumer purchaser of the Products who is purchasing the Products for consumption by their pet and who does not intend to resell the Products to any third party. ***Please see below in Section 2 for additional restrictions pertaining to the resale of prescription Products.*** Seller shall not sell or transfer Products to any person or entity Seller knows or has reason to know intends to resell the Products. Seller shall not sell or transfer a quantity of the Products to any individual greater than that typically purchased for personal use for consumption by their pet. Seller shall not sell, ship, or promote the Products outside the United States of America without PRN's prior written consent.

2. **Authorized Sales of Prescription Products.** All sales of prescription Products must be made pursuant to the authorization of an Authorized Veterinary Practice. An "Authorized Veterinary Practice" is an individual or business entity that is a licensed veterinarian or veterinary practice that has veterinarian-client-patient relationships (VCPR) and is dedicated to providing veterinary medical services including, but not limited to, physical examinations, laboratory work and diagnostics (either in-house or via a third party), and medical record keeping. Only the specific prescription Product(s) authorized by an Authorized Veterinary Practice may be sold to the specified End User.

(a) To the extent Seller sells prescription Products and does *not* qualify as an Authorized Veterinary Practice (as defined above), Seller must verify the authorization of the Authorized Veterinary Practice by confirming, at a minimum, (i) the name, address, and contact information of the Authorized Veterinary Practice; (ii) the End User name, address, pet name, prescription Product(s) authorized for the pet; (iii) date of authorization by the Authorized Veterinary Practice; and (iv) number of refills authorized. Seller shall obtain and record the authorization of the Authorized Veterinary Practice via written form (e.g., mail, electronic mail, facsimile), recorded telephone conversation (accessible on a per call basis, matched to the transaction), and/or electronic prescription/health record application. Once the authorization is verified with the Authorized Veterinary Practice, Seller may sell the specific prescription Product(s) to the specified End User. Seller is responsible for ensuring that adequate client and patient records are maintained and retrievable in the case of any health concerns.

3. **No Online Sales.** Seller shall not offer for sale or sell Products on or through any website, online marketplace (including, but not limited to, Amazon, eBay, and Walmart Marketplace), mobile application, or other online forum without the prior written consent of PRN. The terms of this Brand Protection Policy supersede any prior agreement between PRN and Seller regarding the sale of the Products online. Any authorization previously granted to Seller by PRN to sell the Products on or through a website, mobile application, or other online forum is revoked.

¹ This Brand Protection Policy shall apply to all PRN Products. A complete list of PRN Products is available at <https://www.prnpharmacial.com/products/>.

(a) Notwithstanding anything to the contrary in this Brand Protection Policy, to the extent Seller qualifies as an Authorized Veterinary Practice (as defined above), Seller is authorized to utilize a Veterinary Home Delivery Platform in connection with the resale of the Products to End Users. A “Veterinary Home Delivery Platform” is a website, micro-site, or mobile application that (i) is operated by an Authorized Veterinary ePharmacy or Authorized Distributor of PRN Products; (ii) is primarily used to facilitate orders from End Users for Products prescribed by Authorized Veterinary Practices; and (iii) requires the End User to create an account associated with Seller’s business and log in to purchase Products.

4. **Sales Practices.** Seller shall conduct its business in a reasonable and ethical manner at all times and shall not engage in any deceptive, misleading, or unethical practices or advertising at any time. Seller shall not make any warranties or representations concerning the Products except as expressly authorized by PRN. Seller shall comply with all applicable laws, rules, regulations, and policies (a) applicable to Seller’s business and/or (b) related to the marketing and sale of the Products. Seller shall represent the Products in a professional manner and refrain from any conduct that is or could be detrimental to the reputation of PRN or the Products. Seller shall not advertise Products not carried in inventory. Seller shall only purchase Products from PRN’s Authorized Distributors.

5. **Point-of-Sale Data Reports.** Upon PRN’s request, Seller shall provide point-of-sale data reports (“POS Data”) to PRN and/or other designated third-party data management organization. Such POS Data must be sufficiently detailed to permit PRN to determine the monthly sale volumes by item and ship-to location. Other reports may be requested by PRN on an as-needed basis. Nothing in this Section 5 shall be construed to require Seller to disclose identifying information about its End User customers to PRN. Seller is not required to disclose any data that would be prohibited by any applicable law.

6. **Product Care, Customer Service, and Other Quality Controls.** Seller shall comply with the PRN Pharmacal Product Care, Customer Service, and Other Quality Controls, attached as Exhibit A, as PRN may amend from time to time.

7. **Intellectual Property.**

(a) Seller acknowledges and agrees that PRN or its licensors own all proprietary rights in and to the PRN brands, names, logos, trademarks, service marks, trade dress, copyrights, and other intellectual property related to the Products (the “PRN IP”). Seller is granted a limited, non-exclusive, non-transferable, revocable license to use the PRN IP solely for purposes of marketing and selling the Products as set forth herein. This license will cease upon termination of Seller’s status as an Authorized Seller. All goodwill arising from Seller’s use of the PRN IP shall inure solely to the benefit of PRN or its licensors.

(b) Seller’s use of the PRN IP shall be in accordance with any guidelines that may be provided by PRN from time to time, including those available at www.prnpharmaceutical.com/brand-support, and must be commercially reasonable as to the size, placement, and other manners of use. PRN reserves the right to review and approve, in its sole discretion, Seller’s use or intended use of the PRN IP at any time, without limitation. In marketing the Products, Seller shall only use images of Products either supplied by or authorized by PRN and shall ensure that all Product images and descriptions are accurate and up to date.

(c) Seller shall not create, register, or use any domain name, social media screenname, or mobile application name that contains any PRN product name or any trademark owned by or licensed to PRN, nor a misspelling or confusingly similar variation of any PRN product name or any trademark owned by or licensed to PRN.

8. **Termination.** PRN reserves the right to terminate Seller’s status as an Authorized Seller with written or electronic notice. Upon termination of a Seller’s status as an Authorized Seller, Seller shall immediately cease (i) selling the Products; (ii) acting in any manner that may reasonably give the impression that Seller is an Authorized Seller of PRN Products or has any affiliation whatsoever with PRN; and (iii) using all PRN IP.

9. **Modification.** PRN reserves the right to update, amend, or modify this Brand Protection Policy at any time. Unless otherwise provided, such amendments will take effect immediately, and Seller's continued use, advertising, offering for sale, or sale of the Products, use of the PRN IP, or use of any other information or materials provided by PRN to Seller will be deemed Seller's acceptance of the amendments.

10. **Confidentiality.** This Brand Protection Policy, and its attachments, constitute confidential, proprietary information of PRN and shall not be used for any purpose other than the authorized advertising and sale of the Products nor disclosed to any third party without the prior written consent of PRN.

EXHIBIT A**PRN PHARMACAL
PRODUCT CARE, CUSTOMER SERVICE, AND OTHER QUALITY CONTROLS**

1. Comply with all instructions provided by PRN regarding the storage, handling, shipping, disposal, or other aspect of the Products, including instructions provided on Product labels and as set forth in PRN's Safety Data Sheets for the Products, as may be revised by PRN from time to time.
2. Manage Product inventory on a "first-in, first-out" (FIFO) basis, with older inventory being sold before newer inventory of the same Product.
3. Store Products in properly labeled containers, tightly closed, and in a cool, dry, and well-ventilated place where the Products and the Products' packaging are not susceptible to excessive heat, open flames, other sources of ignition, or freezing. Additionally, Products shall be stored away from direct sunlight and in a low humidity environment where the Products and Products' packaging are not susceptible to mold, mildew, or other physical damage. Products must be handled in accordance with good industrial hygiene and safety practices.
4. 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 without PRN's separate written consent.
5. Do not remove, translate, or modify the contents of any label or literature on or accompanying the Products.
6. Do not tamper with, deface, or otherwise alter any serial number, batch or lot code, or other identifying information on Products or their packaging.
7. Do not dilute Products.
8. Do not resell any Product that has been returned opened or repackaged.
9. Promptly upon receipt of the Products, inspect the Products and their packaging for damage, defect, broken seals, spoilage (as applicable), evidence of tampering, or other nonconformance (a "Defect"). If any Defect is identified, do not offer the Product for sale and promptly contact PRN at customerservice@prnpharmacal.com.
10. Be familiar with the shelf life and/or expiration date for all Products. Inspect inventory regularly for Products past their shelf life and expired or soon-to-be expired Products and remove those Products from inventory. Do not sell any Products that are expired or within thirty (30) days of expiration without PRN's permission, and contact PRN with any questions. Destroy or dispose of any such Products in accordance with instructions provided by PRN.
11. Be familiar with the ingredients and intended use of all Products marketed for sale and obtain sufficient Product knowledge to advise customers on the selection and safe and proper use of the Products, as well as any applicable guarantee or return policy. Be available to respond to customer questions and concerns both before and after sale of the Products and endeavor to respond to customer inquiries promptly.
12. Cooperate with PRN with respect to any Product tracking systems that may be implemented from time to time.
13. Cooperate with PRN with respect to any Product recall or other Product safety dissemination efforts.

14. Report to PRN any customer complaint or adverse claim regarding the Products' quality of which you become aware and assist PRN in investigating any such complaints or adverse claims.
15. Cooperate with PRN in the investigation and resolution of any quality or customer service issues related to the sale of the Products, including disclosing information regarding Product sources, shipment, and handling.